Sanlam's comprehensive biennial survey of

Retirement Benefits in South Africa 1998

Edition 9

Sanlam Employee Benefits

INDEX

INTRODUCTION

Nick Christodoulou
Chief Executive:
Sanlam Employee Benefits

Sanlam Employee Benefits takes pleasure in publishing the findings of its ninth biennial survey of retirement benefits in South Africa.

This comprehensive survey provides the retirement fund industry with an essential tool for the management of retirement funds, and will also provide interested parties with the necessary information to determine whether their current benefits meet market requirements.

Furthermore, the increasing complexity and changed legislation within the retirement fund industry has placed additional responsibilities and accountabilities on trustees, who can now be held personally responsible for possible lawsuits by fund members.

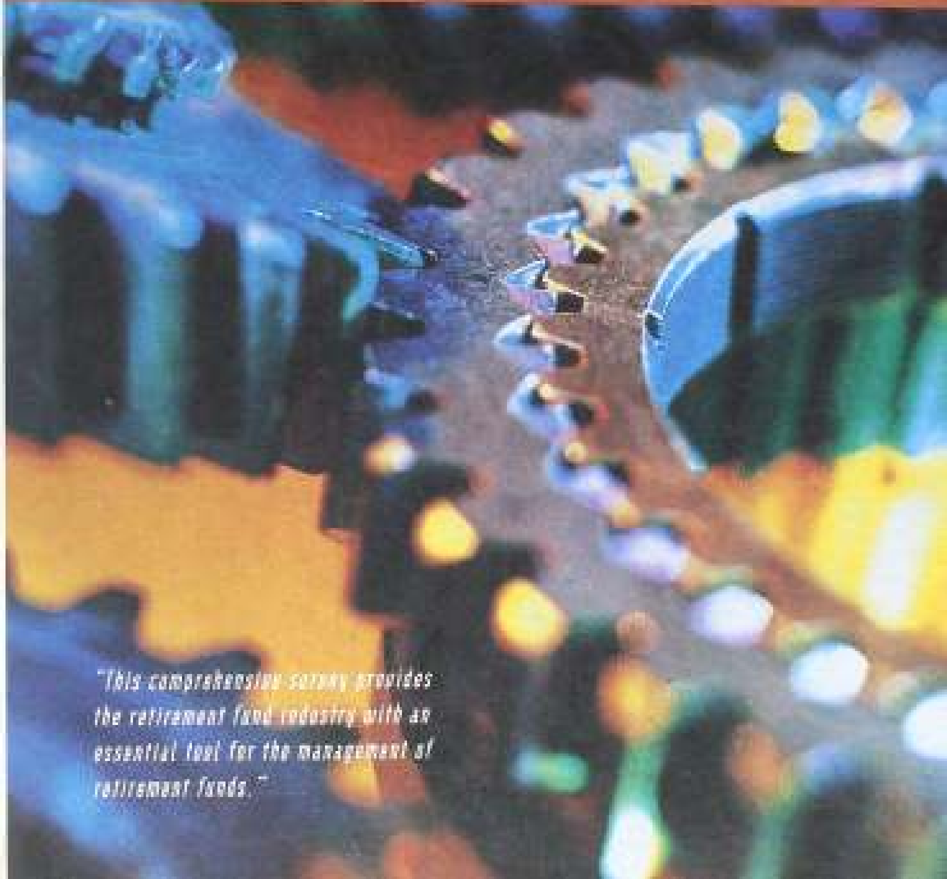
It will therefore come as no surprise to anyone that trustees are increasingly demanding expert advice where their own skills and knowledge can no longer keep pace with the rapid changes in the environment. We are sure that this survey will add value in this context and, as in the past, become a notable reference in the industry.

As in 1996, **separate** surveys are provided for **Defined Benefit Funds, Defined Contribution Funds** and **Provident Funds**. Analyses of small and large funds also appear in the survey.

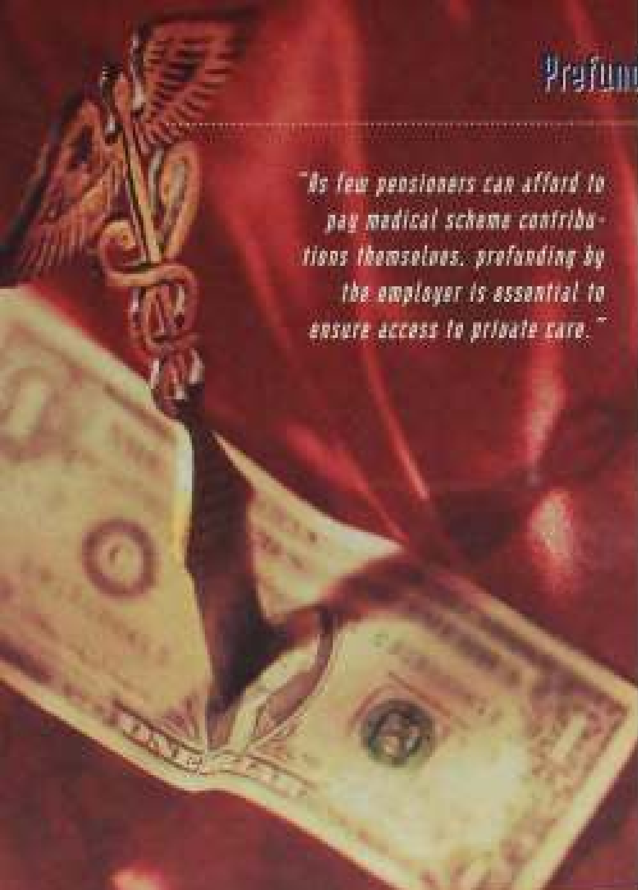
To give the survey even greater significance, we decided to offer the following additions this year:

- Together with the survey you will receive a computer diskette (with a manual) which will enable you to electronically compare the benefit structure of your own fund with those in the market-place.
- Articles by experts at Sanlam Employee Benefits addressing typical issues raised by the management of retirement funds.
- A more comprehensive discussion of general trends in the industry.

I would like to thank all participants in the survey for taking the time and trouble to complete the questionnaires. Because of your contribution we are sure that this publication will remain an essential source of reference in the retirement industry.



Prefunding of pensioners' medical scheme contributions



"As few pensioners can afford to pay medical scheme contributions themselves, prefunding by the employer is essential to ensure access to private care."

In the past, and to a large extent still today, contributions to medical funds were usually differentiated only on the basis of income and number of dependants. Consequently most pensioners contributed on relatively low scales, in spite of their high medical expenses. It has also become fairly common practice for the employer to subsidise pensioners' contributions or pay them in full. Sanlam's surveys on retirement benefits show that approximately 73% of employers follow this practice.

Mainly owing to a relatively small number of pensioners, this practice did not put great pressure on employers' cash flow. However, various reasons contributed to a rise in costs in respect of pensioners, and this practice will therefore not be able to be maintained. The reasons are:

- In recent years medical costs have risen more rapidly than the inflation rate. Technological advances, increasing costs of medicine and services, and excessive use or abuse of medical services have contributed to this.
- Another factor that plays a role in South Africa is that the average retirement age of men is declining as retirement ages for men and women are being brought on a par.
- The number of pensioners as opposed to active members could increase because of a longer life expectancy, as well as staff reductions at many companies. Early retirements mean that pensioners will depend on subsidies for a longer period.

PREFUNDING

It is to be expected that employers would like to ensure that their employees will not be dependent on the state for medical care. As few pensioners can afford to pay medical scheme contributions themselves, prefunding by the employer is essential to ensure access to private care. The main benefits of prefunding are as follows:

- It offers members security.
- It increases stability in employer costs and contributions.
- The employer has a better idea of his or her possible long-term obligations.
- It is sound accounting practice to spread the cost of employees' remuneration evenly over their working lifetime.

A number of funding options are available. Since the circumstances and needs of employers differ, there is no single method that can be regarded as the best method. The main criteria when choosing a medium of funding are: stability, control, flexibility, tax-efficiency and security.

The following mediums could be considered:

- a pension fund with defined benefits;
- a defined contribution fund;
- internal reserves; and
- deferred compensation.

In the past, two methods were used to utilise surpluses in an existing pension fund and to help fund expenses after retirement.

Firstly, members' pensions could be increased (in a number of ways) and the obligation to pay medical aid contributions passed on to the members. The employer could therefore be relieved of his or her obligation and the pensioners themselves must pay the contributions from higher pensions.

Secondly, the employer could temporarily suspend his or her contributions to the retirement fund and at the same time pay the contributions to whichever medium of funding is chosen.

The ownership of surpluses and the way in which they are applied are currently very topical and controversial. All the methods used by employers to apply surpluses to their benefit are coming under attack, and the application should be approached circumspectly.

by Joubert Ferreira, senior actuary

Aids!
How will it affect our retirement fund? And what can we do?

Apart from investment risk, Aids is the one aspect that could have the greatest effect on the benefits and cost of retirement funds. According to the 20th Report on Aids Claim Statistics of *Swiss Re Life & Health* (October 1997), Aids-related death claims in group business are increasing at a rate of twice those of individual business. This difference is even greater in respect of disability claims. One of the reasons for this is the underwriting policy that is followed.

by Marius du Toit, senior actuary

In view of the many uncertainties about Aids, it is impossible to make accurate estimates regarding the magnitude of the problem in the future. According to projections, about 25% of the economically active population could be HIV positive within ten to fifteen years, and the cost of risk benefits could double within the next five to ten years. Although there is uncertainty about the extent of Aids, the disease will undoubtedly have a marked effect on retirement funds unless a cure is found soon or people change their behaviour patterns drastically.

How can the fund protect itself against the cost and consequences of Aids?

- Firstly, underwriting could be applied to exclude people who are already HIV positive. However, it is becoming more and more difficult to apply this. Proposed legislation aims at prohibiting testing from being carried out prior to employment, unless circumstances are such that it is fair and justifiable. The onus of proof lies with the employer. Even if it should be permitted, the policy presents many other problems: existing members could already be HIV positive; members could contract the illness in the future and infections are not identified by tests during the so-called "window period".
- A second possibility is to reinsure the risk benefits with an insurer if this is not being done already. The risk is then transferred to the insurer. However, an increase in claims will inevitably lead to an increase in reinsurance premiums. This means that the risk is to a great extent placed on the fund again.
- A third possibility is to limit benefits in the case of Aids-related illnesses. This method is, however, not very effective, as the precise cause of death is not always accurately reported. It can also be regarded as discriminatory, and intensifies the stigma surrounding Aids and HIV status.
- The level of risk benefits could be generally decreased by simply implementing a decrease or by fixing the contribution rate at an acceptable level. The lump sum death benefit could for example be described as cover which could be purchased at a contribution rate of 2% of salary. Although such a step would offer

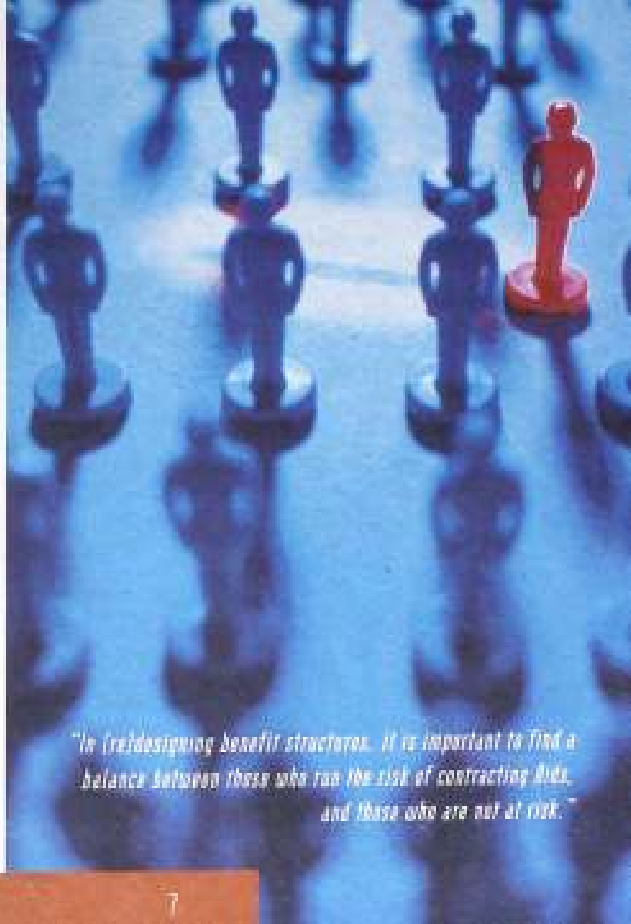
effective protection to the fund, it remains an open question whether it will meet members' needs.

- The cost of spouse's pensions could very likely increase at a slower rate than that of lump-sum assurance. A spouse's pension also effectively meets members' real needs. However, it is a step backwards in the direction of cross-subsidisation.

The rules of the fund could be such that either the employer or the members bear the risk of cost increases. Currently the most common trend is for the cost of risk benefits to be recovered from the employer contribution. Should the cost rise, the amount available for retirement will be less and the member will in actual fact bear the full risk. This could result in the largest portion of the employer contribution being taken up by costs, so that members receive an insufficient benefit from the fund at retirement. Trustees and members must always make sure that the fund will still be able to meet retirement needs. When switching from a defined benefit fund to a defined contribution fund, members should consider these provisions carefully and decide whether they are willing to take the risk.

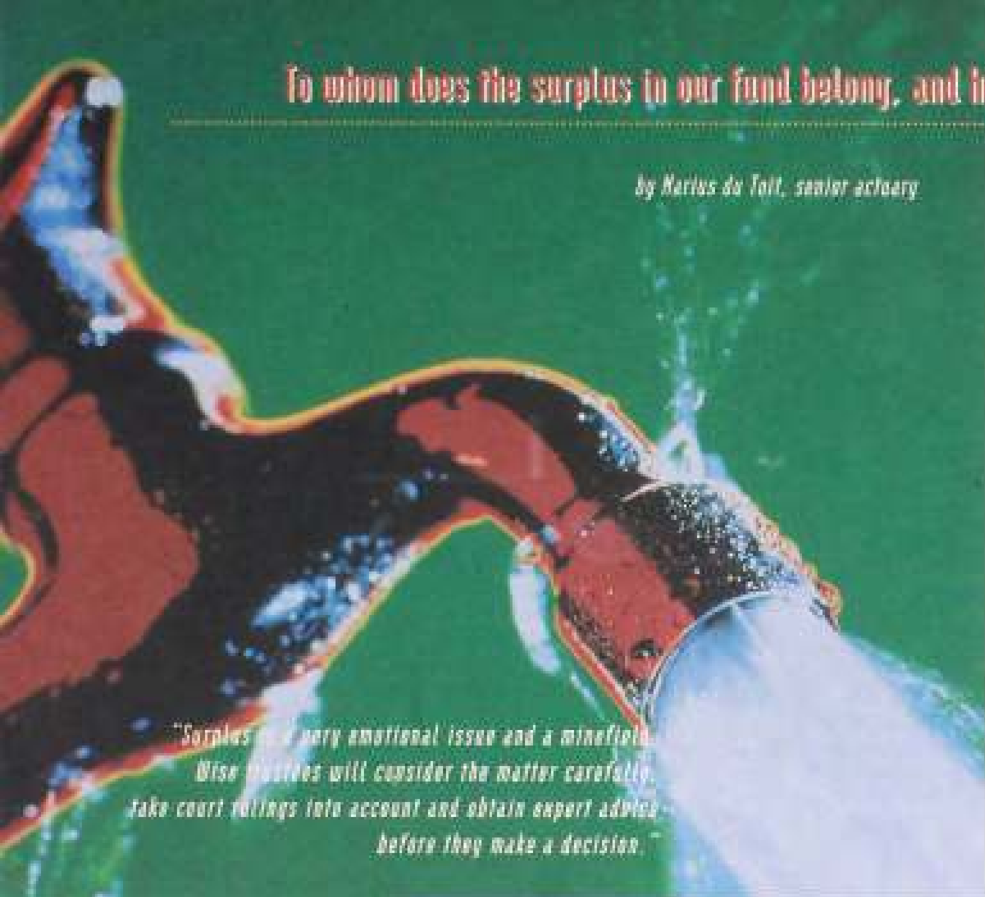
In (re)designing benefit structures, it is important to find a balance between those who run the risk of contracting Aids, and those who are not at risk. In other words, the trustees must ensure that there are adequate benefits for members who are HIV positive, but must also keep in mind the benefits expected by other members. They should also consider whether or not cross-subsidisation is desirable.

But most important is the realisation by employers that educating employees is by far the best method of protecting a fund, the employer and members. The fewer people who become HIV positive, the less the costs will be. If the situation does not improve, either the cost of risk benefits will increase drastically, or the level of benefits will have to be reduced substantially. Employers therefore have an important role to play regarding the Aids problem in South Africa.



