



Viresh Maharaj

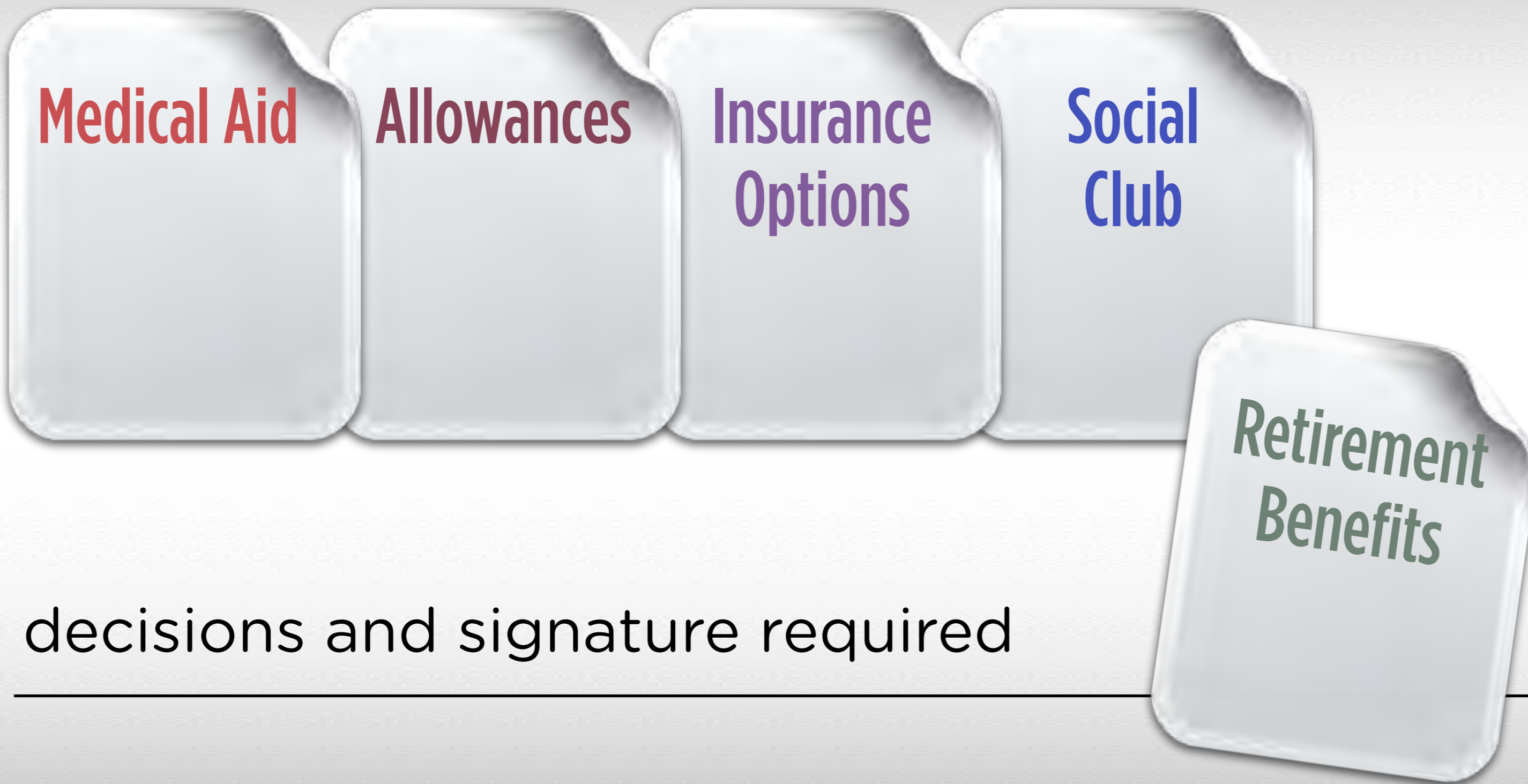
Engaged Employerism



- This is who we are ...
- This is what we do ...
- This is what we expect of you ...
- This is what we have achieved ...
- This is why we think you'll like working here ...

Medical Aid Allowances Insurance Options Social Club Retirement Benefits

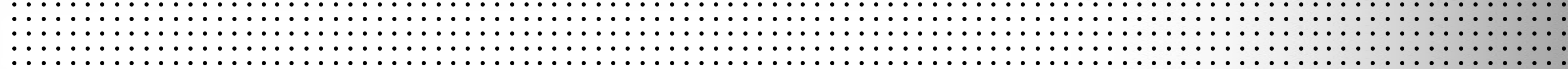
Decisions and signature required



- **46%** indicated that retirement funding was not mentioned at their induction
- **6.5%** were exposed to the importance of preservation
- **72%** do not revisit decisions made at this point
- **49%** first seek advice within 9 years of retirement



