



# Risk benefits Presentation

13 September

2023

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## AGENDA

- What are risk benefits
- What are your risk benefits
- Annually revised risk benefits
- What are your options
- Things to consider
- The process and deadlines



## Feedback on sessions

We are testing to see if feedback from these sessions will provide useful information to help us to provide a better service to members.

To show how easy the feedback process is, here is a simple question to enable attendees to see how it will work.



## QUESTION ONE : AGE PROFILE OF ATTENDEES

- Age under 35 :
- Aged 35 – 50 :
- Aged 51 – 59:
- Aged 60 + but not retired :
- Retired and receiving a pension :



## WHAT ARE RISK BENEFITS

- Risk benefits refer to cover for disability and death.
- If you become medically disabled while you are an active member of the Fund, you receive a benefit.
- If you die while you are an active member of the Fund, your beneficiaries received a benefit.
- The premiums for these benefits are deducted from your monthly Fund contributions.



# WHAT ARE YOUR RISK BENEFITS?

View your benefit statement on the member portal to see what your category of cover is:



NATIONAL TERTIARY RETIREMENT FUND

|                          |  |
|--------------------------|--|
| Name:                    | ██████████                                     |
| Institution:             | Durban University of Technology                |
| Employee Number:         | ██████████                                     |
| Policy Reference Number: | ██████████                                     |
| Category                 | <b>Retirement Benefit based on fund credit</b> |
| Risk Benefits Option     | <b>Flexible Risk benefit, 4%</b>               |



# WHAT ARE YOUR RISK BENEFITS?

There are three categories for contributing members:

- Fixed risk benefits
- Flexible risk benefits based on 4% of pensionable salary
- Flexible risk benefits based on 2% of pensionable salary



## QUESTION 2 : DO YOU KNOW WHICH CATEGORY YOU ARE IN?

Fixed risk benefits

4% of salary

2% of salary

Do not know and will need to check :





## FIXED RISK BENEFITS

If your statement indicates that you have a FIXED risk benefit:

- At death, a lump sum payment equal to 3 times your annual pensionable salary, and
- A spouse's pension equal to the greater of 40% of your annual pensionable salary or the pension amount secured by the member's total accumulated funds, or
- If there is no spouse, a children's pension is payable if applicable.
- If you are assessed to be permanently disabled, a pension equal to the lesser 60% of your annual pensionable salary or the **projected** pension amount secured by the member's total accumulated funds **at normal retirement date**.\*
- If you joined the Fund before December 1996, the disability pension is equal to 60% of your annual pensionable salary – not as above.\*

\*If the member share at date of disability secures a higher pension, the higher value will be applicable



# NEW STRUCTURE FOR 2% OF SALARY

If your statement indicates that you have a FLEXIBLE 2% risk benefit, both the death and disability benefits are equal to a multiple of your annual pensionable salary, based on your age, as follows:

| AGE BAND** | 2%<br>CATEGORY |
|------------|----------------|
|            | Multiple       |
| Up to 25   | 8.60           |
| 26 – 35    | 8.45           |
| 36 – 40    | 6.95           |
| 41 – 45    | 6.20           |
| 46 – 50    | 5.20           |
| 51 – 55    | 4.10           |
| 56 – 60    | 2.95           |
| 61 – 65    | 2.10           |



# NEW STRUCTURE FOR 4% OF SALARY

If your statement indicates that you have a FLEXIBLE 4% risk benefit, both the death and disability benefits are equal to a multiple of your annual pensionable salary, based on your age, as follows:

| AGE BAND** | 4% CATEGORY |
|------------|-------------|
|            | Multiple    |
| Up to 25   | 14.80       |
| 26 – 35    | 14.50       |
| 36 – 40    | 11.90       |
| 41 – 45    | 10.35       |
| 46 – 50    | 8.50        |
| 51 – 55    | 6.75        |
| 56 – 60    | 4.95        |
| 61 – 65    | 3.40        |



# Example

## EXAMPLE OF HOW TO CALCULATE A MEMBER'S DEATH OR MEDICAL DISABILITY BENEFITS

### 2% CATEGORY

- Annual Pensionable Salary :R 100 000
  - Age band :41 - 45
- Total Benefit:** R 100 000 x 6.2 = R 620 000 plus the member's total accumulated pension savings in the Fund

### 4% CATEGORY

- Annual Pensionable Salary :R 100 000
  - Age band :51 - 55
- Total Benefit:** R 100 000 x 6.75 = R 675 000 **plus** the member's total accumulated pension savings in the Fund



## WHAT OPTIONS DO YOU HAVE

- If you have FIXED risk benefits, you can choose to move to the FLEXIBLE risk benefit option, but you can't change back again.
- If you have FLEXIBLE risk benefits, you can move UP to 4% or DOWN to 2%.
- If you move UP to 4%, you might be asked to go for a medical assessment.
- If you do not make a change now, you will only be able to do so again next September, or if you experience a life-changing event (e.g. marriage, a new child, etc.)



## QUESTION : YES / NO ANSWERS

1. Can you move from Flexible 2% to a Fixed risk benefit structure?
2. Can you change your risk benefit selection on your birthday?
3. If you increase your cover could there be a medical assessment?



## How much cover do you need?

- Consider what other cover you have personally, or through a policy that your employer provides.
- Consider how many people rely on you financially.
- Consider your age and your health.
- Speak to a Financial Advisor if you are not sure.



## THE PROCESS

- The date for implementing revised benefits is 1 October.
- However, you have until 30 September 2023 to submit your form (premiums are deducted retrospectively).
- You can download the applicable form from <https://ntrf.co.za/ntrf/forms>
- If you do not want to change your cover, you do not need to submit anything.





## QUESTION :

Was this presentation helpful:

- Yes, thank you
- No, it is info I already knew
- No, I am still unclear how this works
- Yes, but I still have questions



# Fund Contact Information

Member Website: [www.ntrf.co.za](http://www.ntrf.co.za)

## OFFICE OF THE PRINCIPAL OFFICER (Management of the Fund)

Contact the Principal Officer for all escalations of queries

| Physical address  | Telephone    | Email  |
|---|--------------|--|
| Building 2<br>Country Club Estate<br>Woodlands Drive Woodmead | 011 258 8825 | <a href="mailto:info@gobenefits.co.za">info@gobenefits.co.za</a> |

## ADMINISTRATOR (Administrative matters)

Contact the Fund Administrator for all investment and claim queries and other admin-related queries

| Physical address  | Telephone    | Email  |
|---|--------------|--|
| Fund Retirement Administrators<br>The Marc 129 Rivonia Rd Sandown Sandton | 0860 000 071 | <a href="mailto:NTRF@momentum.co.za">NTRF@momentum.co.za</a> |



# QUESTIONS