To whom does the surplus in our fund belong, and how should it be applied?

by Marius du Toit, senior actuary



"Surplus is a very emotional issue and a minefield. Wise trustees will consider the matter carefully, take court rulings into account and obtain expert advice before they make a decision."

One of the most important issues facing trustees of retirement funds is how to apply a fund's surplus. This is also becoming increasingly important to fund members, particularly because of the trend to change over from defined benefit funds to defined contribution funds. This aspect recently came to the fore again owing to recent rulings by the court and the Adjudicator of Pension Funds.

However, this is nothing new. In 1993 the Institute for Pension Funds instructed a sub-committee to investigate the matter. Peter Milburn-Pyle and Roy Lenston's findings were published inter alia in Cover of February 1995. These findings are as valid today as they were in 1993.

- Firstly, they found that the surplus belongs to the fund. There is general consensus on this principle. The question, however, is how the surplus should and can be applied...

- Secondly, they found that it is the duty of the trustees to formulate proposals on the application of the surplus. It is unlikely that anyone can fault this. The trustees have a fiduciary obligation to look after the interests of the fund and its members, and one of the aspects that needs to be considered is the financial position of the fund.
- Thirdly, it was found that, in the case of a defined benefit fund, the employer should have the right to approve and/or amend trustees' proposals. This finding is based on the principle that the employer contributes the balance of costs, and as such runs the risk of having to make good any shortfall. However, in the TEK case at the end of last year, Judge Navsa found that the employer does not have a legal obligation to make good any shortfall. The employer can stop his or her contributions and dissolve the fund. The term "contribution holiday" has become part of the vernacular. In my opinion it is an inappropriate term. The contribution the employer must make to keep the fund financially sound, is actually 0%. In this respect it is also important to look at the provisions of the employer/employee service agreement. If the agreement stipulates that the employer bears the balance of costs to a defined benefit fund and guarantees the benefits as defined in the rules, he or she will find it difficult to walk away from his or her obligation. The agreement or other document could also stipulate that the employer contributes a specified percentage to the fund. In this case the term "contribution holiday" is justified and correct.
- The fourth finding was that cash payments of the surplus to the employer should be permissible. Legislation has been drafted which will allow employers to repatriate a portion of the surplus under certain circumstances. The drafters of the legislation and most commentators believe that this will be in everyone's interest. Should this never be permissible, employers may become reluctant to contribute to funds where this could lead to surpluses. This could prejudice the security of members of funds.
- Another important finding by Judge Navsa in the TEK case was that the employer may take a contribution holiday only in cases where the surplus can be attributed to surplus contributions by the employer. The source of the surplus must be the determining factor in how the surplus is handled. However, this is a very debatable point and it is not always easy to determine to whom the surplus should be attributed. It is important to bear in mind that the theoretical rate of contribution as determined by the actuary is only an estimate of the required rate of contribution, which is based on a specific set of assumptions. If these assumptions were "correct", a surplus would not have arisen. If this argument is expanded, it could be said that the entire surplus is due to excess contributions.

It is generally accepted that withdrawals from a fund result in surpluses for that fund. This is not necessarily the case. In determining the theoretical rate of contribution, assumptions are made regarding the number of members who will retire. A surplus or shortfall will arise if the actual experience deviates from the assumptions. The source of the surplus is the fact that the withdrawal benefit is less than the actuarial reserve value, but the cause of the surplus is the fact that the actual experience deviates from the assumptions made by the actuary in the valuation.

To summarise: Surplus is a very emotional issue and a minefield. Wise trustees will consider the matter carefully, take court rulings into account and obtain expert advice before they make a decision. Although the TEK case is under appeal and some of the rulings could be reversed, Prof John Murphy felt bound by the TEK ruling in a recent Nedcor case. It is also important to look at the merits of each individual case. The rules of the fund will also often determine how to act.

It is essential for the trustees to be fair to all persons concerned, the most important of whom are the active members, pensioners and the employer. All the parties play a role in the fund and are entitled to fair treatment.

SURPLUS

Communication with members of retirement funds

by Johan Roux, senior manager: Marketing Support Services

In recent years the retirement fund industry has undergone major changes which include the following:

- Legislation stipulates rules regarding communication with members.
- The tendency to convert to defined contribution funds continues.
- Members of retirement funds insist on greater disclosure and transparency.

Meeting the demands of the changed environment requires greater communication efforts that will put pressure on administrators and the management of retirement funds.

Traditional communication methods such as rule books and benefit statements will definitely no longer be sufficient to meet members' needs. More attention will have to be given to:

- communication regarding options available in the event of, for example, termination of service, death, retirement and disablement;
- information on the management of funds (eg composition of trustees);
- changes in benefits;
- financial position of the fund; and
- investment performance and investment options.

Where the focus previously fell on benefit structures and basic fund values, the broader environment will now have to be communicated.

This is the responsibility of the management of retirement funds, who in turn may delegate it to experts in the various fields. However, management must be satisfied that the members are receiving sufficient information to enable them to make informed decisions and to do sound financial planning.

Choice of administrator

by Johan Roux, senior manager: Marketing Support Services

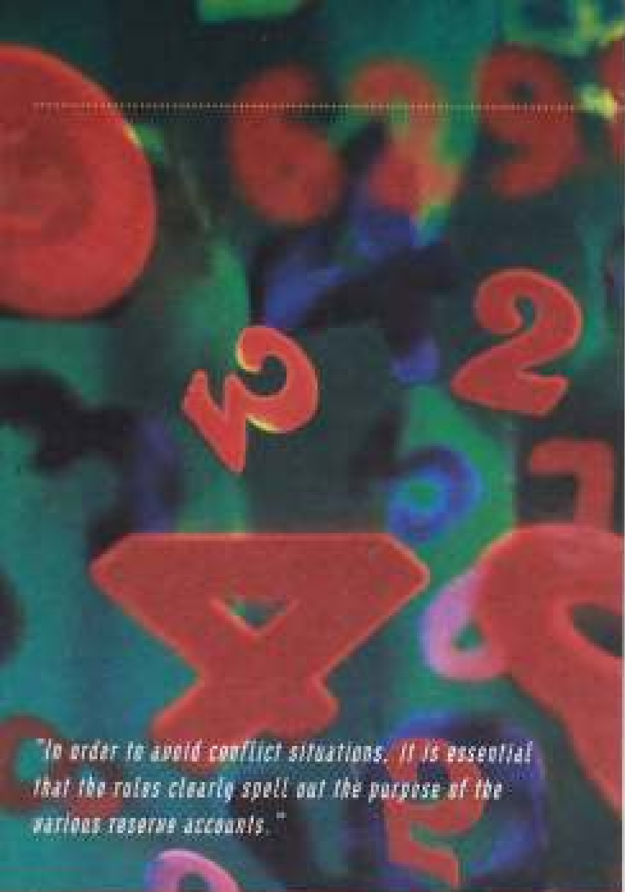
In an environment where there is strong focus on retirement funds, it is now more important than ever before to ensure that the administration of your retirement fund is in the right hands.

One can justifiably ask why this has suddenly become such an important decision. The following changes in the industry should answer this question:

- switches to defined contribution funds;
- individual investment options;
- flexibility of benefit structures;
- daily investments;
- monthly reconciliations;
- communication with members; and
- electronic data transfers.

In order to meet the above requirements, maximum use has to be made of modern technology. Therefore, before a decision about administration can be taken, it is extremely important to investigate the capacity of the administrator's systems. Other important aspects are:

- quality of service;
- the stability of the organisation;
- quality of staff;
- experience;
- size of portfolio;
- whether service is centralised or decentralised;
- results of service surveys;
- costs and cost structure;
- terms of the contract; and
- client base.



"In order to avoid conflict situations, it is essential that the rules clearly spell out the purpose of the various reserve accounts."

Reserve accounts (defined contribution funds)

Reserve accounts are fairly common, in particular in the case of larger defined contribution retirement funds. The origin of the assets in such a reserve account usually determines the purpose for which it is applied. Possible sources and probable applications are the following:

Surplus from a previous defined benefit fund which was not apportioned at the time of the conversion to the current defined contribution fund

In this case some surplus would already have been apportioned to members at the conversion. It is unlikely that there will be another apportionment to members. This type of reserve account is generally applied to fund an employer contribution holiday, subsidise the cost of risk benefits or stabilise the investment return passed on to members.

Surpluses that arise at termination of service in cases where only a portion of the member's share is payable

In this case members will probably share in the surplus on an annual or less regular basis. However, the possibility that the employer may claim part of the surplus to fund a contribution holiday, for example, is not ruled out.

Part of the employer contributions reserved to stabilise the cost of risk benefits

This type of reserve account is usually not meant to be apportioned to members. However, it is important that the size of the account is monitored from time to time to determine whether it is adequate.

It is the duty of the fund's consultant to advise trustees on the optimal size of the account. If it becomes too large in the course of time, the fund could consider apportioning a portion to members. The optimal size of this reserve account depends on a number of factors, including the risk profile of the members and the type and extent of risk benefits. As a general guideline a reserve of once the annual risk costs is sometimes recommended. In view of the threatening and uncertain future effect of Aids on the cost of risk benefits, it is advisable not to be too hasty in releasing this buffer.

Surplus investment return not previously apportioned

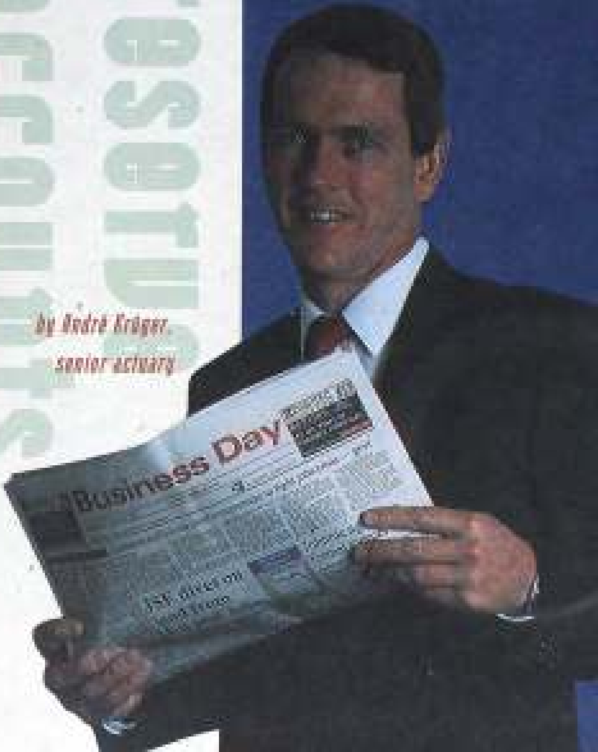
The purpose of this type of reserve account is usually to smooth investment return to a certain extent before it is passed on to members. The reserve account is built up in times of high investment return by passing on less than the full return to members. In times of less favourable returns it is applied to declare a higher return than that actually achieved. In this way members' benefits are to a large extent protected against fluctuations in the return on market-value investment portfolios.

In conclusion

Surplus is a highly emotional issue which has lately come to the fore. In order to avoid conflict situations, it is essential that the rules clearly spell out the purpose of the various reserve accounts. Preferably, the different parties, eg employer and members, should not be able to benefit from the same reserve account.

reserve accounts

by André Krüger, senior actuary



Discrimination

by Charlotte Schraue, legal adviser

The Constitution of the Republic of South Africa stipulates that unfair discrimination against anyone is prohibited. The Constitution does not, however, require that every individual, irrespective of his/her qualities and abilities, should be treated alike. Not all forms of discrimination are therefore necessarily unfair discrimination. There may be valid reasons for the discrimination. Provided that the criteria for discrimination are not contrary to the public interest, it will not be regarded as unfair discrimination.

Ostensibly, unfair sexual discrimination occurs if the rules of a retirement fund stipulate that the retirement age of male members differs from that of female members. Traditionally, the retirement age of male members has exceeded that of female members by five years. Without a good reason for distinction it can be deemed unfair discrimination.

The question also arises whether the provision of a larger death benefit to members with dependants rather than to those without dependants constitutes unfair discrimination. This benefit, however, is usually determined by need, as the dependants must be provided for after the death of the breadwinner. Therefore the member with dependants does not necessarily benefit at the expense of a member without dependants.

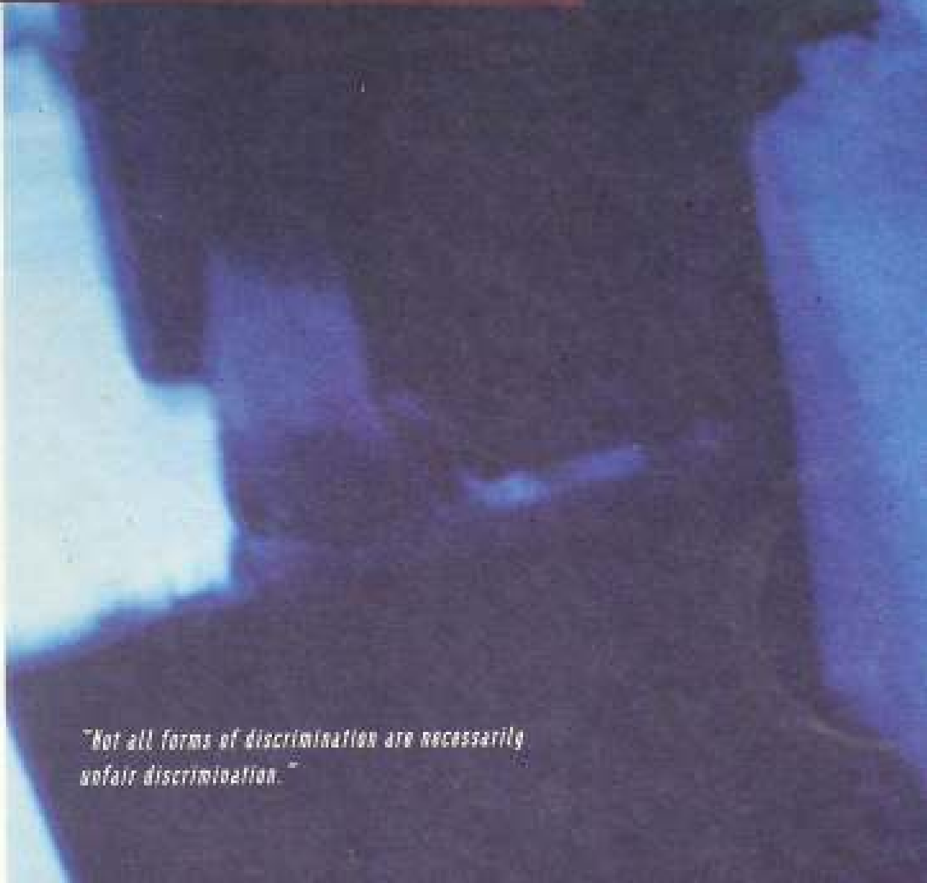
Unfair discrimination could also enter into the matter if the rules of a retirement fund provide for a widow's pension but not for a widower's pension. Provision should therefore rather be made for a spouse's pension.

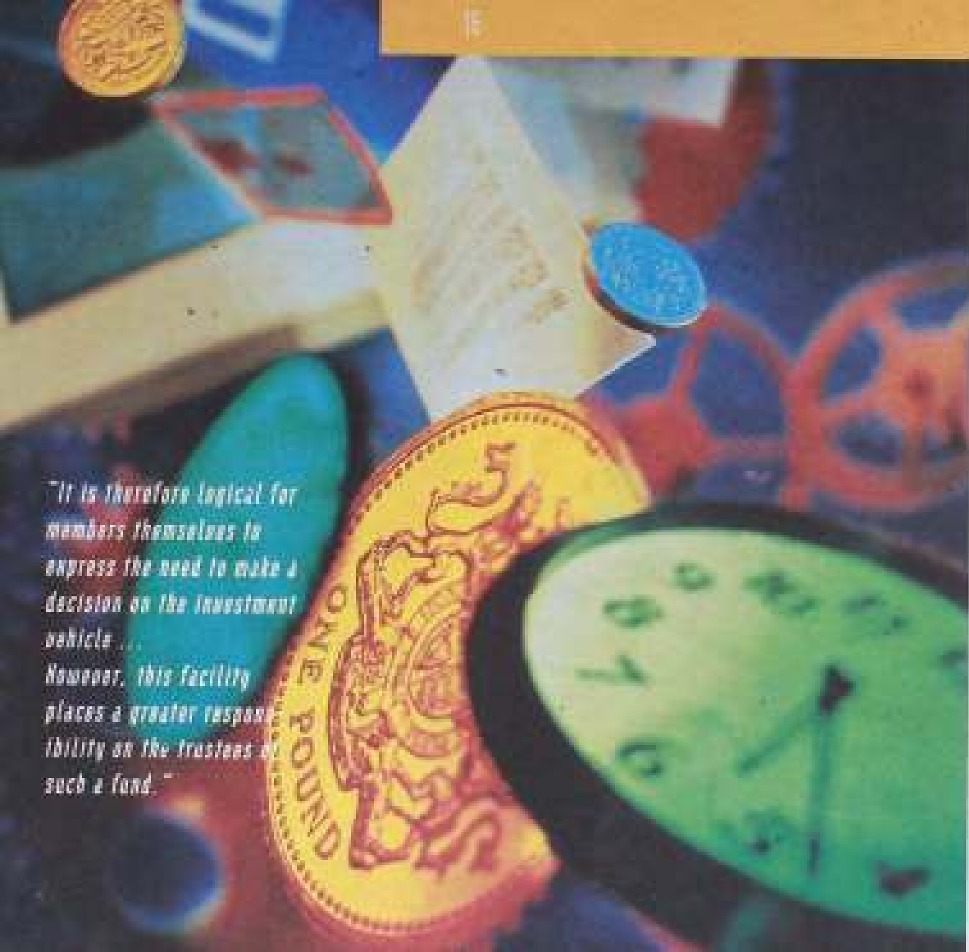
The impression of unfair discrimination could also be created if different commutation factors are used for members of different sexes. As long as these factors are based on relevant statistical data, there can be no question of unfair discrimination.