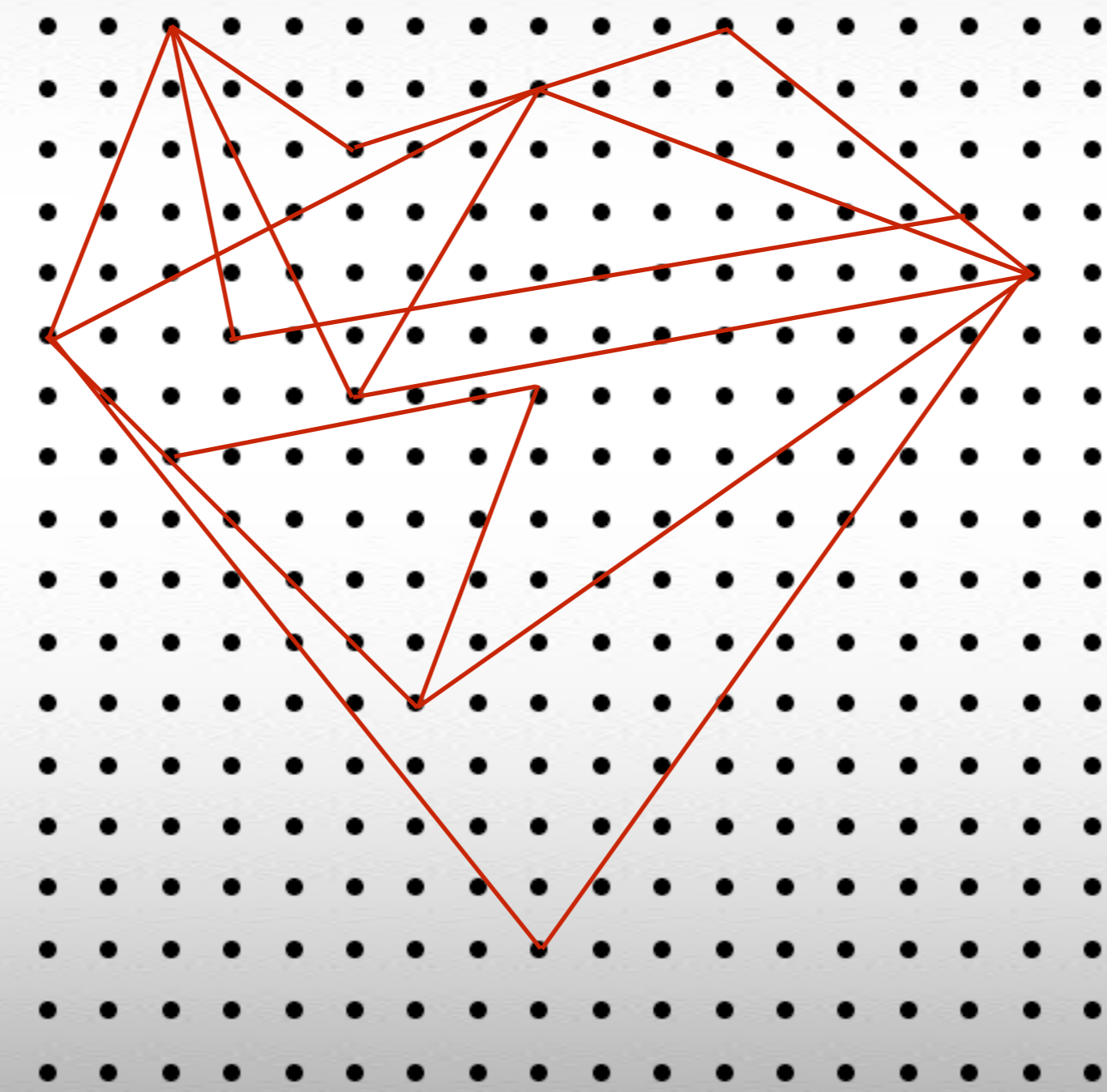
A SYSTEMS VIEW



RETIREMENT

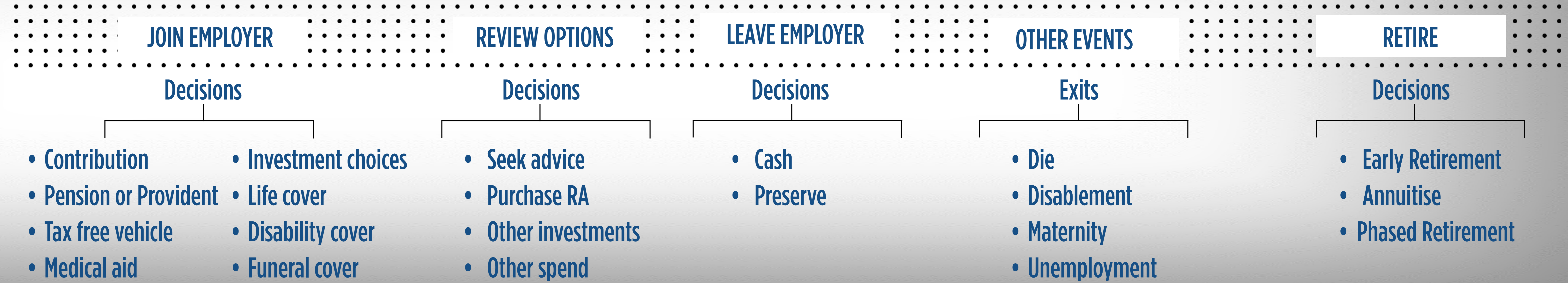
- identify critical interventions
- look for practical measures to 'de-risk' the retirement journey

SYSTEMS THINKING



- viewing 'problems' as parts of an overall system
- systems typically consist of components, linkages, feedback loops and emergent behaviour.
- acknowledge retirement funding system is just one of many systems that an employee belongs to ... social systems, cultural systems, employer systems etc.
- affect each other in dynamic ways that we need to understand and influence

