



Risk benefits Presentation

12 September

2024

Dave Johnson





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



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?

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



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	Retirement Benefit based on fund credit
Risk Benefits Option	Flexible Risk benefit, 4%



QUESTION 1 : DO YOU KNOW WHICH CATEGORY YOU ARE IN?

1. Fixed risk benefits
2. 4% of salary
3. 2% of salary
4. 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 pension amount secured by the member's total accumulated funds.
- If you joined the Fund before December 1996, the disability pension is equal to 60% of your annual pensionable salary – not as above.



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**	CURRENT 2% CATEGORY	NEW 2% CATEGORY
	Multiple	Multiple
Up to 25	8.60	9.30
26 – 35	8.45	9.15
36 – 40	6.95	7.50
41 – 45	6.20	6.70
46 – 50	5.20	5.60
51 – 55	4.10	4.45
56 – 60	2.95	3.20
61 – 65	2.10	2.25



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**	CURRENT 4% CATEGORY	NEW 4% CATEGORY
	Multiple	Multiple
Up to 25	14.80	16.00
26 – 35	14.50	15.65
36 – 40	11.90	12.85
41 – 45	10.35	11.20
46 – 50	8.50	9.20
51 – 55	6.75	7.30
56 – 60	4.95	5.35
61 – 65	3.40	3.65



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 6.7 = R 670 000 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 7.3 = R 730 000 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 : Which is incorrect?

1. You can move from Flexible 2% to a Fixed risk benefit structure.
2. You can change your risk benefit selection on your birthday
3. If you increase your cover there will not be a medical assessment
4. All of the above.



OTHER INFORMATION ON DEATH BENEFITS

- Should a member's pensionable salary, times the multiple of salary set out in the table above, exceed R15 million, then the member will be required to provide evidence of good health to qualify for these benefits
- The Fund's obligation to a member's beneficiaries is limited to the amount paid by the Insurer



OTHER INFORMATION ON DISABILITY BENEFITS

- A waiting period of six (6) months applies before the medical disability benefit in respect of a flexible risk member may become payable.
- In order to be entitled to the medical disability benefit, both a flexible and fixed risk member must be regarded as totally and permanently medically disabled for his or her own or similar occupation.
- In the event that a flexible risk member is entitled to a medical disability benefit, the amount as per the table above is “capped” to a maximum of R12.6 million
- In the event that a member is regarded as medically disabled five (5) years or less before the member’s normal retirement age (whether 60 or 65 years), the medical disability benefit will be reduced by $1/60^{\text{th}}$ per month for each month the member is younger than 60 or 65 years of age as the case may be.



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 2024 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:

1. Yes, thank you
2. No, it is info I already knew
3. No, I am still unclear how this works
4. Yes, but I still have questions



Fund Contact Information

Member Website: 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 Country Club Estate Woodlands Drive Woodmead	011 258 8825	info@gobenefits.co.za

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 The Marc 129 Rivonia Rd Sandown Sandton	0860 000 071	NTRF@momentum.co.za



Visit the Fund
Website TODAY!

QUESTIONS