Homosexual employees are increasingly demanding that their employers recognise their partners as spouses, in particular in respect of employee benefits. They want retirement funds and medical schemes to pay benefits to their partners on the same basis as to spouses. In the sensational Polmed case the Pretoria High Court ruled in favour of a lesbian member of a medical scheme who wanted to register her partner as a dependant for medical aid purposes.

In another much publicised case, the Leonard Dingler ruling, the Industrial Court ruled that discrimination is unfair if it is objectionable in terms of the norms of the community. The objective of the discrimination and the means of achieving it are therefore important. The objective must be lawful and the means must be proportional and fair.

The question that should therefore always be asked is whether the discrimination between members is fair and justifiable.





"It is therefore logical for members themselves to express the need to make a decision on the investment vehicle ...
However, this facility places a greater responsibility on the trustees of such a fund."

Individual investment choices

One of the most important features of defined contribution funds is that the investment risk is borne by the member himself/herself. This means that the member's retirement benefits are directly affected by investment performance. If good investment returns are achieved, the retirement benefits will be good, but if investment returns are poor, the retirement benefits will be less favourable.

It is therefore logical for members themselves to express the need to make a decision on the investment vehicle. Intuitively it is also fair to comply with such requests and consequently the individual investment options in the case of defined contribution funds are increasingly being offered to members. However, this facility places a greater responsibility on the trustees of such a fund. The trustees must ensure that:

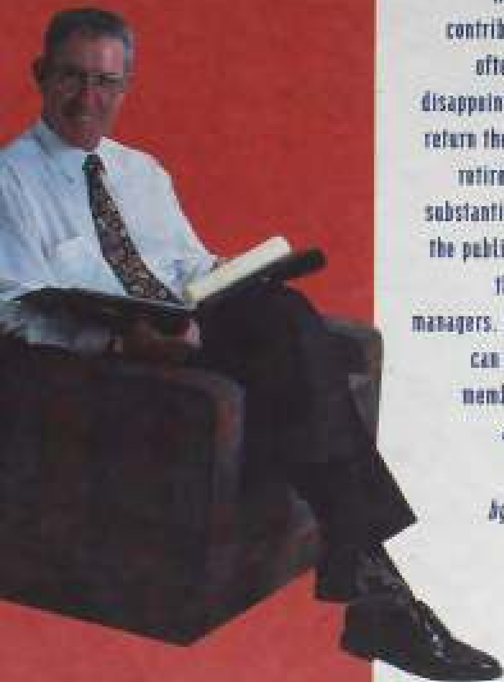
- a sufficient number of portfolios are available (usually market value, guaranteed and cash);
- members are fully informed of the differences between the portfolios and the consequences of incorrect choices; and
- the administration of such options will run smoothly before they are implemented.

In practice it often happens that in the case of funds offering individual investment choices, members request the trustees to make the investment decisions on their behalf. Furthermore, only about 20% to 30% of the members respond to the offer to switch investment portfolios and many of them make minor or no changes. These facts question the desirability of the facility, particularly since it results in higher administrative costs for all members.

I believe that we are still in our infancy as far as individual investment options are concerned. Members of funds are increasingly exposed to these and become more and more familiar with investment matters. This, together with the fact that modern technology will make the administration of individual investment choices increasingly less expensive, indicates that this is a future trend. We must just guard against it becoming forced if circumstances are not favourable.

by Willie Kritzinger, senior actuary

Investment return versus fund interest: Why the difference?



Members of fixed contribution funds are often confused and disappointed because the return they earn on their retirement capital is substantially lower than the published returns of their investment managers. Various factors can play a role and members may not be aware of these.

by Christo Meyer, senior actuary

Tax

Retirement funds must pay tax on their interest and net rental income in respect of non-retired members. The rate, which was 17% for the 1996/97 tax year, has been increased to 25% in the recent Budget. The effect of the new rate will be a reduction of about 1.2% in the investment return, compared to the previous reduction of 0.7%. Investment managers publish the gross returns they achieve, as tax will be levied somewhere else.

Investment charges

Most investment managers publish gross returns before investment charges, which will obviously exceed the actual return earned by a fund. A typical charge will be between 0.3% and 0.5% of the value of the assets. The effect of this will be to reduce the investment return by about the same margin in order to calculate the fund interest rate to be credited to members.

Calculation basis

The usual method for comparing investment returns is the time-weighted method, ie the return on an initial investment at the start of the chosen period ignoring any future cash flow. Sometimes returns are shown based on a constant monthly cash flow. However, both assets and cash flow are important and the published figures can seldom be used as a reliable norm of the fund's actual return.

Contribution payments

Even if all the above factors are taken into account, fund interest is still often lower than the actual return. Sanlam calculates a member's equishare assuming contributions are paid on the first of the month. If this does not happen, the member actually earns interest on contributions that have not been received. The fund interest rate must therefore be lower than the actual rate, or else the total value of members' equishares will exceed the total assets of the fund, something which is not possible. Another reason for a lower fund interest rate is insufficient contributions. The effect of this is similar to that of late payment of contributions.

Average return

Quite often the published figures are average returns for the major clients of an investment manager and not the actual return of a specific portfolio or fund. It is therefore not a reliable norm of the actual return achieved on the fund's assets.

"Members will have to consider various frameworks, and especially various combinations of lump sum and pension, to find an optimal strategy."

Tax on retirement funds: differences between pension and provident funds

A question that often arises is how the tax position of pension funds differs from that of provident funds and how this affects members when they have to choose between the types of funds.

Employer contributions to both types of funds qualify for tax relief within certain limits. In both cases part of the lump sum at retirement (or earlier termination of service, or death) is tax free. The formula used to calculate the tax-free portion at retirement differs slightly between pension and provident funds – in the case of provident funds the min

TAXATION

lump-sum tax-free portion is R24 000, but this does not apply in the case of pension funds.

The most important difference between pension and provident funds lies in the tax treatment of members' contributions. Members' contributions to a pension fund are tax-deductible to a maximum of 7,5% of salary, while there is no tax relief with regard to a provident fund. In practice this problem can be solved by means of a salary sacrifice scheme. An employee agrees with his or her employer to decrease his or her salary by the amount of the employee's contribution to the provident fund. The employer then receives tax relief on his or her contribution and the net effect for the employee as far as tax is concerned is the same as would be the case under a pension fund. The only disadvantage is that the tax-deductible contribution to the provident fund is limited to 20% of salary, while the limit can be 27,5% under a pension fund if the employee contributes 7,5% and the employer 20% of the salary.

Besides the matter of tax, there is another big difference between a pension fund and a provident fund. Although some provident funds only make provision for the payment of a lump sum at retirement, most of them currently allow any part of the retirement benefit to be taken in the form of a pension, and the remainder as a lump sum. This means that any portion (or even the total retirement benefit) may be taken in cash. In the case of a pension fund at least two-thirds of the retirement benefit must be taken in the form of a pension.

The general principle applying to tax on retirement funds is that you pay tax when you receive your benefit. Provident fund benefits mostly consist of lump sums (because this is what members prefer), while pension fund benefits are more likely to be a pension income with a smaller lump-sum component (because this is required by law). Lump sums are taxed at average tax rates. Pension income is taxed like any other taxable income – every extra rand of income is taxed at your marginal rate. Typical members of provident and pension funds therefore do not pay equal amounts in tax. Members will have to consider various frameworks, and especially various combinations of lump sum and pension, to find an optimal strategy.

The tax differences will probably fall away shortly. We expect a movement to a single tax system for all retirement funds in the near future. Tax considerations will then possibly no longer play a role in the choice between pension and provident funds.'

by Rinus du Plessis, actuary

Defined benefit pension funds

Section I: General statistics

The percentage of funds using only one investment manager, stabilised on 33% compared to the 34% in 1996. Split funding is a standard characteristic of funds now and is especially popular with the large funds. The average number of investment managers at funds using more than one investment manager rose from 2,9 in 1996 to 3,3 in 1998.

The percentage of employers that subsidise pensioners' medical fund contributions, are more or less the same as two years ago – 73% at present. Further information on this subject can be found in the article *Prefunding of pensioners' medical scheme contributions* by Joubert Ferreira.

The percentage of funds offering members a choice between a defined benefit pension fund and a defined contribution pension or provident fund, rose from 38% to 41% in the last two years. The percentage of funds contemplating the creation of a provident fund for members dropped dramatically from 25% in 1996 to 8% in 1998. This could probably be attributed to the general expectation that the difference between pension and provident funds will disappear in the near future. The tax obligation at transfer to a provident fund, as well as the August 1996 amendment in the tax on the lump sum at retirement, can play a role in the apparently smaller need for provident funds. The percentage of funds, however, which aim to offer members the option to belong to a fixed contribution pension fund rose from 18% in 1996 to 23% in 1998.

Altogether 88% of funds that participated in the survey are managed by a Board of Trustees, and 5% of these funds have fewer than 4 members as opposed to 10% in 1996. The amendment to the Pension Funds Act that will come into effect on 31 December 1998, requires that a retirement fund be managed by a Board of Trustees of at least four members, of whom at least half must be selected from the body of employees. Smaller funds may be exempted from this requirement.

In the 1996 survey 67% of the funds said they felt the communication with members was sufficient. This figure rose to 74% in the 1998 survey. However, during their visits to some of the participating funds, the project team got the impression that members still had a need for better and more regular explanations and information about their retirement provision. There was a great need for presentations and workshops. The percentage of funds offering presentation on retirement benefits to members was 14%. Workshops were offered by 21%.

Section 2: Contributions

The maximum employer contributions, as a percentage of salaries, that are deductible at present amount to 20%. (This includes benefit funds, including medical schemes.) The Katz Commission, however, suggested that this percentage be limited to 15% of salaries.

The number of funds where employer contributions exceeded 15% of salaries, has remained more or less the same since the previous survey – 19%. A recent proposal by the Katz Commission was that these contributions should also include disability benefits and the funding of medical costs after retirement. This will mean that a greater number of funds had to contribute more than the suggested rate and would therefore not receive full tax relief.

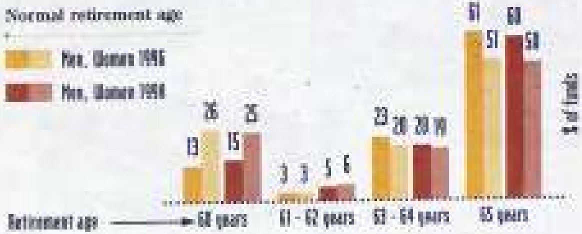
The average employer and employee contributions are 11,2% and 6,8% respectively.

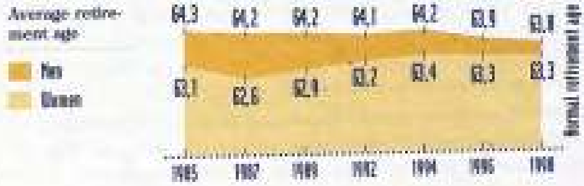
Section 3: Membership

The number of companies that have a defined benefit pension fund, as well as a provident fund, has not changed much since the previous survey – 64% at present. A total of 35% of the companies that have a provident fund also offer a tophat scheme additionally to their senior employees.

Section 4: Normal retirement age

The gap between the average normal retirement ages of men and women has narrowed considerably over the past decade. The average retirement age for men and women is now almost the same (men: 63,8, women: 63,3), which once again reflects the continued trend to end gender discrimination.





Section 5: Pensionable remuneration

The trend to include fringe benefits and bonuses in pensionable remuneration continued during the past two years and 12% of these funds amended the definition of pensionable remuneration during this period.

The two most obvious trends pertain to the inclusion of a thirteenth cheque and a car allowance (see graph). The percentage of funds that include a thirteenth cheque, rose from 27% in 1989 to 43% in 1996 and 49% in 1998.

The inclusion of car allowances initially rose fairly slowly. The funds that included them rose from 4% in 1989 to 9% in 1996. Over the past two years this figure increased sharply to 15% in 1998.

Pensionable remuneration: What changed?

Section 6: Normal retirement benefits

Period for determination of final average salary

In the 1996 survey it was mentioned that it would appear that the shortening of the period for the determination of the final average salary was stabilising. Since then the trend to shorten this period once again gained momentum.

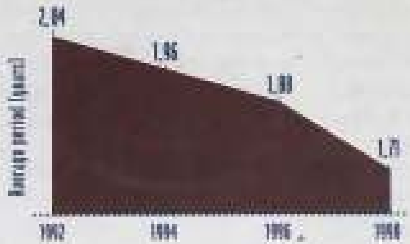
The average period, which was 1,96 years in 1994 and in 1996 dropped to 1,88 years, was further shortened in 1998 to 1,71 years.

The above trend can be ascribed in particular to the fact that many funds that used to use a three-year period, have now moved to a shorter period.

The majority of funds still use a one- or two-year period.

Final average salary

Final salary: average period during which compiled



Rate at which pension accumulates for every year of service (scale)

The level of the rate at which pension accumulates for every year of service remained unchanged.

Approximately 90% of funds used a rate of 2% or more a year.

Scale

Section 7: Early and late retirement

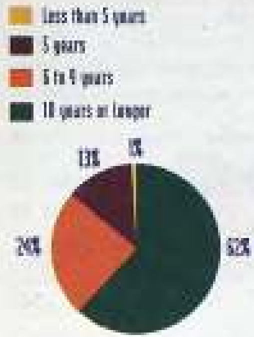
Early retirement

There was almost no change in the benefits paid at early retirement and in the case of more than half the funds a member may retire up to ten years early.

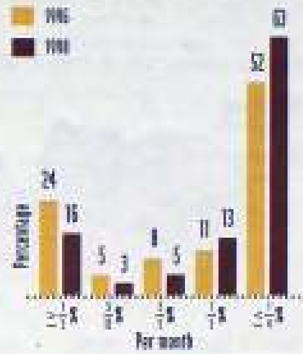
Almost 80% of funds applying a fixed percentage decrease a month, had a decrease of one-third or one-quarter percent a month. These decrease levels are usually regarded as actuarially neutral and in such a case the early retirement of a member therefore has no financial implication for the soundness of the fund.

On the other hand, a decrease of five-twelfths of a percent or more a month can be regarded as a punitive measure against the member, depending on the structure of the fund and the assumptions used, and in this case the fund, as it were, makes a profit. In the case of about 10% of the funds a decrease of five-twelfths or more a month is applied.

Number of years early



Decrease at early retirement



Late retirement

There was no change in the increase in pensions in the case of late retirement.

Section 8: Increase in pensions

In the past, the increases granted to final-salary pensioners compared poorly with the increase in the Consumer Price Index. Fortunately, over the past few years the trend has been to grant increases in pensions which are more in line with the rise in the Consumer Price Index. The increases in pensions were even higher than the inflation rate in 1994 and 1996 and the indications are that this will again be the case in 1998.

However, the fact that 10% of funds still make no provision for increases in pensions, is cause for concern. This figure has not changed since the 1996 survey. It can be deduced that there are a number of funds for which the benefit structure is not revised on an ongoing basis. Continued evaluation of the benefit structure of a fund is important and essential in order to adapt to changing circumstances.

Pension increase versus increase in CPI

Section 4: Death before retirement

There were no important trends in the size and kinds of death benefits.

