

LEGAL PROVIDENT FUND MEMBER NEWSLETTER

EXCITING NEWS

The Fund has updated its booklet and sent it to all participating employers to issue to members.

THE PURPOSE OF THIS NEWSLETTER IS TO:

- 1 Remind you to plan your legacy
- 2 Advise that the amount deducted to meet the operational costs of the Fund has increased and will apply to your April 2020 employer contribution paid
- 3 Encourage you to read the Fund booklet that will be sent out in January 2020

Read this newsletter

Complete your "Dependants
and Nominees" form

Consider drafting a will

Make up your "home file"

If you have not
done so yet,
register on AF Online

**WHAT YOU
NEED TO
DO:**

Click on the icons below to read about each topic.



LEGACY



BENEFICIARIES



WILLS



IMPORTANT
DOCUMENTS



COSTS



QUESTIONS



Legal Provident Fund



PLAN YOUR LEGACY

There's so much truth in the saying, "The only thing that is constant in life is change". We may wish we could see into the future, but we can't. What we can do, is plan today for a better tomorrow. It is never easy to talk about life's unfortunate events, but it is important to plan for events like your death. Death is tragic and impacts a family, both emotionally and financially. The financial plans you make today could help your family when you are no longer with them.

Three simple steps you take now can give you great peace of mind as well as spare your loved ones some distress later:



Complete a "Dependants and Nominees" form.
The form is attached for easy access.



Draw up a will.



Keep your important documents in a safe place at home (your "home file") or in a safe deposit box.



UPDATE YOUR BENEFICIARIES

At the start of each new year, before life gets really busy, it's a good idea to complete your Fund "Dependants and Nominees" form. Most Fund members complete this form when they join the Fund but forget to make changes when there is a change in their family situation.

A better plan is to complete a new form each year AND when there is a change in your family situation. Here are the quick easy steps to follow:

If you have registered
on AF Online
www.afonline.com

1. Complete the form electronically and it will be stored digitally
2. Print a copy for your home file



If you have **not**
registered on AF Online

1. Complete the attached form
2. Scan and mail it to your human resources business partner or personnel officer. Keep the original for your home file

or

make a copy, hand the original to your human resources business partner or personnel officer

Important notes regarding your “Dependants and Nominees” form:

The Trustees are required in terms of the *Pension Funds Act, 1956*, as amended, to consider all dependants and nominated beneficiaries and to apportion the benefits equitably after a thorough investigation has been undertaken. The amount allocated to an identified dependant/s and/or nominated beneficiary/ies is at the discretion of the Trustees and is based on many factors, including but not limited to financial dependency, and takes into consideration the benefit available to be distributed. The Trustees will consider this nomination form but are not legally bound by it. The Trustees are required by law to override your form if in the exercise of their fiduciary duties the money should go to other dependants based on the available facts. This form remains important because:

- 1 If you have no financial dependants, the form then becomes legally binding and the Trustees must follow it
- 2 It can speed up the investigation (and payment of benefits) by providing valuable information to the Trustees.

The Fund benefits do not form part of your estate and therefore cannot be distributed in terms of a will.

To register on AF Online

Registering on AF Online is really easy and you can access so much more than just a “Dependants and Nominees” form.

Take control of your financial future with AF Online

Do you know if you're on track to reach your retirement saving goals? With AF Online, you can access:



Your own real time investment value



Tools to help you plan, track and improve your financial plan for the future

Visit www.alexanderforbes.co.za and select Online Services to register for AF Online.





DRAW UP A LAST WILL AND TESTAMENT

A will is one of the most important documents you can prepare. It details how your assets will be distributed after your death. You should name your executor who will ensure your wishes are carried out, name a legal guardian for any minor children and their property, as well as leave special instructions, for example, for the care of your pets etc.

If you need advice you can contact our individual advice centre for help on 0860 100 444. This advice is provided to you free of charge.



Appointing an executor

An executor is a person you appoint in your will to carry out your wishes and instructions upon your death. The executor will pay debts, expenses, and taxes, finalise your estate accounts and distribute any assets.



Complete a living will

A living will, despite its name, is not at all like your last will and testament discussed above. It is a document that allows you to state your wishes for end-of-life medical care, in case you become unable to communicate those decisions. It has no application after death.