SYSTEMS VIEW of retirement journey



employer in best position to influence outcome



DAY ONE



RETIREMENT

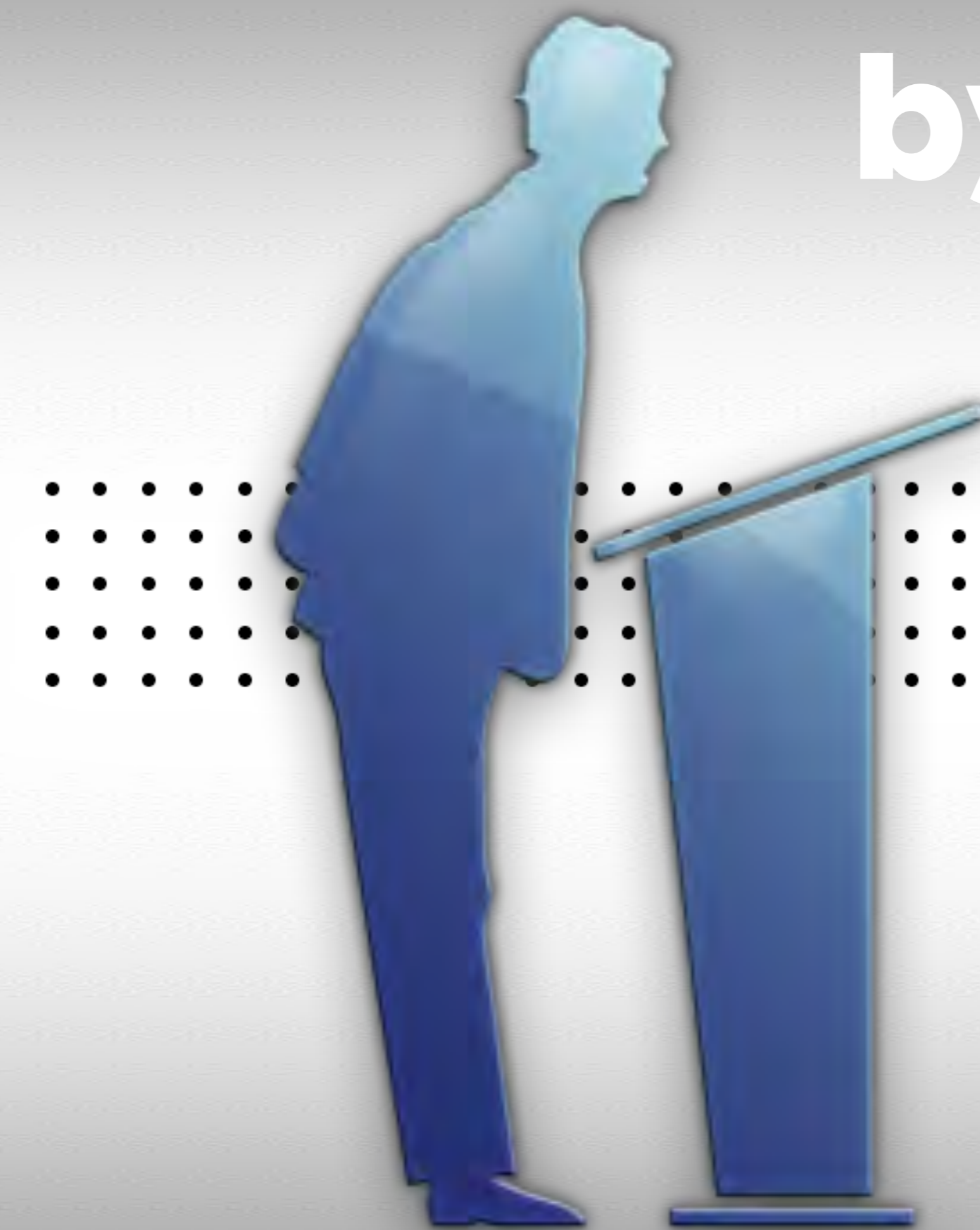
structure

context

connection

source of truth

by playing a more empowered role ...



DAY ONE



RETIREMENT

positive change



right thing to do



good for the nation



financial wellness



makes good business sense!