Lump sum together with spouse's pension

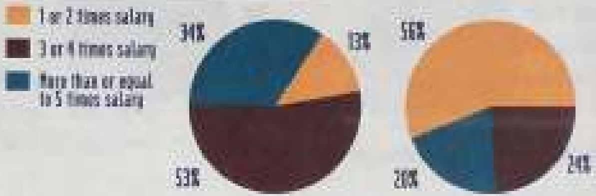
Almost 80% of funds provide a lump sum and spouse's pension. The lump sum paid in this case, is virtually the same for members without dependants (who are not entitled to a spouse's pension) and members with dependants (who are entitled to a spouse's pension). Cross-subsidisation therefore takes place.

Here the average lump sum amounts to 2,4 times pensionable salary.

Lump sum without spouse's pension

The average lump sum for members with dependants and those without dependants, amounts to 4,2 and 3,2 times pensionable salary respectively.

Lump sum at death before retirement

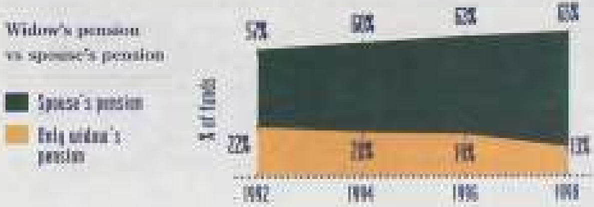


Without spouse's pension but with dependants

Without spouse's pension and without dependants

Lump sum at death before retirement
With spouse's pension

Widow's pension
vs spouse's pension



Spouse's pension

The number of funds offering spouse's pensions increased from 63% in 1996 to 65% in 1998. On the other hand, the percentage of funds offering only widow's pensions dropped from 19% in 1996 to 13% in 1998 (see graph). In the light of the Constitution, one would expect the aforementioned to disappear completely in the near future.

The average size of the spouse's pension is 47% if it is expressed as a percentage of salary, or otherwise 50% of the expected pension of the principal member at retirement.

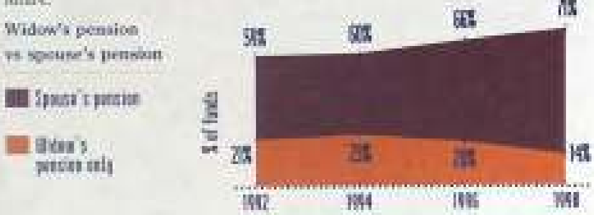
Children's pension

Children's pensions, on average, are paid to a maximum of 3,4 children. The average level of children's pensions is 14% per child, if expressed as a percentage of salary, and 20% if expressed as a percentage of the principal member's expected pension.

Section 10: Death benefits after retirement

The number of funds providing spouse's pensions, is 71% (66% in the previous survey). Compared to that, 14% of funds provide only widow's pensions (20% in the previous survey). As in the case of death benefits before retirement, one would expect these differences between men and women to disappear completely in the near future.

Widow's pension vs spouse's pension



Section 11: Disability

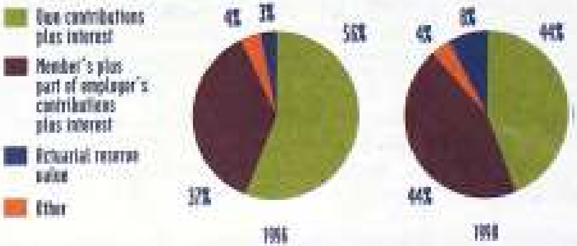
The percentage of funds offering a benefit at temporary and permanent disablement is 34% and 64% respectively. (These percentages do not include early retirement because of ill health.) The general waiting period for payment of disability benefits, is six months for both permanent and temporary disability.

Benefits at permanent disability

Section 12: Termination of service benefits

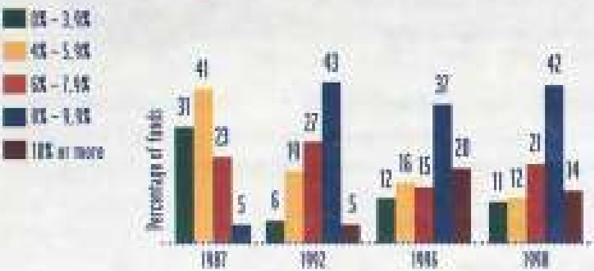
The fact that termination of service benefits is usually substantially better under a defined contribution fund than under a defined benefit fund is once again confirmed by the 1998 survey.

Retirement: Cash benefits available



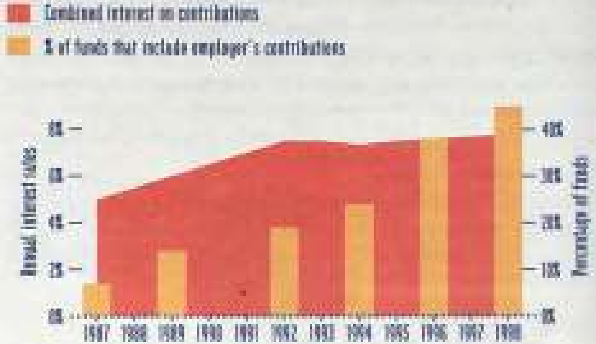
Since the previous survey there has nevertheless been a definite improvement in withdrawal benefits which are paid according to defined benefit pension funds. Member contributions plus a portion of employer contributions plus interest have increased in popularity (from 37 percent in 1996 to 44 percent in 1998). The percentage of funds which pays Actuarial Reserve Value as a termination of service benefit, increased from 3 percent in 1996 to 8 percent in 1998. Because of the aforementioned improvements in benefits, member contributions plus interest have decreased in popularity (from 56 percent in 1996 to 44 percent in 1998).

Compounded interest rate



The level of the interest rate that is applicable to the calculation of the cash benefit, in cases where member's contributions and/or employer's contributions are involved, has risen markedly since 1996. On the bar graph it can be seen that 72% of funds allowed 6% or more a year in 1996, compared to 77% in the 1998 survey. However, the rates are considerably lower than those allowed under defined contribution funds.

Interest earned by contributions together with a % of funds that pay out employer's contributions



Defined contribution pension funds

Section 1: General statistics

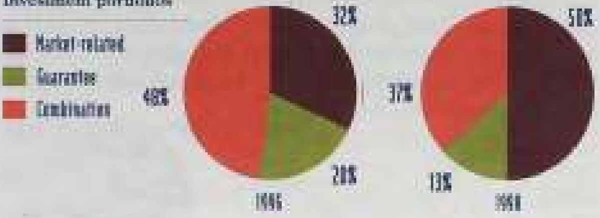
Efficient administration plays an integral role in the success of a pension fund and it appears as if fewer and fewer funds see their way clear to handling the administration themselves (22% in 1998 as opposed to 33% in 1996). The funds administered externally are divided more or less equally between insurers on the one hand and brokers and consulting actuaries on the other hand. Also refer to the article *Choice of an administrator* by Johan Roux.

Administration

Investment performance under a defined contribution fund is often watched with much greater interest than in the case of a defined benefit fund. Members are more concerned about the performance of their share in the large fund and funds will therefore want to maximise the investment returns within acceptable risk levels. There is an increasing trend among funds to make use of more than one investment manager. In total, 68% of participating defined contribution funds use more than one investment manager as opposed to 63% in 1996.

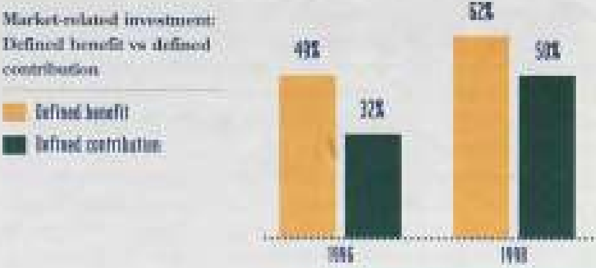
The percentage of funds that invest mainly in a market-related portfolio, increased markedly from 32% in 1996 to 50% in 1998. Whether this trend will continue will depend on the view of members and trustees with regard to investment prospects. The shift in emphasis to market-related returns can probably be ascribed to the excellent returns achieved on the share market before the crash of the market in October 1997. The fluctuating returns which have been achieved since then could very likely have an effect on trustees' ways of thinking. Only time will tell whether and how trustees will adapt their investment strategies.

Investment portfolios



Market-related portfolios are still more popular with defined benefit funds than with defined contribution funds. However, the gap between the percentage of defined benefit and defined contribution funds whose investments are mainly market-related, is narrowing. Also refer to the bar graph below on this subject.

Market-related investment: Defined benefit vs defined contribution

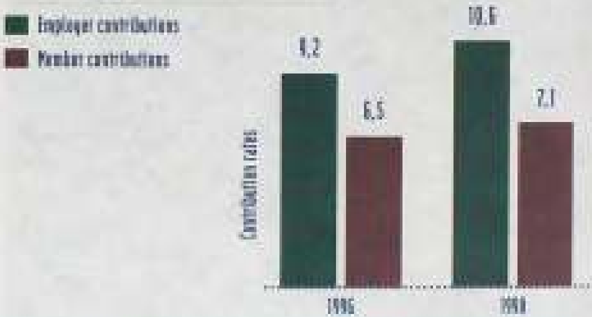


There is a need among certain members of defined contribution funds to become actively involved in the investment strategy of their share under the fund. To meet this need, some funds offer an investment option to members of defined contribution pension and provident funds. In the case of defined contribution pension funds, the percentage of funds that offer investment options to their members, increased markedly from 6% in 1996 to 14% in 1998. Also read the article, *Individual Investment Choice*, by Willie Kritzinger.

Section 2: Contributions

The average employer and member contribution rates in the previous survey were 9,2% and 6,5% respectively and are now 10,6% and 7,1% respectively. The average employer and member contribution rates for defined benefit funds are, as mentioned previously, 11,2% and 6,8% respectively – therefore the average employer contribution rate for defined contribution funds is lower than for defined benefit funds. However, the opposite is true for member contributions.

Average employer and member contributions



Section 3: Membership

In total, 68% of companies providing a defined contribution pension fund also have a defined contribution provident fund.

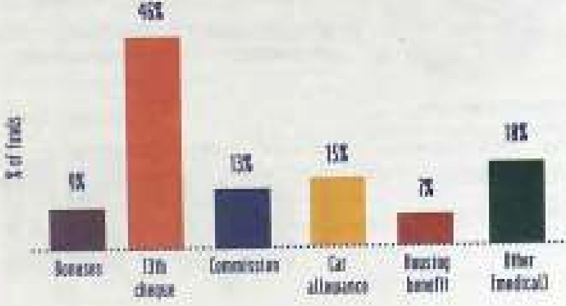
Section 4: Normal retirement age

The average normal retirement ages of men and women are virtually the same (men: 62.8 and women: 62.6), but look a little lower in comparison with 1996. Also read Charlotte Schreve's article about discrimination.

Section 5: Pensionable remuneration

The trend to include fringe benefits and thirteenth cheques under pensionable remuneration continued over the past two years. About 46% of funds include thirteenth cheques and 15% include car allowances. These figures are 49% and 13% in the case of defined benefit pension funds.

Pensionable remuneration: What is included?



Section 6: Normal retirement benefits

The basis on which pension at retirement can be bought, has become more flexible. More funds offer members a choice as regards the institution from which a pension may be bought, as well as the type of pension that may be bought.

Section 7: Early and late retirement

Early retirement

There were no changes in this section. Virtually all funds allow early retirement and in more than 50% of cases members may retire up to ten years (or longer) before normal retirement age.

Early retirement: number of years early

Late retirement

Here too there were no changes. A total of 82% of defined contribution funds allow members to retire later than the normal retirement age, as opposed to 83% of defined benefit funds.

Section 8: Increase in pension

As mentioned previously, defined contribution funds offer members choices as to where they want to purchase their pension. Every assurer also offers members options with regard to the properties of the pension. The provision for pension increases in future is one such option and it is important that members are not blinded by the initially higher pension payable if little or no provision is made for increases.

Section 9: Death benefits before retirement

Lump sum together with spouse's pension

About 50% of defined contribution pension funds provide a lump sum and spouse's pension. In comparison with this, the percentage is almost 80% in the case of defined benefit pension funds. This difference is to be expected, seeing that one of the arguments in favour of defined contribution funds is the decrease of cross-subsidisation.

The lump sum paid in this case is virtually the same for members without dependants (who are not entitled to a spouse's pension) and members with dependants (who are entitled to a spouse's pension). The average benefit for members with dependants is thus considerably greater than it is for those without dependants. Although this means cross-subsidisation it better addresses members' needs.

The average lump sum here is 2,5 times pensionable salary.

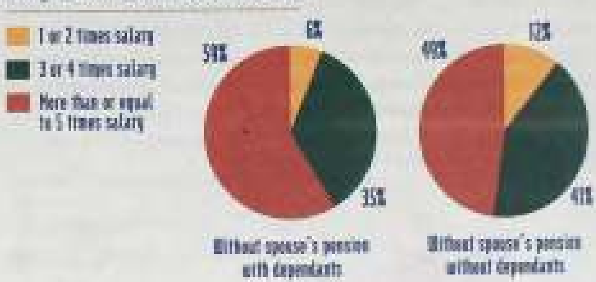
Lump sum at death before retirement
With spouse's pension

Lump sum without spouse's pension

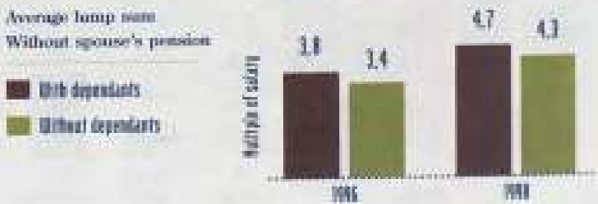
The average lump sum for members with dependants and those without dependants is 4,7 times and 4,3 times pensionable salary respectively. These benefits are significantly higher than in 1996 when the respective figures were 3,8 times and 3,4 times pensionable salary.

This compares well with 4,2 times and 3,2 times respectively in the case of defined benefit funds.

Lump sum at death before retirement



Average lump sum
Without spouse's pension



Spouse's pension

The number of funds offering spouse's pensions is 45% (65% in the case of defined benefit funds). On the other hand 10% of funds offer only widow's pensions (13% for defined benefit funds). Here, as in the case of defined benefit funds, one would expect such inequality to disappear completely in the near future.

The average size of the spouse's pension, expressed as a percentage of salary, is 40%.

Children's pension

Children's pensions are paid to a maximum of 5,5 children on average. The average level of children's pensions, expressed as a percentage of salary, is 14%.

Section 10: Death benefits after retirement

Funds where the death benefits after retirement are described in the rules, as in the case of defined benefit funds, tend more and more towards the provision of spouse's pensions instead of just widow's pensions. All funds in the current survey provide a guaranteed period, with five years as the most common period.

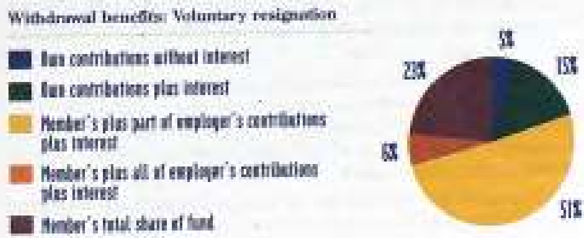
Section 11: Disability

The percentage of funds providing a benefit in the case of temporary and permanent disablement, is 40% and 79% respectively. Of the funds that have a benefit at temporary disability, 88% provide only a monthly income. In the case of funds that make provision for permanent disablement, this percentage is equal to 75%, while a lump sum, followed by a monthly income, is provided in 13% of the cases. Where a monthly disability benefit is paid, three-quarters of the participating funds pay a benefit of 75% of salary.

Section 12: Termination of service benefits

The general view in the market is that defined contribution funds provide better termination of service benefits than defined benefit funds. This is once again confirmed by the extent of the benefit paid out, as well as the interest rate applicable when calculating contributions (that is the contribution of the member or the member and the employer) plus interest. The average compound interest rate granted is 9,7% per year as opposed to the 7,8% of defined benefit funds.

If a member must withdraw from the fund owing to retrenchment, 55% of funds pay the member's total share in the fund, compared to 49% in 1996.



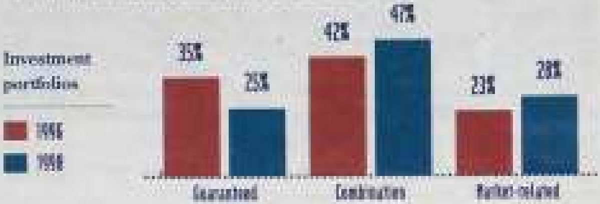
Provident funds

As only 5% of provident funds function according to a defined benefit basis, only defined contribution funds are included in the following section.