Issues addressed in living wills generally include information such as whether you want to have breathing tubes, feeding tubes, and other life-sustaining medical interventions etc.



Plan final arrangements

Final arrangements can include organ donation, as well as funeral plans, including how they are to be paid and where funeral benefits can be claimed etc.

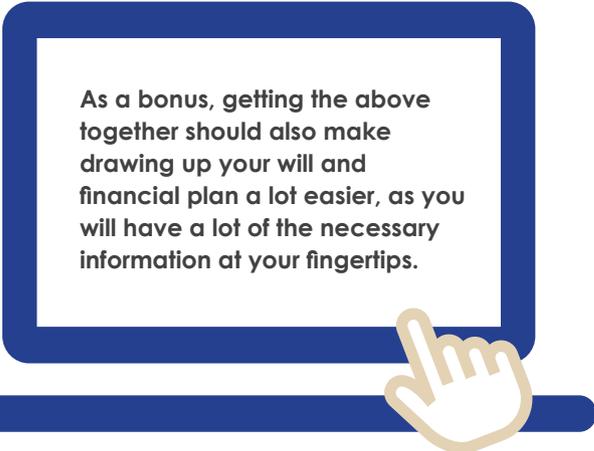
Your will is not the best place to include this information because it is often not read immediately, so a letter to your estate administrator or a trusted loved one is best.



GATHER IMPORTANT DOCUMENTS AND CONTACT INFORMATION TO MAKE UP YOUR HOME FILE



Important documents include property deeds, vehicle titles, official certificates (birth, marriage, etc.), the contact information for your attorney, insurance broker, doctor etc. All of these are things you can gather and put in the same, safe place to make it easier for your loved ones later.



As a bonus, getting the above together should also make drawing up your will and financial plan a lot easier, as you will have a lot of the necessary information at your fingertips.

Once you have gathered all your documents, make copies and store the original and copies in a safe place, such as a fireproof safe in your home or a safe deposit box. Make sure that at least one other person will be able to access these documents after your death.



FUND OPERATIONAL COSTS

What are operating costs?

As a legal entity, the Fund has its own operating expenses and these expenses include:

- 1 Trustee and Principal Officer expenses
- 2 Auditor fees
- 3 Bank charges
- 4 Financial Sector Conduct Authority levies
- 5 Costs to communicate with Fund members and other stakeholders
- 6 Costs to comply with Regulatory requirements (such as reporting to the South African Reserve Bank)
- 7 Fidelity cover insurance



Currently (before payment of your April 2020 contribution) the operating costs deduction is 0.08% of your Fund salary. For example, if you are contributing on a Fund salary of R10 000 each month, the amount of R8 is deducted from your employer contribution received by the Fund.

This deduction has not increased for many years and is unfortunately no longer enough to cover the operating costs budgeted for in the 2020/2021 budget.

From your April 2020 contribution, the operating costs deduction is 0.22% of your Fund salary. If we use the same example, the amount of R22 will be deducted from your employer contribution received by the Fund.

This increase has become necessary as the Fund is required to increase its communication to Fund members and other stakeholders and meet specific Regulatory requirements which have recently been implemented.

The Fund will continue to keep costs as low as reasonably possible without compromising on the quality of its services and compliance.



QUESTIONS, COMMENTS, SUGGESTIONS, COMPLAINTS

The Board of Trustees managing the Fund aim to ensure that you are confident in the Fund and its service providers. The Fund has a formal complaints procedure. If you would like to lodge an official complaint against the Fund, please submit this in writing at the contact details provided.



We encourage you to first resolve any queries and issues with the Fund directly, address your complaint to: zzlegalprovidentfund@aforbes.com

If you are not satisfied with the reply, you can escalate your query to the Principal Officer of the Fund, Ms Jeanine Astrup at: jeanines@cadiant.co.za

If you are not satisfied with the response, you can escalate your complaint to:



Pension Funds Adjudicator	FAIS Ombud
Telephone: 087 942 2700	Telephone: 012 470 9080
Fax: 087 942 2644	Fax: 012 348 3447
Email: enquiries-jhb@pfa.org.za	Email: info@faisombud.co.za