2015 financial wellness survey

pwc

45%

of employees found their financial situations stressful

35%

experienced a year-on-year increase in financial stress



2015 financial wellness survey

PwC

20%

disrupted at work due to
financial stressors stressful

37%

spent 150 hrs year more year
decreased in financial stress

MetLife® employee benefit trends ... annual study

58%

of employers cited financial stress as leading cause of absenteeism

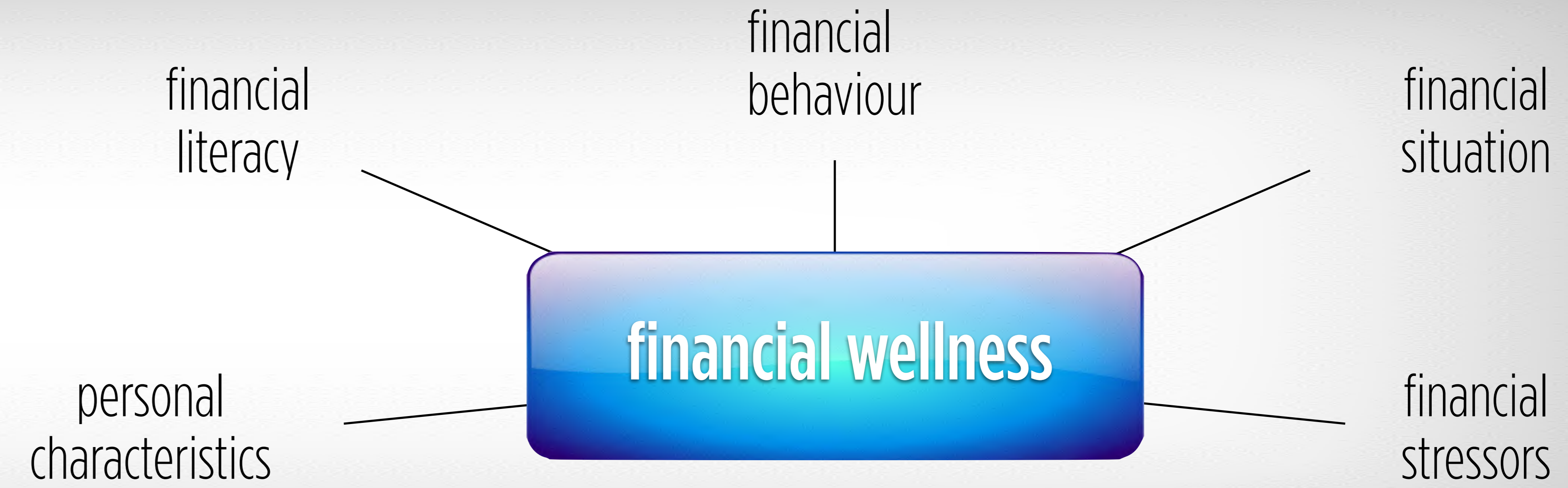
78%

of employers cited financial stress led to reduced productivity

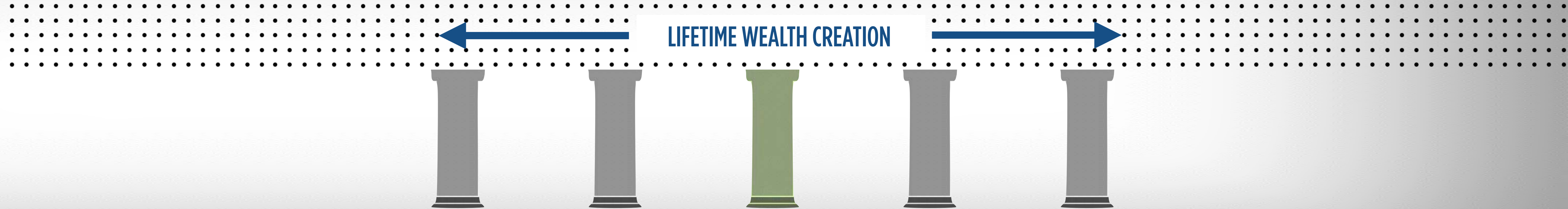
22%

of employees admit taken unexpected time off in past year to deal with a financial issue.

EMPLOYER influence



RETIREMENT funding





This is who we are ...

‘THIS NEXT BIT IS REALLY IMPORTANT’

This is what we do ...

This is what we expect of you ...

This is what we have achieved ...

This is why we think you'll like working here ...



induction presentation ...

Ladies and gentlemen at the end of each month we're going to pay your salary into your bank account and into your retirement fund.

This is your money and you are free to spend this in any way you like ... on a car, rent ... buying a property, and hopefully build lifetime wealth for you and your family.

However, statistically, **96%** of the people in this room



wealth for you and your family.

However statistically **96%** of the people in this room **won't build any wealth** ... in fact the opposite will happen ... over **80%** of you will **carry a significant amount of debt** for most of your working life.

The problems created by this situation will be as follows

- For the next **10** to **40** years, **half** of you will find your **financial situation** to be a **constant source of stress**
- **6 out of every 10** of you will **not** be able to **maintain** your **standard of living** into retirement.