Section 1: General statistics

Investment strategy has become more aggressive (as in the case of defined contribution pension funds). In the bar graph it can be seen quite clearly how guaranteed portfolios form a smaller part of the total portfolio, while market-related and combination portfolios have increased in popularity. Funds that make their investments by means of an investment house or another financial institution apart from an assurer, increased from 16% in 1996 to 22% in 1998.

Investment portfolios



As in the case of defined contribution pension funds, individual investment choices have become more popular. In 1996, 5% of provident funds offered investment choices as opposed to 12% in 1998.

About 90% of provident funds are managed by a Board of Trustees. Funds offering equal representation to members and employers, increased from 77% in 1996 to 84% in 1998. In the case of 8% of provident funds, the trustees are still elected by the employer only. Owing to the amendment to the Pension Fund Act, this will not be allowed after 15 December 1998.

The percentage of funds that offer their members housing aid increased from 54% in 1996 to 71% in 1998.

Section 2: Contributions

Since the previous survey the average employer contribution has dropped by about 0,3% to 8,9% of salaries. The average member contribution, on the other hand, has increased by 0,6% to 6,1% of salaries. These rates are significantly lower than is the case under defined contribution funds.

Average employer and member contributions

In the case of 24% of the funds the employer has an unlimited liability and he has to increase contributions to make provision for the increase in the cost of administration and risk benefits – this means that in the case of 76% of the funds, members carry the risk of such increases.

Liability of employer if cost of administration and risk rises

As in the previous survey, about half of companies that have a provident fund as well as a defined benefit pension fund, pay the same employer contributions to both funds, and 28% pay a lower rate with regard to the provident fund.

Section 3: Membership

At 60% of the companies that have provident funds, members have the option of joining the fund.

Section 4: Normal retirement age

The average normal retirement age for men and women is 63,4 and 63,1 respectively and does not deviate much from the average retirement age in the previous survey.

Section 5: Pensionable remuneration

In general fringe benefits are not included. A possible reason for this is that the membership profile is such that not many fringe benefits are involved.

However, the number of funds that include thirteenth cheques increased from 30% in 1996 to 35% in 1998, but is substantially lower than the percentage for pension funds.

Section 6: Retirement benefits

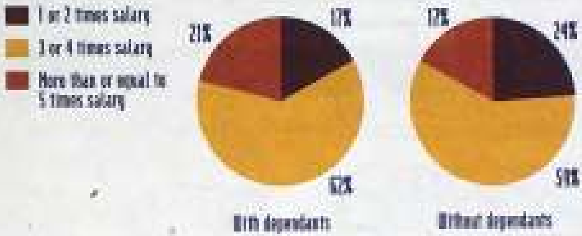
The percentage of provident funds functioning on a defined contribution basis, is 95%.

Section 7: Death benefits before retirement

Lump sum

The average lump sum at death is 3,7 times salary for members with dependants and 3,5 times salary for members without dependants. The corresponding figures for defined contribution pension funds are 3,3 and 3,2 times salary. (Bear in mind that data for "without spouse's pension" and "with spouse's pension" is combined.

Lump sum at death before retirement



Funeral benefits

About two-thirds of the funds provide separate funeral benefits. The average cover increased from R2 785 in 1996 to R3 500 in 1998. This increase is slightly more than the rise in the CPI over the same period.

Section 8: Disability benefits

About half of the funds that participated in the survey provide a temporary disability benefit. In the case of all these funds the temporary disability benefit is a monthly remuneration. The number of funds providing a monthly income for permanent disablement has increased by more than ten percentage points since the previous survey.

Section 9: Termination of service benefits

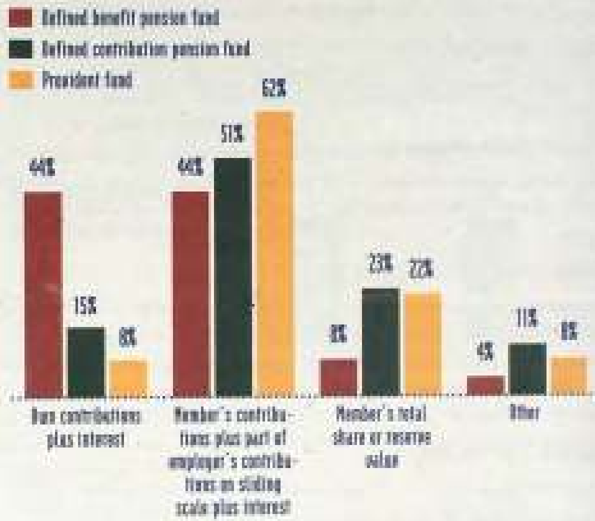
Termination of service benefits are considerably more favourable for members of a provident fund than for those belonging to a defined contribution pension fund. In the case of a provident fund the period of phasing-in of employer contributions, in cases where employer contributions are allocated on a sliding scale, is much shorter than under a defined contribution pension fund. More funds repay part of or all the employer contributions than in the case of defined contribution pension funds. The average rate of compound interest payable on termination of service benefits is also higher. The results are summarised in the following table:

	Provident fund	Defined contribution pension fund	Defined benefit pension fund
Phasing-in period	4% shorter than 5 yrs	28% shorter than 5 yrs	(not available)
Part of or full employer contributions or reserve value	48%	80%	32%
Average rate of compound interest	11.1%	9.7%	7.8%

By looking at the comparative bar graph one can see which termination of service benefits are the most popular in the case of which types of funds. Member contributions plus interest are the most popular benefit payable under defined benefit funds, while member contributions plus a part of employer contributions calculated by means of a sliding scale are the most popular benefit under defined contribution pension and provident funds. About the same number of defined contribution pension funds and provident funds pay the member's total share upon termination of service. "Other benefits" in the bar graph include benefits such as own contributions without interest, actuarial reserve value and value of deferred pension.

Termination of service: Cash benefit paid

Termination of service benefit
Comparison of benefits between three different kinds of pension funds



Statistics

The statistics in the next chapter are coded by colour as follows:

Defined benefit pension fund

Defined contribution pension fund

Provident fund

Defined benefit pension funds

Section 1: General statistics

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
1.1	**Active members**			
	1 – 50	21	–	**13**
	51 – 100	13	–	**8**
	101 – 500	51	10	**35**
	501 – 1 000	9	14	**11**
	1 001 – 5 000	6	48	**22**
	5 001 or more	–	28	**11**
	Participants	*47*	*29*	**76**
1.2	**Pensioners (including normal retirement, widow's, children's and disability pension)**			
	1 – 10	21	–	**14**
	11 – 20	11	–	**7**
	21 – 50	15	4	**11**
	51 – 100	22	–	**14**
	101 – 500	17	25	**20**
	501 – 1 000	7	21	**12**
	1 001 or more	7	50	**23**
	Participants	*46*	*28*	**74**
1.3	**Administration by**			
	Fund itself	28	70	**43**
	Assurer	38	17	**30**
	Broker	9	–	**5**
	Consulting actuary	17	3	**12**
	Other	3	3	**3**
	Combination	6	7	**7**
	Participants	*47*	*29*	**76**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
1.4	**Investments by**			
	Fund itself	9	17	**12**
	Assurer(s)	25	17	**22**
	Investment house(s)	37	7	**19**
	Other financial institution(s)	–	3	**1**
	Combination of above	29	56	**40**
	Participants	*45*	*29*	**74**
1.5	**Number of investment institutions**			
	One	43	18	**33**
	Two	32	18	**26**
	Three	15	25	**19**
	Four	10	18	**13**
	Five or more	–	21	**9**
	Participants	*41*	*28*	**69**
1.6	**Fund assets invested in**			
	Market-related portfolio(s)	59	65	**62**
	Guaranteed portfolio(s)	12	14	**13**
	Combination of above	29	21	**25**
	Participants	*42*	*29*	**71**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
1.7	**Aids (more than one answer possible)**			
	Formal aids policy	41	55	**46**
	Formal aids education programme	14	29	**20**
	Medical test (new members)	22	45	**31**
	Test for HIV virus (new members)	8	16	**11**
	Exclusion clause for life cover	10	6	**9**
	Exclusion clause for disability cover	8	8	**8**
1.8	**Equal benefits and contributions for males and females**			
	Yes	91	90	**91**
	No	9	10	**9**
	Participants	*47*	*29*	**76**
1.9	**Subsidisation of pensioners' medical aid contributions**			
	Via pension fund	4	14	**8**
	From current revenue	46	61	**53**
	Via medical aid fund	13	11	**12**
	Via separate pension or provident fund	3	–	**1**
	No subsidisation	35	14	**27**
	Participants	*46*	*28*	**74**
1.10	**Percentage subsidised by employer**			
	Up to 25%	–	4	**2**
	25.1% – 49.9%	–	4	**2**
	50%	50	55	**53**
	50.1% – 75%	20	23	**21**
	75.1% – 99.9%	3	14	**8**
	100%	27	–	**15**
	Participants	*30*	*22*	**52**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
1.11	**Medical aid fund open to new members**			
	Yes	58	71	**63**
	No	42	29	**37**
	Participants	*45*	*28*	**73**
1.12	**Option of provident fund/money purchase pension fund for new members**			
	Yes	53	24	**42**
	No	47	76	**58**
	Participants	*43*	*29*	**72**
1.13	**Funds are considering**			
	Establishing provident fund	2	16	**8**
	Converting to pension fund based on accrued contributions	20	32	**25**
	Participants	*11*	*13*	**26**
1.14	**Management of fund by**			
	Principal officer/Administrator	9	–	**5**
	Board of Trustees	82	97	**88**
	Management committee	9	3	**7**
	Participants	*46*	*29*	**75**
1.15	**Number, if managed by Board of Trustees**			
	Three or less	5	4	**5**
	Four	27	4	**17**
	Five	18	4	**13**
	Six	26	14	**21**
	Seven or more	24	74	**45**
	Participants	*38*	*28*	**66**

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
1.16 Trustee members elected/nominated by			
Employees	3	4	**3**
Employers	37	25	**33**
Both	60	71	**65**
Participants	38	28	**66**
1.17 Largest representation, if elected by both employees and employer			
Employees	4	–	**3**
Employers	4	20	**12**
Equal representation	92	80	**86**
Participants	23	20	**43**
1.18 Representation of pensioners on Board of Trustees			
Yes	22	50	**34**
No	78	50	**66**
Participants	37	28	**65**
1.19 Representation of directors on Board of Trustees			
Yes	68	83	**74**
No	32	17	**26**
Participants	37	24	**61**
1.20 Total value of assets (R million)			
0 – 12.0	19	–	**11**
12.1 – 60.0	41	3	**25**
60.1 – 120.0	14	14	**14**
120.1 – 300.0	21	7	**15**
300.1 or more	5	76	**35**
Participants	42	29	**71**

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
1.21 Members informed about fund benefits by			
A rule booklet	76	90	**81**
Annual benefit statements	92	87	**90**
Notices	31	65	**44**
Trustee reports	27	42	**33**
Speeches	12	16	**14**
Audio-visual presentations	12	16	**14**
Workshops and discussion groups	18	23	**21**
1.22 Funds that feel that communication with members is sufficient			
Yes	77	69	**74**
No	23	31	**26**
Participants	47	29	**76**

Section 2: Contributions

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
2.1	**Employer contributions as % of annual salaries**			
	0%	6	–	**3**
	0.1% – 5%	–	–	**–**
	5.1% – 7.5%	22	10	**18**
	7.6% – 10%	31	16	**25**
	10.1% – 12.5%	27	32	**28**
	12.6% – 15%	4	13	**7**
	15.1% – 20%	8	23	**14**
	20.1% or more	4	6	**5**
	Participants	*49*	*31*	**80**
2.2	**Member contributions as % of annual salaries (top management)**			
	0%	7	6	**6**
	0.1% – 5%	7	–	**4**
	5.1% – 6%	12	4	**9**
	6.1% – 7%	20	21	**20**
	7.1% – 8%	47	64	**54**
	8.1% or more	7	7	**7**
	Participants	*41*	*28*	**69**
2.3	**Member contributions as % of annual salaries (other)**			
	0%	2	3	**3**
	0.1% – 5%	6	–	**4**
	5.1% – 6%	10	3	**8**
	6.1% – 7%	29	23	**26**
	7.1% – 8%	49	65	**54**
	8.1% or more	4	6	**5**
	Participants	*49*	*31*	**80**

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
2.4	**Provision for past service contributions**			
	Yes	77	71	**75**
	No	23	29	**25**
	Participants	*48*	*31*	**79**
2.5	**Application of past service contributions**			
	Buying of past years of service	49	68	**56**
	Buying of additional pension at retirement	35	18	**29**
	Choice between above	11	14	**12**
	Other	5	–	**3**
	Participants	*37*	*22*	**59**

Section 3: Membership

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
3.1	**Qualification requirements (more than one answer possible)**			
	None	–	7	**3**
	Permanent service	98	85	**87**
	Above minimum age	19	26	**30**
	Below maximum age	67	44	**55**
	Maximum salary	–	4	**1**
	Minimum term of service	2	0	**1**
	Other	1	22	**11**
3.2	**Provident fund in operation**			
	Yes	73	48	**64**
	No	27	52	**36**
	Participants	49	31	**80**
3.3	**Provident fund for (more than one answer possible)**			
	Temporary employees	3	–	**2**
	Trade union members	29	14	**25**
	Hourly / weekly-paid	32	50	**38**
	Choice of employee	38	36	**38**
	Executives – "Top Hat" fund	26	37	**35**
	Other	24	31	**33**

Section 4: Normal retirement age

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
4.1	**Normal retirement age (men – top management)**			
	59 and younger	–	4	**1**
	60 years	37	46	**41**
	61 to 62 years	7	7	**7**
	63 to 64 years	10	25	**16**
	65 years	46	18	**35**
	Participants	41	28	**69**
4.2	**Normal retirement age (men – other)**			
	59 and younger	–	–	**–**
	60 years	9	24	**15**
	61 to 62 years	4	7	**5**
	63 to 64 years	18	24	**20**
	65 years	69	45	**60**
	Participants	45	29	**74**
4.3	**Normal retirement age (women – top management)**			
	59 and younger	–	4	**2**
	60 years	34	42	**37**
	61 to 62 years	6	11	**9**
	63 to 64 years	16	25	**20**
	65 years	42	18	**32**
	Participants	38	28	**66**
4.4	**Normal retirement age (women – other)**			
	59 and younger	–	–	**–**
	60 years	27	21	**25**
	61 to 62 years	2	11	**6**
	63 to 64 years	16	25	**19**
	65 years	55	43	**50**
	Participants	44	28	**72**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
4.5	**Additional pensionable service for top management if retirement age is lower**			
	Yes	67	70	**68**
	No	33	30	**32**
	Participants	12	10	**22**
4.6	**Number of years' additional pensionable service for top management**			
	1 or 2 years	–	14	**7**
	3 years	50	14	**33**
	4 years	–	–	**–**
	5 years	50	58	**53**
	More than 5 years	–	14	**7**
	Participants	8	7	**15**

Section 5: Pensionable remuneration

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
5.1	**Pensionable remuneration (top management) includes (more than one answer possible)**			
	Bonus (eg marketing)	16	16	**16**
	Bonus (13th cheque)	49	42	**46**
	Commission	12	6	**10**
	Car benefit	20	35	**26**
	Housing benefit	12	19	**15**
	Other	12	19	**15**
5.2	**Pensionable remuneration (other) includes (more than one answer possible)**			
	Bonus (eg marketing)	8	6	**8**
	Bonus (13th cheque)	53	42	**49**
	Commission	14	10	**13**
	Car benefit	14	16	**15**
	Housing benefit	6	6	**6**
	Other	6	16	**10**
5.3	**Definition of pensionable remuneration adjusted (past 2 years)**			
	Yes	10	14	**12**
	No	90	86	**88**
	Participants	49	28	**77**
5.4	**Benefits added to pensionable remuneration (past 2 years) (more than one answer possible)**			
	Bonus (eg marketing)	17	25	**20**
	Bonus (13th cheque)	50	25	**40**
	Commission	–	–	**–**
	Car benefit	33	100	**60**
	Housing benefit	33	–	**20**
	Other	17	25	**20**

Section 6: Normal retirement benefits

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
6.1	**Average final salary for pension (top management)**			
	Last month	5	21	**11**
	Last year	34	34	**34**
	Last 2 years	36	35	**36**
	Last 3 years	18	7	**14**
	Last 4 years	2	—	**1**
	Last 5 years	5	3	**4**
	Participants	*44*	*29*	***73***
6.2	**Average final salary for pension (other)**			
	Last month	5	23	**13**
	Last year	32	32	**32**
	Last 2 years	41	36	**39**
	Last 3 years	18	6	**13**
	Last 4 years	2	–	**1**
	Last 5 years	2	3	**3**
	Participants	*44*	*31*	***75***
6.3	**Type of lump sum**			
	Commutation only	86	74	**81**
	Gratuity only	8	16	**11**
	Both	6	10	**8**
	Participants	*48*	*31*	***79***
6.4	**Gratuity benefit: percentage of final salary for each pensionable year of service**			
	0% – 3.9%	45	17	**33**
	4% – 5.9%	11	–	**7**
	6% – 7.9%	22	83	**47**
	8% – 9.9%	22	–	**13**
	10% or more	–	–	**–**
	Participants	*9*	*6*	***15***