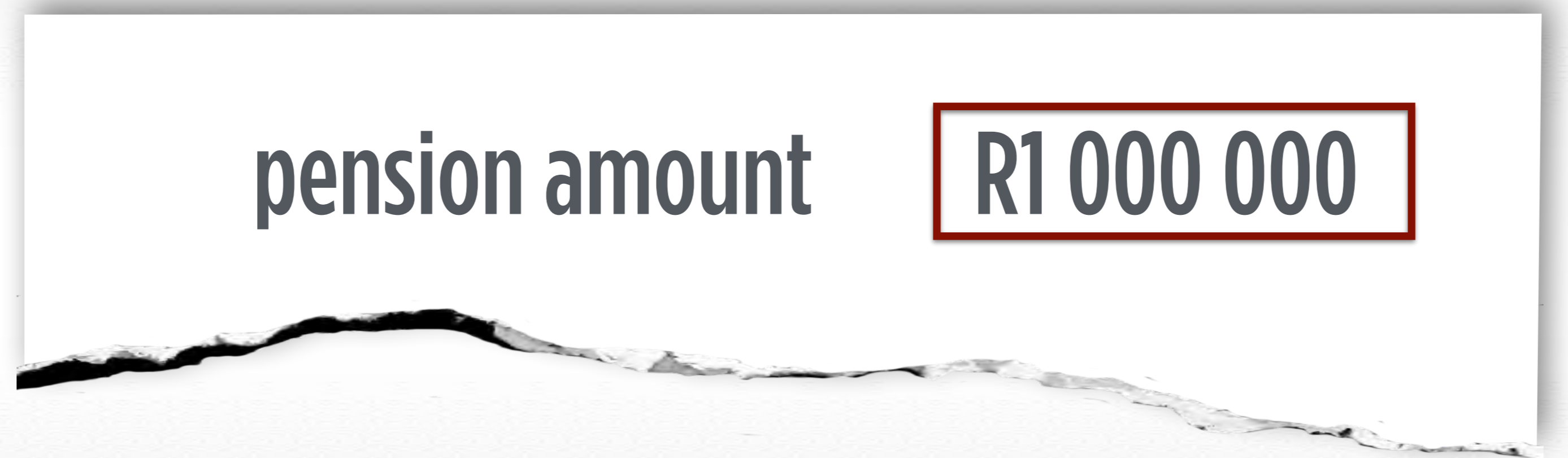


- **Half** of you will only **seek help when it's too late** to affect your retirement outcome.

- **Most** of you **will work every day until you retire** to **buy things you don't need** with **money that you don't have** while **unknowingly sacrificing your future**.

Your salary is yours and you are entirely free to spend it as you like ...but as your employer, **we believe that yours is a future worth saving** and because of that we have **set you up for success** by taking your financial wellness seriously. And this is how we can help you ...

crucial moment to influence outcome ...



48%

of employees not aware
of tax impact when
withdrawing

75%

of new employers did not
encourage preservation

communication to influence outcome ...

pension amount

R1 000 000



employee signature

pension amount

R1 000 000

tax deduction

R 207 000

net amount

R 793 000

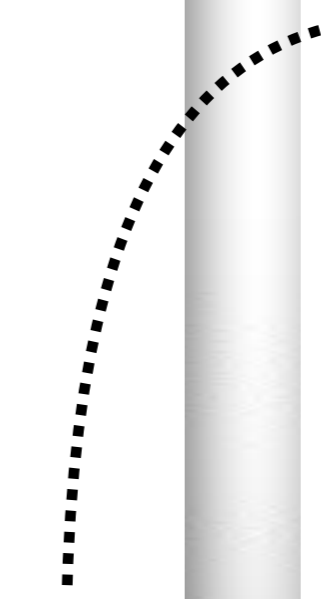


I confirm I understand the tax deduction

communication to influence outcome ...



pension amount	R1 000 000
IF YOU WITHDRAW	
SARS tax deduction	R 207 000



Note: if you do not withdraw ...
R 207 000 x 10% interest p.a
in 20 years time = R1 400 000
are you willing to sacrifice R1 400 000?

visual communication to trigger positive behaviour



Your net replacement ratio is **20%**. You will not have enough money in retirement to maintain your standard of living. Please consult ...

Your net replacement ratio is **50%**. You are at risk of not having enough money in retirement to maintain your standard of living. Please consult ...

Your net replacement ratio is **80%**. You are on track to having enough money in retirement to maintain you standard of living