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
6.5	**Percentage of average final salary for each pensionable year of service (Top management)**			
	1.67% or less	7	11	**8**
	2%	52	39	**47**
	2.22%	15	36	**23**
	2.5%	24	11	**19**
	More than 2.5%	2	4	**3**
	Participants	*46*	*28*	***74***
6.6	**Percentage of average final salary for each pensionable year of service (Other)**			
	1.82% or less	7	10	**8**
	2%	61	47	**55**
	2.22%	15	33	**22**
	2.5%	15	7	**12**
	More than 2.5%	2	3	**3**
	Participants	*46*	*30*	***76***
6.7	**Funds where a sliding scale is applicable**			
	Yes	18	23	**20**
	No	82	77	**80**
	Participants	*45*	*31*	***76***
6.8	**Pension limited to a maximum at retirement**			
	Yes	16	16	**16**
	No	84	84	**84**
	Participants	*49*	*31*	***80***
6.9	**Pension subject to a minimum at retirement**			
	Yes	26	10	**19**
	No	74	90	**81**
	Participants	*47*	*30*	***77***

	Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
6.10 Type of minimum pension (top management)			
Percentage of final salary	25	–	**19**
An amount	50	25	**43**
Other basis	25	75	**38**
Participants	12	4	**16**
6.11 Type of minimum pension (other)			
Percentage of final salary	18	25	**20**
An amount	55	25	**47**
Other basis	27	50	**33**
Participants	11	4	**15**
6.12 Minimum term of service required for minimum benefits			
Yes	50	–	**40**
No	50	100	**60**
Participants	12	3	**15**
6.13 Minimum term of service			
Less than 5 years	–	–	**–**
5 to 9 years	–	–	**–**
10 to 14 years	17	–	**17**
15 years or more	83	–	**83**
Participants	6	–	**6**

Section 7: Early and late retirement

	Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
Early retirement for reasons other than ill health			
7.1 Funds that allow for early retirement			
Yes	100	100	**100**
No	–	–	**–**
Participants	48	31	**79**
7.2 Number of years that early retirement may precede normal retirement			
Less than 5 years	–	3	**1**
5 years	8	19	**13**
6 – 9 years	23	26	**24**
10 years or more	69	52	**62**
Participants	48	31	**79**
7.3 Pension based on pensionable service till			
Actual early retirement date	91	90	**91**
Normal retirement date	7	10	**8**
Other	2	–	**1**
Participants	46	30	**76**
7.4 Basis of reduction (top management)			
No reduction	5	3	**4**
Actuarial basis	2	3	**3**
Fixed percentage per month	79	84	**81**
Fluctuating percentage per month	14	10	**12**
Participants	44	29	**73**
7.5 Basis of reduction (other)			
No reduction	4	3	**4**
Actuarial basis	2	3	**3**
Fixed percentage per month	81	84	**81**
Fluctuating percentage per month	13	10	**12**
Participants	45	31	**76**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
7.6	**Fixed (single) percentage reduction (top management)**			
	1/2% per month or more	6	23	**14**
	5/12% per month	–	8	**3**
	2/5% per month	6	4	**5**
	1/3% per month	12	17	**14**
	1/4% per month or less	76	46	**64**
	Participants	34	24	**58**
7.7	**Fixed (single) percentage reduction (other)**			
	1/2% per month or more	9	27	**16**
	5/12% per month	–	8	**3**
	2/5% per month	6	4	**5**
	1/3% per month	11	15	**13**
	1/4% per month or less	74	46	**63**
	Participants	35	26	**61**

Early retirement as a result of ill health

7.8	**Funds that provide for early retirement on account of ill health**			
	Yes	83	77	**81**
	No	17	23	**19**
	Participants	47	30	**77**
7.9	**Number of years that early retirement may precede normal retirement**			
	less than 5 years	6	13	**9**
	5 years	3	–	**2**
	6 – 9 years	11	–	**7**
	10 years or more	80	87	**83**
	Participants	35	23	**58**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
7.10	**Pension based on service till**			
	Date of retirement	57	39	**50**
	Normal retirement date	41	39	**40**
	Other	3	22	**10**
	Participants	37	23	**60**
7.11	**Basis of reduction**			
	None	73	73	**73**
	Actuarial basis	3	3	**3**
	Fixed percentage per month	19	23	**21**
	Fluctuating percentage per month	6	–	**3**
	Participants	36	22	**58**
7.12	**Fixed (single) percentage reduction**			
	1/2% per month or more	14	20	**17**
	5/12% per month	–	20	**8**
	2/5% per month	14	–	**8**
	1/3% per month	–	–	**–**
	1/4% per month or less	71	60	**67**
	Participants	7	5	**12**

Late retirement

7.13	**Funds that allow late retirement**			
	Yes	80	87	**82**
	No	20	13	**18**
	Participants	49	31	**80**
7.14	**Continuation of contributions after normal retirement date**			
	Yes	33	81	**64**
	No	67	19	**36**
	Participants	39	27	**66**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
7.15	**Service after normal retirement date regarded as pensionable service**			
	Yes	53	89	**68**
	No	47	11	**32**
	Participants	38	27	**65**
7.16	**Final average salary calculated on**			
	Normal retirement date	54	11	**35**
	Actual retirement date	46	89	**65**
	Participants	35	27	**62**
7.17	**Increase of normal retirement pension**			
	None	13	49	**29**
	Actuarial basis	8	4	**6**
	Pension increases granted	–	4	**2**
	Fixed percentage	62	33	**51**
	Fixed percentage plus pension increases	5	8	**6**
	Other	10	–	**6**
	Participants	39	26	**65**
7.18	**Fixed percentage increase in pension if contributions are continued**			
	1% per month or more	17	–	**11**
	3/4% per month	17	14	**16**
	1/2% per month	17	57	**32**
	1/4% per month or less	49	29	**41**
	Participants	12	7	**19**
7.19	**Fixed percentage increase in pension if contributions cease**			
	1% per month or more	39	25	**37**
	3/4% per month	22	–	**18**
	1/2% per month	17	75	**27**
	1/4% per month or less	22	–	**18**
	Participants	18	4	**22**

Section 8: Increase in pensions

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
8.1	**Funds that provide pension increases**			
	Yes	87	93	**90**
	No	13	7	**10**
	Participants	48	30	**78**
8.2	**Method of pension increases**			
	None	–	–	**–**
	Fixed percentage (rules)	13	4	**9**
	Ad hoc	39	70	**52**
	Ad hoc with minimum	18	7	**13**
	Rate declared by assurer	20	4	**13**
	Combination of above	10	15	**12**
	Participants	40	27	**67**
8.3	**Average increases granted (1995)**			
	0% – 5%	–	–	**–**
	5,1% – 7%	11	11	**11**
	7,1% – 9%	36	37	**36**
	9,1% – 11%	24	48	**34**
	11,1% – 13%	16	4	**11**
	13,1% – 15%	3	–	**2**
	15,1% or more	8	–	**5**
	Participants	37	27	**64**
8.4	**Average increases granted (1996)**			
	0% – 5%	3	–	**2**
	5,1% – 7%	8	26	**16**
	7,1% – 9%	48	35	**42**
	9,1% – 11%	30	35	**32**
	11,1% – 13%	5	–	**3**
	13,1% – 15%	3	–	**2**
	15,1% or more	3	4	**3**
	Participants	37	26	**63**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
8.5	**Average increases granted (1997)**			
	0% – 5%	5	–	**3**
	5.1% – 7%	3	23	**11**
	7.1% – 9%	39	42	**40**
	9.1% – 11%	38	31	**33**
	11.1% – 13%	16	4	**11**
	13.1% – 15%	3	–	**2**
	15.1% or more	–	–	–
	Participants	38	26	**64**
8.6	**Pension increases foreseen for the future (% increase in consumer price index)**			
	Less than 50%	3	–	**2**
	50%	6	4	**5**
	66%	3	4	**3**
	75%	46	42	**43**
	100%	42	50	**45**
	Participants	36	26	**62**
8.7	**Additional increases granted (past 3 years)**			
	Yes	43	75	**56**
	No	58	25	**44**
	Participants	40	28	**68**

Section 9: Death benefits prior to retirement

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
9.1	**Benefits at death before retirement (more than one answer possible)**			
	Lump-sum payment	93	97	**96**
	Widow's pension	69	90	**78**
	Widower's pension	53	84	**65**
	Children's pension	65	87	**74**
9.2	**Widow's/widower's pension at remarriage**			
	Unchanged	91	93	**92**
	Halved	–	–	–
	Terminated	9	7	**8**
	Participants	35	28	**63**
9.3	**Only lump sums (including lump sums under separate schemes) paid at death Members without dependents (Top management)**			
	1 x salary	–	–	–
	2 x salary	17	14	**16**
	3 x salary	–	–	–
	4 x salary	30	–	**39**
	5 x salary	25	28	**26**
	6 x salary	8	29	**12**
	More than 6 x salary	–	29	**16**
	Depending on years of service	–	0	–
	Participants	12	4	**16**

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
9.4 Only lump sums (including lump sums under separate schemes) paid at death Members without dependants (top management)			
1 x salary	9	33	**14**
2 x salary	36	–	**29**
3 x salary	–	–	**–**
4 x salary	36	–	**29**
5 x salary	18	–	**14**
6 x salary	–	33	**7**
More than 6 x salary	–	33	**7**
Depending on years of service	–	–	**–**
Participants	11	3	**14**
9.5 Only lump sums (including lump sums under separate schemes) paid at death Members without dependants (other)			
1 x salary	–	–	**–**
2 x salary	17	–	**13**
3 x salary	–	33	**7**
4 x salary	50	33	**46**
5 x salary	25	33	**27**
6 x salary	8	–	**7**
More than 6 x salary	–	–	**–**
Depending on years of service	–	–	**–**
Participants	12	2	**14**

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
9.6 Only lump sums (including lump sums under separate schemes) paid at death Members without dependants (other)			
1 x salary	8	33	**13**
2 x salary	38	67	**43**
3 x salary	–	–	**–**
4 x salary	29	–	**24**
5 x salary	17	–	**13**
6 x salary	8	–	**7**
More than 6 x salary	–	–	**–**
Depending on years of service	–	–	**–**
Participants	12	3	**15**
9.7 Lump sum paid together with a spouse's pension Members without dependants (top management)			
1 x salary	12	16	**14**
2 x salary	54	36	**45**
3 x salary	15	8	**13**
4 x salary	8	8	**8**
5 x salary	6	4	**5**
6 x salary	–	4	**2**
More than 6 x salary	4	–	**3**
Depending on years of service	–	24	**12**
Participants	25	25	**50**

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
9.8 Lump sum paid together with a spouse's pension Members without dependants (top management)			
1 x salary	12	14	**13**
2 x salary	56	39	**47**
3 x salary	16	9	**13**
4 x salary	8	9	**9**
5 x salary	4	5	**4**
6 x salary	–	–	**–**
More than 6 x salary	4	–	**2**
Depending on years of service	–	27	**13**
Participants	25	22	**47**
9.9 Lump sum paid together with a spouse's pension Members without dependants (other)			
1 x salary	13	15	**15**
2 x salary	54	41	**47**
3 x salary	13	11	**13**
4 x salary	8	7	**8**
5 x salary	8	4	**6**
6 x salary	–	–	**–**
More than 6 x salary	–	–	**–**
Depending on years of service	–	22	**12**
Participants	24	27	**51**

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
9.10 Lump sum paid together with a spouse's pension Members without dependants (other)			
1 x salary	13	13	**13**
2 x salary	60	42	**50**
3 x salary	15	13	**14**
4 x salary	8	4	**6**
5 x salary	4	4	**4**
6 x salary	–	–	**–**
More than 6 x salary	–	–	**–**
Depending on years of service	–	25	**13**
Participants	22	24	**46**
9.11 Widow's/widower's pension calculated as			
% of member's salary	63	21	**44**
% of expected pension	37	79	**56**
Participants	35	28	**63**
9.12 Percentage of salary for widow's/widower's pension			
Less than 30%	–	–	**–**
30% – 39%	19	17	**19**
40% – 49%	29	17	**26**
50%	38	49	**40**
More than 50%	14	17	**15**
Participants	21	6	**27**
9.13 Percentage of expected pension for widow's/widower's pension			
Less than 50%	–	–	**–**
50%	59	33	**43**
51% – 59%	8	5	**6**
60%	–	29	**18**
More than 60%	33	33	**33**
Participants	12	21	**33**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
9.14	**Percentage for children's pension (based on salary)**			
	10% or less	55	67	**58**
	11% – 15%	6	–	**4**
	16% – 20%	11	33	**17**
	21% – 25%	17	–	**13**
	More than 25%	11	–	**8**
	Participants	18	6	**24**
9.15	**Percentage for children's pension (based on expected pension)**			
	10% or less	13	11	**12**
	11% – 15%	20	11	**15**
	16% – 20%	13	39	**27**
	21% – 25%	27	6	**15**
	More than 25%	27	33	**31**
	Participants	15	18	**33**
9.16	**Maximum number of children**			
	1 or 2 children	9	19	**14**
	3 children	59	35	**48**
	4 children	19	19	**19**
	More than 4 children	13	27	**19**
	Participants	32	26	**58**
9.17	**Description of dependent child (more than one answer possible)**			
	In terms of the Income Tax Act	53	12	**34**
	Up to 18 years	53	69	**60**
	19 – 21 years	25	23	**24**
	22 – 25 years	16	27	**21**
	26 years	6	27	**16**
	Older than 26 years	–	12	**5**

Section 10: Death benefits after retirement

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
10.1	**Death benefits after retirement (more than one answer possible)**			
	No provision	8	3	**6**
	Guarantee period	63	55	**59**
	Lump sum	21	29	**24**
	Widow's pension	77	97	**85**
	Widower's pension	39	90	**71**
	Children's pension	44	74	**56**
10.2	**Guarantee period (together with widow's/widower's pension)**			
	0 years	4	7	**5**
	1 – 4 years	–	–	**–**
	5 years	81	80	**81**
	6 – 9 years	–	–	**–**
	10 years	15	13	**14**
	Participants	27	15	**42**
10.3	**Guarantee period (without widow's/widower's pension)**			
	0 years	4	–	**3**
	1 – 4 years	–	–	**–**
	5 years	74	85	**78**
	6 – 9 years	–	–	**–**
	10 years	22	15	**19**
	Participants	23	13	**36**
10.4	**Widow's/widower's pension as a percentage of the member's pension prior to commutation**			
	Less than 50%	3	3	**3**
	50%	61	41	**53**
	51% – 60%	19	21	**20**
	61% – 70%	14	28	**20**
	More than 70%	3	7	**5**
	Participants	37	29	**66**

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
10.5 Children's pension as a percentage of the member's pension prior to commutation			
Less than 10%	–	14	**7**
10% – 15%	42	23	**32**
16% – 20%	16	36	**27**
More than 20%	42	27	**34**
Participants	19	22	**41**
10.6 Lump-sum benefit provided by the fund			
Fixed amount	40	45	**43**
% of pension	10	33	**21**
Amount minus pension paid	20	11	**16**
Other	30	11	**21**
Participants	10	9	**19**

Section 11: Disability benefits

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
11.1 Funds that provide a benefit at (more than one answer possible)			
Temporary disability	33	35	**34**
Permanent disability	71	55	**64**
11.2 Type of disability benefit (temporary disability)			
Lump sum only	6	–	**4**
Monthly income only	94	91	**92**
Temporary income followed by lump sum	–	–	**–**
Lump sum followed by income	–	9	**4**
Participants	16	11	**27**
11.3 Type of disability benefit (permanent disability)			
Lump sum only	3	20	**8**
Monthly income only	82	37	**66**
Temporary income followed by lump sum	–	7	**2**
Lump sum followed by income	15	48	**24**
Participants	34	15	**49**
11.4 Type of lump sum			
Multiple or percentage of annual salary	67	67	**67**
Fixed amount	–	8	**5**
Other	33	25	**28**
Participants	6	12	**18**

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
11.5 Multiple of annual salary if lump sum is payable on permanent disability			
1 x annual salary	20	17	**18**
2 x annual salary	–	49	**27**
3 x annual salary	40	17	**27**
4 x annual salary	20	17	**18**
5 x annual salary or more	20	–	**10**
Participants	5	6	**11**
11.6 Type of disability income			
Percentage of annual salary	81	82	**81**
Percentage of expected pension	17	6	**13**
Other	3	12	**6**
Participants	36	17	**53**
11.7 Disability benefit as a percentage of annual salary			
Less than 50%	–	8	**2**
50% – 59%	7	–	**5**
60% – 74%	–	15	**5**
75%	72	54	**67**
100% for 2 years and 75% thereafter	14	15	**14**
Other combination averaging over 75%	7	8	**7**
Participants	29	13	**42**
11.8 Increase in disability income			
None	23	11	**19**
Fixed percentage (rates)	36	27	**33**
Ad hoc	23	44	**30**
Ad hoc with minimum	3	6	**4**
Rate declared by insurer	9	6	**8**
Combination of above	6	6	**6**
Participants	35	18	**53**

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
11.9 Waiting period before payment starts (temporary disability)			
None	12	18	**15**
1 month	–	–	**–**
2 – 3 months	44	9	**30**
4 – 5 months	–	–	**–**
6 months	44	73	**55**
12 months	–	–	**–**
24 months	–	–	**–**
Participants	16	11	**27**
11.10 Waiting period before payment starts (permanent disability)			
None	15	36	**21**
1 month	–	–	**–**
2 – 3 months	29	14	**25**
4 – 5 months	–	–	**–**
6 months	53	50	**52**
12 months	3	–	**2**
24 months	–	–	**–**
Participants	34	14	**48**

Section 12: Withdrawal benefits

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
12.1	**Cash benefits at termination of service (voluntary resignation)**			
	Own contributions without interest	–	–	**–**
	Own contributions with interest	49	37	**46**
	Member's contributions plus part of employer's contributions on a sliding scale plus interest	43	47	**44**
	Member's contributions plus all of employer's contributions plus interest	–	3	**1**
	Value of deferred pension	2	3	**3**
	Actuarial reserve value or similar benefit	6	10	**8**
	Participants	*47*	*30*	***77***
12.2	**Cash benefits at termination of service (retrenchment)**			
	Own contributions without interest	–	–	**–**
	Own contributions with interest	19	21	**20**
	Member's contributions plus part of employer's contributions on a sliding scale plus interest	14	14	**14**
	Member's contributions plus all of employer's contributions plus interest	21	11	**17**
	Value of deferred pension	2	7	**4**
	Actuarial reserve value or similar benefit	44	47	**45**
	Participants	*42*	*28*	***70***
12.3	**Cash benefit increased by annually compounded interest rate**			
	Less than 3%	–	5	**2**
	3% – 3.9%	8	9	**9**
	4% – 5.9%	9	18	**13**
	6% – 7.9%	23	18	**21**
	8% – 9.9%	50	27	**42**
	10% – 12%	6	23	**12**
	More than 12%	3	–	**2**
	Participants	*35*	*22*	***57***

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
12.4	**Funds that allow transfer of benefit to another approved fund**			
	Yes	98	93	**96**
	No	2	7	**4**
	Participants	*49*	*30*	***79***
12.5	**Benefit transferable on voluntary resignation**			
	Own contributions without interest	2	–	**1**
	Own contributions with interest	16	11	**14**
	Member's contributions plus part of employer's contributions on a sliding scale plus interest	51	49	**50**
	Member's contributions plus all of employer's contributions plus interest	9	4	**7**
	Value of deferred pension	2	4	**3**
	Actuarial reserve value or similar benefit	20	32	**25**
	Participants	*45*	*28*	***72***
12.6	**Benefit transferable on retrenchment**			
	Own contributions without interest	0	0	**–**
	Own contributions with interest	10	4	**8**
	Member's contributions plus part of employer's contributions on a sliding scale plus interest	15	25	**19**
	Member's contributions plus all of employer's contributions plus interest	21	4	**14**
	Value of deferred pension	3	4	**3**
	Actuarial reserve value or similar benefit	51	63	**56**
	Participants	*39*	*24*	***63***

Defined contribution pension funds

Section 1: General statistics

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
1.1	**Active members**			
	1 – 50	10	–	**5**
	51 – 100	10	–	**5**
	101 – 500	63	12	**35**
	501 – 1 000	14	24	**19**
	1 001 – 5 000	3	38	**22**
	5001 or more	–	26	**14**
	Participants	29	34	**63**
1.2	**Pensioners (including normal retirement, widow's, children's and disability pension)**			
	1 – 10	31	9	**19**
	11 – 20	12	4	**8**
	21 – 50	30	9	**19**
	51 – 100	15	12	**13**
	101 – 500	4	23	**13**
	501 – 1000	4	8	**6**
	1001 or more	4	37	**22**
	Participants	26	26	**52**
1.3	**Administration by**			
	Fund itself	7	35	**22**
	Assurer	39	38	**38**
	Broker	24	–	**11**
	Consulting actuary	17	24	**21**
	Other	10	–	**5**
	Combination of above	3	3	**3**
	Participants	29	34	**63**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
1.4	**Investments by**			
	Fund itself	8	12	**10**
	Assurer(s)	44	29	**36**
	Investment house(s)	16	15	**15**
	Other financial institution(s)	12	6	**8**
	Combination of above	20	38	**31**
	Participants	25	34	**59**
1.5	**Number of investment managers**			
	One	40	26	**32**
	Two	36	38	**37**
	Three	12	12	**12**
	Four	4	18	**12**
	Five or more	8	6	**7**
	Participants	25	34	**59**
1.6	**Fund assets invested in**			
	Market-related portfolio(s)	57	44	**50**
	Guaranteed portfolio(s)	12	15	**13**
	Combination of above	31	41	**37**
	Participants	26	34	**60**
1.7	**Investment choice for individual members**			
	Yes	8	18	**14**
	No	92	82	**86**
	Participants	25	34	**59**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
1.8	**If the choice is "yes"**			
	Cash channel	–	25	**17**
	Market-related fund	100	75	**83**
	Guaranteed fund	–	–	**–**
	Participants	2	4	**6**
1.9	**Market-related choice**			
	High growth	–	33	**20**
	Balanced risk	100	67	**80**
	Participants	2	3	**5**
1.10	**Reserve account (if applicable) used for**			
	Stabilising investment returns	33	35	**35**
	Subsidising costs or risk benefits	27	17	**20**
	Sharing among members	7	14	**11**
	Employer contribution holiday	13	10	**11**
	Other	20	24	**23**
	Participants	15	29	**44**
1.11	**Aids (more than one answer possible)**			
	Formal Aids policy	28	53	**40**
	Formal Aids education policy	16	23	**19**
	Medical test (new members)	28	37	**33**
	Test for HIV (new members)	9	13	**10**
	Exclusion clause for life cover	6	3	**4**
	Exclusion clause for disability cover	3	3	**3**
1.12	**Equal benefits and contributions for males and females**			
	Yes	96	100	**98**
	No	4	–	**2**
	Participants	28	34	**62**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
1.13	**Subsidisation of pensioners' contributions for males and females**			
	Via pension fund	8	9	**8**
	From current revenue	35	61	**49**
	Via medical aid fund	8	6	**7**
	Separate pension or provident fund	–	3	**2**
	No subsidisation	49	21	**34**
	Participants	26	33	**59**
1.14	**Percentage subsidised**			
	Up to 25%	–	–	**0**
	25.1% - 49.9%	9	9	**8**
	50%	62	39	**47**
	50.1% - 75%	15	30	**25**
	75.1% - 99.9%	–	9	**6**
	100%	15	13	**14**
	Participants	12	23	**36**
1.15	**Management of fund by**			
	Principal officer	4	3	**3**
	Board of Trustees	96	97	**97**
	Management committee	–	–	**–**
	Participants	27	34	**61**
1.16	**Number, if managed by Board of Trustees**			
	Three or less	4	–	**2**
	Four	28	12	**19**
	Five	8	3	**5**
	Six	36	15	**24**
	Seven or more	24	70	**50**
	Participants	25	33	**58**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
1.17	**Trustee members elected/nominated by**			
	Employees	–	–	–
	Employer	19	16	**17**
	Both	81	84	**83**
	Participants	26	32	**58**
1.18	**Largest representation, if elected/nominated by both employees/employer**			
	Employees	19	–	**8**
	Employer	5	7	**6**
	Equal representation	76	93	**86**
	Participants	21	27	**48**
1.19	**Representation of pensioners on Board of Trustees**			
	Yes	8	27	**19**
	No	92	73	**81**
	Participants	24	33	**57**
1.20	**Representation of directors on Board of Trustees**			
	Yes	76	66	**70**
	No	24	34	**30**
	Participants	25	32	**57**
1.21	**Total worth of assets (R million)**			
	0 – 12	36	0	**14**
	12.1 – 60	36	6	**14**
	60.1 – 120	30	18	**23**
	120.1 – 300	4	24	**16**
	300.1 or more	4	52	**33**
	Participants	23	34	**57**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
1.22	**Members informed about fund benefits by (more than one answer possible)**			
	A rule booklet	69	86	**78**
	Annual benefit statements	73	97	**87**
	Notices	23	43	**34**
	Trustee reports	22	34	**29**
	Speeches	8	14	**10**
	Audio-visual presentations	13	31	**22**
	Workshops and discussion groups	16	26	**21**
1.23	**Funds that feel that communication with members is sufficient**			
	Yes	81	68	**74**
	No	19	32	**26**
	Participants	27	34	**61**
1.24	**Transfer value of previous fund**			
	Actuarial reserve	53	30	**39**
	Actuarial reserve plus fixed percentage	41	59	**52**
	Actuarial reserve plus age-related increase	–	4	**2**
	Transfer credit based on envisaged retirement benefit	6	7	**7**
	Participants	17	27	**44**
1.25	**Cost or risk benefits over the past years**			
	Increased	42	24	**32**
	Decreased	8	15	**12**
	No significant decrease	50	61	**56**
	Participants	26	23	**49**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
1.36	**How did you react to the cost increase?**			
	Decreased bonus	11	–	**6**
	Subsidised from reserves	33	43	**38**
	Decrease in contributions for retirement funding	22	–	**13**
	Changed level of risk benefits	11	29	**19**
	Employer contribution rate increased	22	29	**25**
	Participants	*9*	*7*	**16**

Section 2: Contributions

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
2.1	**Total annual contribution category (member plus employer contributions)**			
	Less than R1 million	30	–	**14**
	R1 million to R5 million	70	–	**32**
	More than R5 million	–	100	**54**
	Participants	*30*	*35*	**65**
2.2	**Employer contributions as % of annual salaries**			
	0%	3	–	**2**
	0.1% – 5%	–	3	**2**
	5.1% – 6%	10	3	**6**
	6.1% – 7%	–	–	**–**
	7.1% – 8%	13	17	**15**
	8.1% – 10%	13	23	**18**
	10.1% – 12%	23	23	**23**
	12.1% or more	39	31	**34**
	Participants	*31*	*35*	**66**
2.3	**Member contributions as % of annual salaries (top management)**			
	0%	3	–	**2**
	0.1% – 5%	7	–	**3**
	5.1% – 6%	13	–	**6**
	6.1% – 7%	17	26	**22**
	7.1% – 8%	50	74	**62**
	8.1% or more	10	–	**5**
	Participants	*30*	*34*	**64**

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
2.4	**Member contributions as % of annual salaries (other)**			
	0%	3	–	**2**
	0.1% – 3%	6	–	**3**
	3.1% – 6%	12	–	**6**
	6.1% – 7%	18	26	**20**
	7.1% – 8%	53	71	**62**
	8.1% or more	10	3	**6**
	Participants	21	33	**66**
2.5	**Provision for additional voluntary contributions**			
	Yes	59	74	**67**
	No	41	26	**33**
	Participants	32	34	**66**

Section 3: Membership

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
3.1	**Qualification requirements (more than one answer possible)**			
	None	6	3	**4**
	Permanent service	91	94	**93**
	Above minimum age	16	11	**13**
	Below maximum age	44	46	**45**
	Minimum salary	–	–	**–**
	Minimum term of service	3	–	**1**
	Other	6	3	**4**
3.2	**Provident fund in operation**			
	Yes	77	57	**66**
	No	23	43	**34**
	Participants	32	33	**65**
3.3	**Provident fund for (more than one answer possible)**			
	Temporary employees	–	–	**–**
	Trade union members	9	23	**17**
	Hourly, weekly paid	9	10	**10**
	Choice of employee	32	60	**45**
	Executives – "Top Hat" funds	32	20	**26**
	Other	23	20	**21**

Section 4: Normal retirement age

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
4.1	**Normal retirement age (men – top management)**			
	59 or younger	3	–	2
	60 years	67	45	55
	61 – 62 years	7	6	6
	63 – 64 years	3	23	14
	65 years	20	26	23
	Participants	30	35	65
4.2	**Normal retirement age (men – other)**			
	59 or younger	–	–	0
	60 years	42	31	36
	61 – 62 years	3	6	5
	63 – 64 years	15	23	18
	65 years	42	40	41
	Participants	31	35	66
4.3	**Normal retirement age (women – top management)**			
	59 or younger	3	3	3
	60 years	70	42	55
	61 – 62 years	7	6	6
	63 – 64 years	3	23	14
	65 years	17	26	23
	Participants	30	35	65
4.4	**Normal retirement age (women – other)**			
	59 or younger	–	–	–
	60 years	49	31	39
	61 – 62 years	3	6	5
	63 – 64 years	13	23	18
	65 years	35	40	38
	Participants	31	35	66

Section 5: Pensionable remuneration

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
5.1	**Pensionable remuneration (top management) includes (more than one answer possible)**			
	Bonus (eg marketing)	3	17	10
	Bonus (13th cheque)	34	57	46
	Commission	3	20	12
	Car benefit	16	20	18
	Housing benefit	9	17	13
	Other	22	17	19
5.2	**Pensionable remuneration (other) includes (more than one answer possible)**			
	Bonus (eg marketing)	3	14	9
	Bonus (13th cheque)	31	60	46
	Commission	3	23	13
	Car benefit	9	20	15
	Housing benefit	–	14	7
	Other	19	17	18
5.3	**Definition of pensionable remuneration adjusted (past 3 years)**			
	Yes	6	15	11
	No	94	85	89
	Participants	31	34	65
5.4	**Benefits added to pensionable remuneration (past 3 years) (more than one answer possible)**			
	Bonus (eg marketing)	33	20	25
	Bonus (13th cheque)	33	60	50
	Commission	–	–	–
	Car benefit	33	20	25
	Housing benefit	–	20	13
	Other	–	40	25

Section 6: Normal retirement benefits

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
6.1	**Lump sum payable at retirement**			
	Yes	100	100	100
	No			–
	Participants	31	35	66
6.2	**Percentage of accrued contributions payable in cash**			
	33⅓%	100	89	94
	Less than 33⅓%	–	11	6
	Participants	31	35	66
6.3	**Pension subject to guaranteed minimum at retirement**			
	Yes	7	23	15
	No	93	77	85
	Participants	30	35	65
6.4	**Guaranteed minimum applicable to**			
	All members	100	23	46
	Members present at establishment of or conversion to defined contribution fund	–	37	27
	Members above certain age at inception of or conversion to defined contribution fund	–	13	9
	Other	–	25	18
	Participants	3	8	11
6.5	**Method to convert accrued contributions (less lump sum) into a pension**			
	Annuity purchased from insurer	69	53	61
	Pension paid on insurance basis from assets of fund	7	35	22
	Combination of above	24	12	17
	Participants	29	34	63

Section 7: Early and late retirement

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
	Early retirement for reasons other than ill health			
7.1	**Funds that allow for early retirement**			
	Yes	100	100	100
	No	–		–
	Participants	31	35	66
7.2	**Number of years that early retirement may precede normal retirement**			
	Less than 5 years	3	3	3
	5 years	10	14	12
	6 – 9 years	26	31	29
	10 years or more	61	52	56
	Participants	31	35	66
	Early retirement as a result of ill health			
7.3	**Funds that provide for early retirement on account of ill health**			
	Yes	98	88	92
	No	2	12	8
	Participants	31	33	64
7.4	**Maximum number of years that early retirement may precede normal retirement**			
	Less than 5 years	12	–	6
	5 years	4	2	6
	6 – 9 years	8	–	4
	10 years or more	72	98	84
	Participants	26	26	52

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
Late retirement			
7.5 Funds that allow late retirement			
Yes	84	80	82
No	16	20	18
Participants	22	35	67
7.6 Continuation of contributions after normal retirement date			
Yes	70	93	82
No	30	7	18
Participants	27	28	55