retirement fund benefit statement

MEMBER NAME: **L CROFT**

AGE: **34**

YEARS TO RETIREMENT: **26**

CURRENT FUND VALUE: **R1 340 500**

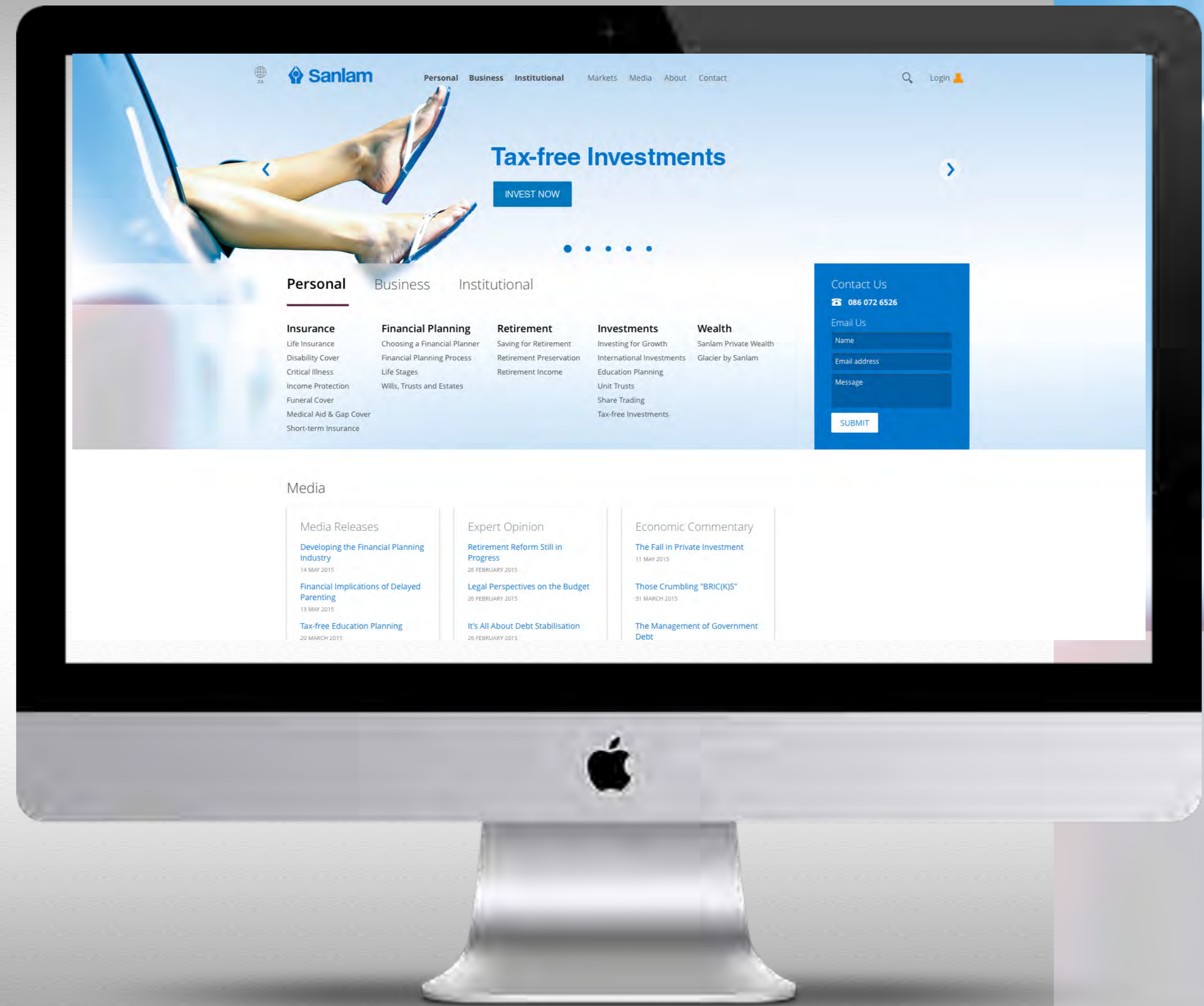
PROJECTED TO AGE 60: **R5 600 000**

PROJECTED RETIREMENT INCOME **49%**

FUND STATUS



RECOMMENDED ACTION - increase contribution to **11.5%**



Tax-free Investments

[INVEST NOW](#)

Personal Business Institutional

Insurance
Life Insurance
Disability Cover
Critical Illness
Income Protection
Funeral Cover
Medical Aid & Gap Cover
Short-term Insurance

Financial Planning
Choosing a Financial Planner
Financial Planning Process
Life Stages
Wills, Trusts and Estates

Retirement
Saving for Retirement
Retirement Preservation
Retirement Income

Investments
Investing for Growth
International Investments
Education Planning
Unit Trusts
Share Trading
Tax-free Investments

Wealth
Sanlam Private Wealth
Glacier by Sanlam

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Media

Media Releases Developing the Financial Planning Industry 14 MAY 2015 Financial Implications of Delayed Parenting 13 MAY 2015 Tax-free Education Planning 20 MARCH 2015	Expert Opinion Retirement Reform Still in Progress 26 FEBRUARY 2015 Legal Perspectives on the Budget 26 FEBRUARY 2015 It's All About Debt Stabilisation 26 FEBRUARY 2015	Economic Commentary The Fall in Private Investment 11 MAY 2015 "Those Crumbling 'BRICKS'" 31 MARCH 2015 The Management of Government Debt
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Tax-free Investments

[INVEST NOW](#)

Personal Business Institutional

- Insurance**
Life Insurance
Disability Cover
Critical Illness
Income Protection
Funeral Cover
Medical Aid & Gap Cover
Short-term Insurance
- Financial Planning**
Choosing a Financial Planner
Financial Planning Process
Life Stages
Wills, Trusts and Estates
- Retirement**
Saving for Retirement
Retirement Preservation
Retirement Income
- Investments**
Investing for Growth
International Investments
Education Planning
Unit Trusts
Share Trading
Tax-free Investments
- Wealth**
Sanlam Private Wealth
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Today 9.07am

R22 852 deposited
to your account from
Employer (Pty) Ltd

RELIEF



to your account from
Employer (Pty) Ltd

Today 12.51pm

R1 200 debited
from your account
Truworths DO4-53

Today 13 47pm

R867.23 debited
from your account
Edgars DO1/436

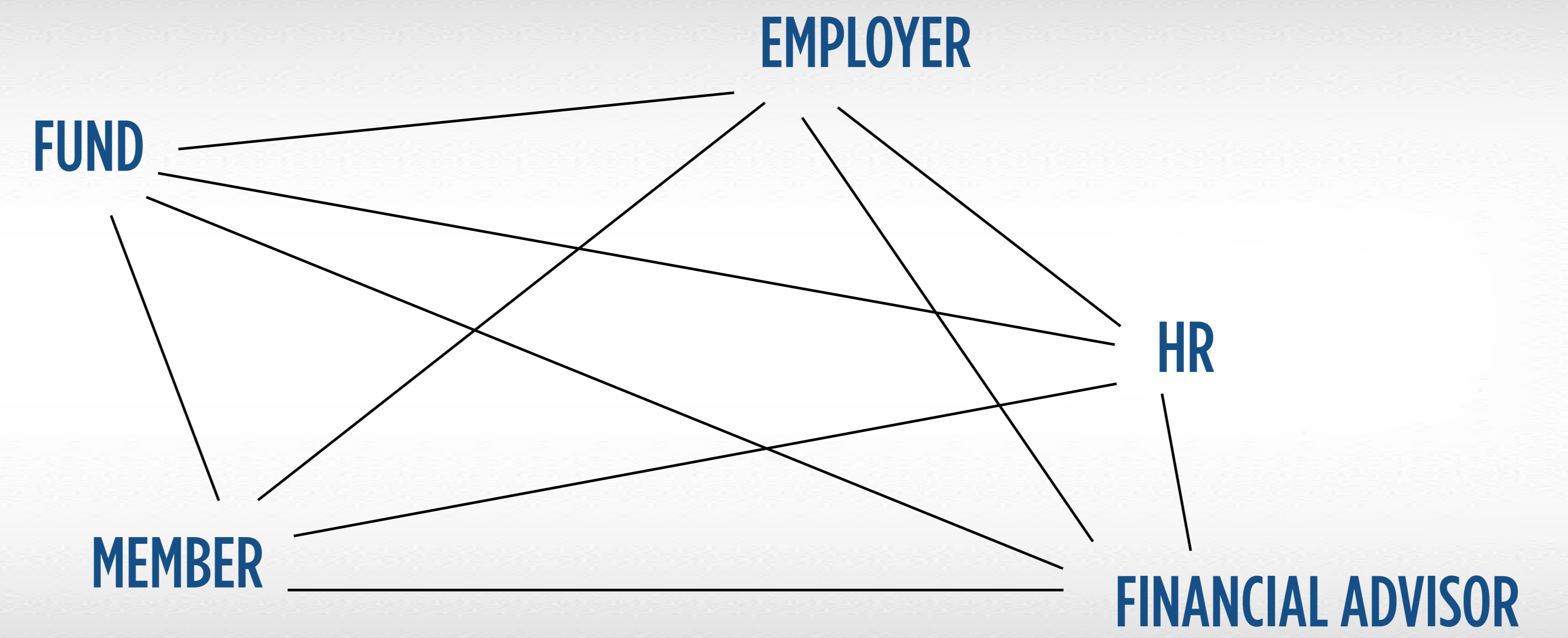
SINKING
FEELING





ENGAGED







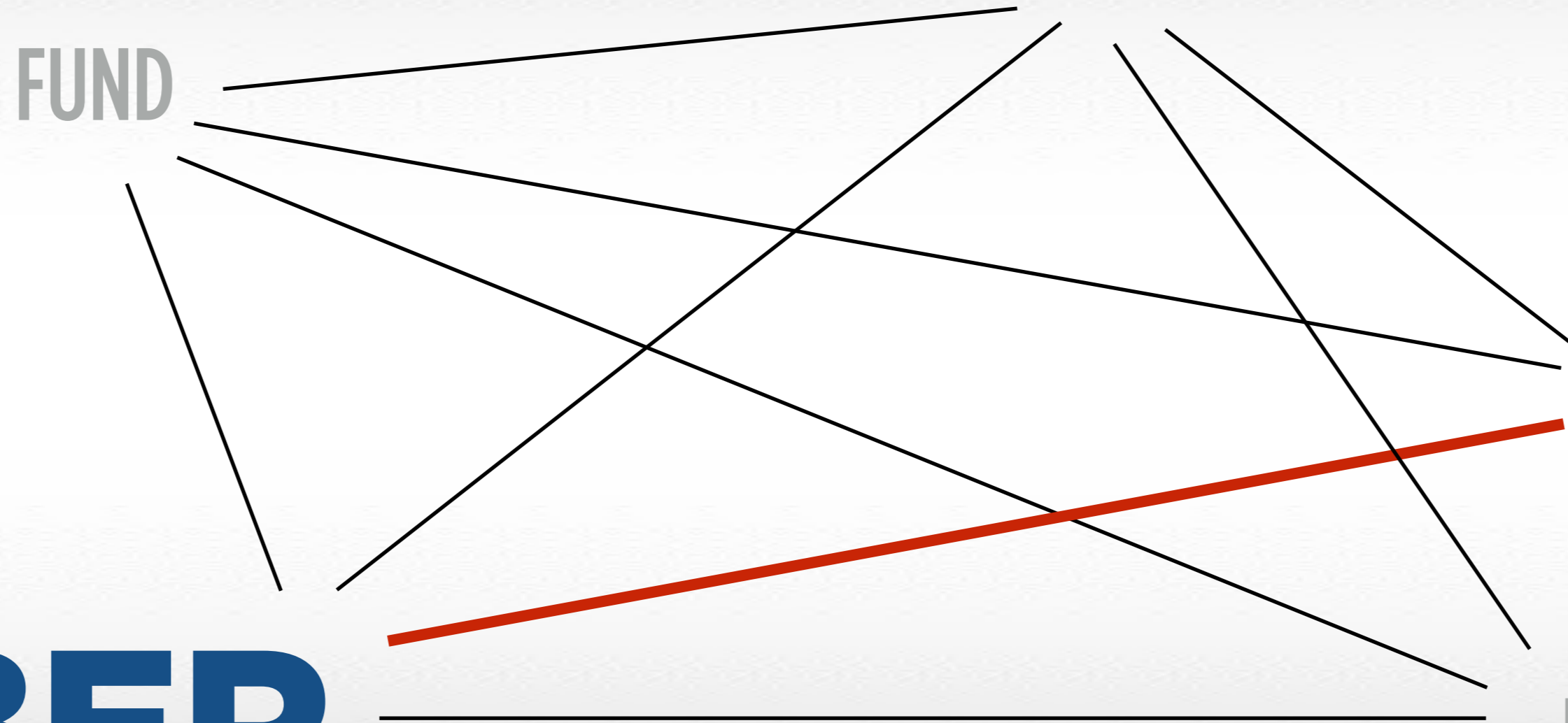
EMPLOYER

FUND

HR

MEMBER

FINANCIAL ADVISOR



Medical Aid

Insurance Options

Allowances

Social Club

Retirement Benefits



EMPLOYER

FUND

HR

MEMBER

FINANCIAL ADVISOR

workload

lack skills / FAIS constraints

not a KPA

no real motivation

financial wellness

not on HR's radar

helping employees make retirement decisions?

HR

- workload
- lack skills / FAIS constraints
- not a KPA
- no real motivation



financial wellness not being addressed



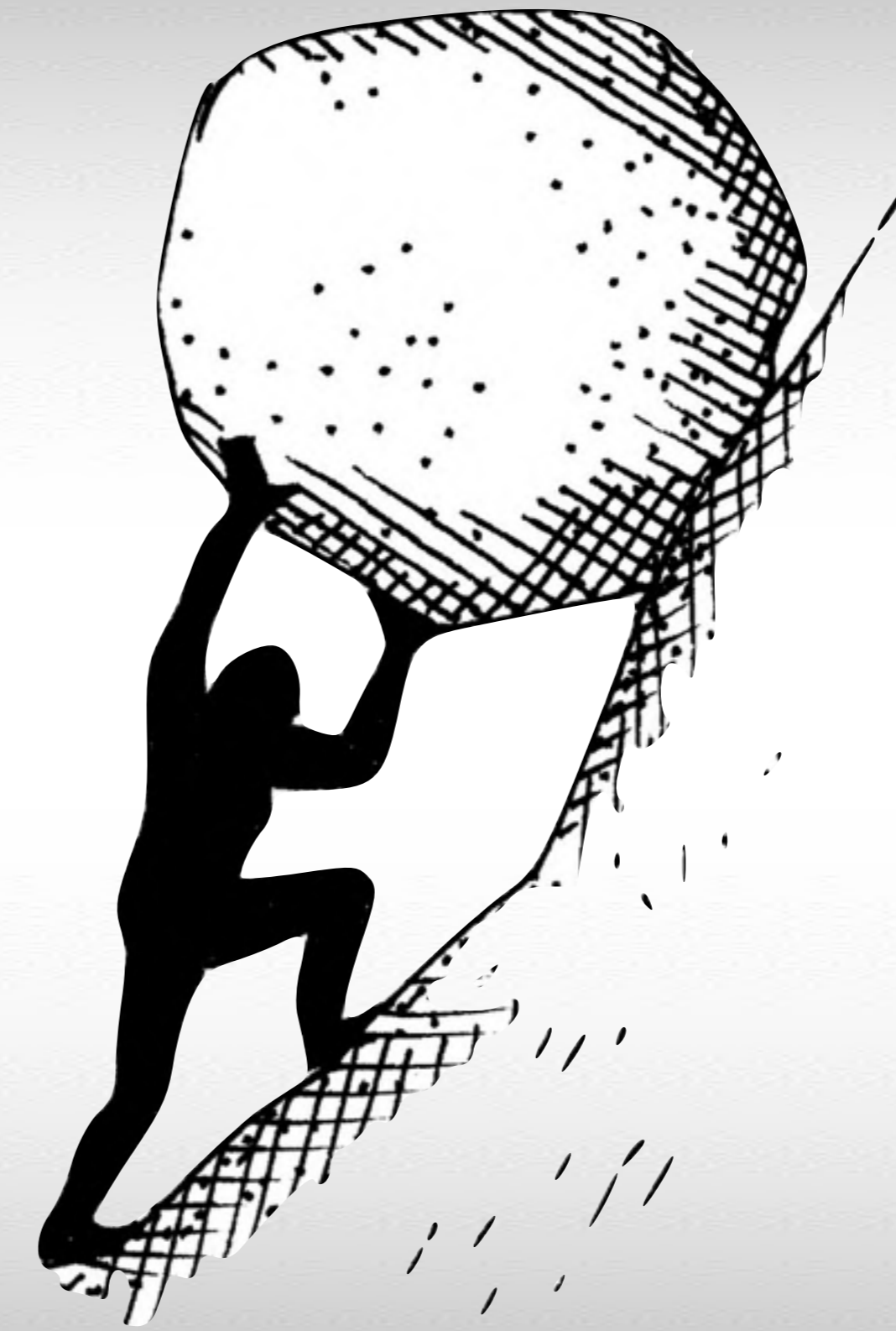
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**TOP SCORING
COMPANIES**

- enhanced recruitment
- committed, engaged employees
- excellent retention
- deep organisational expertise
- safe workplace practices
- strong customer relationships

SYSTEMS

make it tough for people to save



HR

can level the ground
set people up for success

what if replacement ratio was a KPI? ...

HR



+

CSI?
ESG?
BBBEE?



engaged employerism

employers are the critical link