Section 8: Increase in pensions

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
8.1 Provision for pension increases			
No increases	9		8
Depends on member's choice of annuity	29	39	34
Based on rate declared by insurer	25	12	18
Adjustment based on factors [illegible]	4	21	13
Growth [illegible] used for pension increases	7	9	8
Combination of above	13	15	18
Participants	28	33	61

Section 9: Death benefits prior to retirement

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
9.1	**Benefits at death before retirement (more than one answer possible)**			
	Lump-sum payment	97	100	**99**
	Widow's pension	50	60	**55**
	Widower's pension	41	49	**45**
	Children's pension	44	57	**51**
9.2	**Widow's/widower's pension at remarriage**			
	Unchanged	94	95	**95**
	Halved	–	–	**–**
	Terminated	6	5	**5**
	Participants	16	21	**37**
9.3	**Only lump sums (including lump sums under separate schemes) paid at death Members without dependants (top management)**			
	1 x salary	–	–	**–**
	2 x salary	–	8	**4**
	3 x salary	23	8	**15**
	4 x salary	8	8	**8**
	5 x salary	23	8	**15**
	6 x salary	8	15	**12**
	More than 6 x salary	–	23	**12**
	Dependent on years of service	15	–	**8**
	Age-related	23	31	**27**
	Participants	13	13	**26**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
9.4	**Only lump sums (including lump sums under separate schemes) paid at death Members without dependants (top management)**			
	1 x salary	–	–	**–**
	2 x salary	8	8	**8**
	3 x salary	23	8	**15**
	4 x salary	8	15	**12**
	5 x salary	15	8	**12**
	6 x salary	8	15	**12**
	More than 6 x salary	–	15	**8**
	Dependent on years of service	15	–	**8**
	Age-related	23	31	**27**
	Participants	13	13	**26**
9.5	**Only lump sums (including lump sums under separate schemes) paid at death Members without dependants (other)**			
	1 x salary	–	–	**–**
	2 x salary	–	8	**4**
	3 x salary	23	8	**15**
	4 x salary	8	8	**8**
	5 x salary	23	8	**15**
	6 x salary	8	15	**12**
	More than 6 x salary	–	23	**12**
	Dependent on years of service	15	–	**8**
	Age-related	23	31	**27**
	Participants	13	13	**26**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
9.6	**Only lump sums (including lump sums under separate schemes) paid at death** **Members without dependants (other)**			
	1 x salary	–	[illegible]	–
	2 x salary	8	8	**8**
	3 x salary	23	8	**15**
	4 x salary	8	15	**12**
	5 x salary	15	8	**12**
	6 x salary	8	15	**12**
	More than 6 x salary	–	15	**8**
	Dependent on years of service	15	–	**8**
	Age-related	23	31	**27**
	Participants	13	13	**26**
9.7	**Lump sum paid together with a widow's/widower's pension** **Members without dependants (top management)**			
	1 x salary	–	–	**–**
	2 x salary	57	49	**51**
	3 x salary	29	36	**34**
	4 x salary	–	5	**3**
	5 x salary	7	–	**3**
	6 x salary	–	–	**–**
	More than 6 x salary	–	–	**–**
	Dependent on years of service	–	–	**–**
	Age-related	7	10	**9**
	Participants	14	27	**35**
9.8	**Lump sum paid together with a widow's/widower's pension** **Members without dependants (top management)**			
	1 x salary	–	–	**–**
	2 x salary	54	52	**53**
	3 x salary	31	33	**33**
	4 x salary	–	5	**3**
	5 x salary	8	–	**3**
	6 x salary	–	–	**–**
	More than 6 x salary	–	–	**–**
	Dependent on years of service	–	–	**–**
	Age-related	8	10	**9**
	Participants	13	21	**34**
9.9	**Lump sum paid together with a widow's/widower's pension** **Members without dependants (other)**			
	1 x salary	–	–	**–**
	2 x salary	54	56	**55**
	3 x salary	31	33	**32**
	4 x salary	8	6	**6**
	5 x salary	–	–	**–**
	6 x salary	–	–	**–**
	More than 6 x salary	–	–	**–**
	Dependent on years of service	–	–	**–**
	Age-related	8	6	**8**
	Participants	13	14	**27**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
9.10	**Lump sum paid together with a widow's/widower's pension Members without dependants (other)**			
	1 x salary			–
	2 x salary	50	6	57
	3 x salary	33	24	30
	4 x salary	8	6	7
	5 x salary	–	–	–
	6 x salary			–
	More than 6 x salary			–
	Dependent on years of service	–	–	–
	Age-related	8	6	7
	Participants	12	18	30
9.11	**Percentage of salary for widow's/widower's pension**			
	Less than 20%	–	6	3
	20% – 39%	14	18	16
	40% – 49%	50	47	48
	50%	29	18	23
	More than 50%	7	12	10
	Participants	14	17	31
9.12	**Percentage of salary for children's pension**			
	10% or less	62	50	55
	11% – 15%	8	31	21
	16% – 20%	8	–	3
	21% – 25%	15	6	10
	More than 25%	8	13	10
	Participants	13	16	29

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
9.13	**Maximum number of children**			
	1 or 2 children	14	5	9
	3 children	43	42	43
	4 children	36	42	39
	More than 4 children	7	11	9
	Participants	14	19	33
9.14	**Description of a dependent child (more than one answer possible)**			
	In terms of the Income Tax Act	31	25	27
	Up to 18 years	46	60	55
	19 – 21 years	38	20	27
	22 – 25 years	31	40	36
	26 years	8	18	13
	Older than 26 years	15	10	12

Section 10: Death benefits after retirement

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
10.1	**Determination of benefits on death after retirement**			
	Depends on member's choice of annuity	62	60	**61**
	Defined in rules	38	43	**41**
10.2	**Benefits (more than one answer possible)**			
	Guarantee period	70	67	**68**
	Lump sum	40	33	**36**
	Widow's pension	90	100	**96**
	Widower's pension	60	93	**80**
	Children's pension	50	73	**64**
10.3	**Guarantee period (together with widow's/widower's pension)**			
	0 years	–	–	**–**
	1 – 4 years	–	–	**–**
	5 years	100	89	**93**
	6 – 9 years	–	–	**–**
	10 years	–	11	**7**
	Participants	5	9	**14**
10.4	**Guarantee period (without widow's/widower's pension)**			
	0 years	–	–	**–**
	1 – 4 years	–	–	**–**
	5 years	100	86	**91**
	6 – 9 years	–	–	**–**
	10 years	–	20	**9**
	Participants	6	7	**11**

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
10.5	**Widow's/widower's pension as a percentage of the member's pension prior to commutation**			
	Less than 50%	–	7	**4**
	50%	50	47	**48**
	51% – 60%	25	7	**13**
	61% – 70%	–	13	**9**
	More than 70%	25	27	**26**
	Participants	8	15	**23**
10.6	**Children's pension as a percentage of the member's pension prior to commutation**			
	Less than 10%	–	38	**23**
	10% – 15%	80	13	**38**
	15% – 20%	–	13	**8**
	More than 20%	20	38	**31**
	Participants	5	8	**13**

Section 11: Disability benefits

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
11.1 Funds that provide a benefit at (more than one answer possible)			
Temporary disability	50	49	**49**
Permanent disability	81	77	**79**
11.2 Type of disability benefit (temporary disability), if applicable			
Lump sum only	–	–	**–**
Monthly income only	86	88	**88**
Temporary income followed by a lump sum	7	12	**9**
Lump sum followed by income	7	–	**3**
Participants	15	17	**32**
11.3 Type of disability benefit (permanent disability), if applicable			
Lump sum only	–	15	**8**
Monthly income only	88	62	**75**
Temporary income followed by a lump sum	4	4	**4**
Lump sum followed by income	8	19	**13**
Participants	25	27	**52**
11.4 Type of lump sum			
Multiple or percentage of annual salary	67	56	**59**
Fixed amount	33	–	**8**
Other	–	44	**33**
Participants	3	9	**12**

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
11.5 Multiple of annual salary if lump sum is payable on permanent disability			
1 x annual salary	33	25	**29**
2 x annual salary	34	50	**43**
3 x annual salary	–	25	**14**
4 x annual salary	–	–	**–**
5 x annual salary or more	33	–	**14**
Participants	3	4	**7**
11.6 Type of disability income			
Percentage of annual salary	96	92	**94**
Percentage of expected pension	4	4	**4**
Other	–	4	**2**
Participants	26	27	**53**
11.7 Disability income as a percentage of annual salary			
Less than 50%	0	4	**2**
50% – 59%	4	–	**2**
60% – 74%	4	28	**16**
75%	88	60	**74**
100% first 2 years and 75% thereafter	4	8	**6**
Other combination averaging over 75%	–	–	**–**
Participants	26	25	**51**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
11.8	**Increase in disability income**			
	None	16	4	**9**
	Fixed percentage (rules)	28	14	**21**
	Ad hoc	24	50	**39**
	Ad hoc with minimum	4	14	**9**
	Rate declared by insurer	24	4	**13**
	Combination of above	4	14	**9**
	Participants	25	28	**53**
11.9	**Waiting period before payment starts (temporary disability)**			
	None	7	18	**13**
	1 month	–	–	**–**
	2 – 3 months	33	41	**38**
	4 – 5 months	–	–	**–**
	6 months	60	41	**49**
	12 months or longer	–	–	**–**
	Participants	15	17	**32**
11.10	**Waiting period before payment starts (permanent disability)**			
	None	8	31	**20**
	1 month	–	–	**–**
	2 – 3 months	33	23	**28**
	4 – 5 months	–	–	**–**
	6 months	59	42	**50**
	12 months or longer	–	4	**2**
	Participants	24	26	**50**

Section 12: Withdrawal benefits

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
12.1	**Cash benefit at termination of service (voluntary resignation)**			
	Own contributions without interest	3	6	**5**
	Own contributions plus interest	20	11	**15**
	Member's contributions plus part of employer's contributions on a sliding scale plus interest	47	54	**51**
	Member's contributions plus employer's contributions plus interest	7	6	**6**
	Member's total share of fund	23	23	**23**
	Participants	30	35	**65**
12.2	**Cash benefit at termination of service (retrenchment)**			
	Own contributions without interest	–	3	**3**
	Own contributions plus interest	10	3	**6**
	Member's contributions plus part of employer's contributions on a sliding scale plus interest	10	23	**17**
	Member's contributions plus employer's contributions plus interest	17	23	**20**
	Member's total share of fund	63	48	**55**
	Participants	30	35	**65**
12.3	**Number of years after which part of employer contributions are payable on voluntary resignation (if a sliding scale applies)**			
	Payable immediately	23	11	**16**
	1 – 2 years	46	21	**31**
	3 – 5 years	23	26	**25**
	6 – 10 years	–	31	**19**
	More than 10 years	8	11	**9**
	Participants	13	19	**32**

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
13.4 Number of years after which part of employer contributions are payable on retrenchment (if a sliding scale applies)			
Payable immediately	50	13	**25**
1 – 2 years	–	13	**8**
3 – 5 years	–	37	**25**
6 – 10 years	–	24	**17**
More than 10 years	50	13	**25**
Participants	4	8	**12**
13.5 Percentage of employer's contribution vesting each year (voluntary resignation)			
0% – 9.9%	27	20	**23**
10%	46	50	**48**
10.1% – 19.9%	7	–	**3**
20%	13	25	**20**
More than 20%	7	5	**6**
Participants	15	20	**35**
13.6 Percentage of employer's contribution vesting each year (retrenchment)			
0% – 9.9%	–	27	**17**
10%	25	20	**22**
10.1% – 19.9%	13	–	**4**
20%	13	13	**13**
More than 20%	49	40	**44**
Participants	8	15	**23**
13.7 Withdrawal benefit increased by annually compounded interest rate of			
Less than 4%	15	9	**11**
4.0% – 5.9%	–	5	**3**
6.0% – 7.9%	23	9	**14**
8.0% – 9.9%	15	14	**14**
10.0% – 12%	39	27	**32**
More than 12%	8	36	**26**
Participants	13	22	**35**

	Annual premium less than R5 million	Annual premium more than R5 million	Total
	%	%	%
13.8 Determination of interest rate			
Specified in rules	35	13	**23**
Based on fund's investment return	65	87	**77**
Participants	26	31	**57**
13.9 Funds that allow transfer to another approved fund			
Yes	100	97	**98**
No	–	3	**2**
Participants	30	35	**65**
13.10 Benefit transferable on voluntary resignation			
Own contributions without interest	–	–	–
Own contributions plus interest	7	6	**6**
Member's contributions plus part of employer's contributions on a sliding scale plus interest	43	32	**38**
Member's contributions plus all of employer's contributions plus interest	7	12	**9**
Member's total share of fund	43	50	**47**
Participants	30	34	**64**
13.11 Benefit transferable on retrenchment			
Own contributions without interest	–	–	–
Own contributions plus interest	7	–	**3**
Member's contributions plus part of employer's contributions on a sliding scale plus interest	7	3	**5**
Member's contributions plus all of employer's contributions plus interest	13	26	**20**
Member's total share of fund	73	71	**72**
Participants	30	34	**64**

Provident funds

Section 1: General statistics

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
1.1	**Active members**			
	1 – 50	15	–	**10**
	51 – 100	13	–	**8**
	101 – 500	39	5	**27**
	501 – 1 000	13	14	**13**
	1 001 – 5 000	16	49	**29**
	5 001 or more	3	32	**13**
	Participants	38	22	**60**
1.2	**Administration by**			
	Fund itself	16	9	**15**
	Assurer	29	36	**31**
	Broker	16	23	**18**
	Consulting actuary	29	23	**27**
	Other	3	5	**3**
	Combination of above	5	5	**5**
	Participants	38	22	**60**
1.3	**Investments by**			
	Fund itself	3	9	**5**
	Assurer(s)	49	27	**41**
	Investment house(s)	24	14	**20**
	Other financial institution(s)	–	5	**2**
	Combination of above	24	45	**32**
	Participants	38	22	**60**

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
1.4	**Number of investment institutions**			
	One	47	19	**37**
	Two	19	24	**21**
	Three	28	28	**28**
	Four	3	19	**9**
	Five or more	3	10	**5**
	Participants	36	21	**57**
1.5	**Assets of fund invested in**			
	Market-related portfolio(s)	29	27	**28**
	Guaranteed portfolio(s)	29	18	**25**
	Combination of above	43	55	**47**
	Participants	34	22	**57**
1.6	**Investment choice for individual members**			
	Yes	8	18	**12**
	No	92	82	**88**
	Participants	37	22	**59**
1.7	**Reserve account used for**			
	Stabilising investment returns	15	39	**24**
	Subsidising risk benefits	31	22	**27**
	Sharing among members	26	11	**19**
	Employer contribution holiday	18	11	**14**
	Other	10	27	**16**
	Participants	39	18	**57**

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
1.8	**Aids (more than one answer possible)**			
	Formal Aids policy	39	59	**47**
	Formal Aids education programme	14	36	**23**
	Medical test (new members)	18	23	**20**
	Test for HIV (new members)	3	9	**5**
	Exclusion clause for life cover	8	–	**5**
	Exclusion clause for disability cover	5	–	**3**
1.9	**Equal benefits and contributions for males and females**			
	Yes	97	95	**97**
	No	3	5	**3**
	Participants	38	22	**60**
1.10	**Management of fund by**			
	Principal officer	14	–	**8**
	Board of Trustees	86	100	**92**
	Management committee	–	–	**–**
	Participants	37	22	**59**
1.11	**Number, if managed by Board of Trustees**			
	3 or less	3	–	**2**
	4	16	–	**9**
	5	6	–	**4**
	6	37	18	**30**
	7 or more	38	82	**55**
	Participants	32	22	**54**
1.12	**Trustee members nominated/elected by**			
	Employees	–	–	**–**
	Employer	13	–	**8**
	Both	87	100	**92**
	Participants	31	22	**53**

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
1.13	**Largest representation, if nominated/elected by both**			
	Employees	15	5	**10**
	Employer	7	5	**6**
	Both	78	90	**84**
	Participants	27	22	[illegible]
1.14	**Total value of assets (R million)**			
	0 – 12	56	5	**35**
	12,1 – 60	22	18	**21**
	60,1 – 120	11	23	**16**
	120,1 – 300	3	36	**16**
	300,1 or more	8	18	**12**
	Participants	36	22	**58**
1.15	**Members informed about fund benefits by (more than one answer possible)**			
	A rule booklet	82	86	**83**
	Annual benefit statements	92	100	**95**
	Notices	39	59	**47**
	Trustee reports	37	59	**45**
	Speeches	11	23	**15**
	Audio-visual presentations	16	20	**18**
	Workshops and discussion groups	24	23	**23**
1.16	**Funds feel that communication with members is sufficient**			
	Yes	76	64	**71**
	No	24	36	**29**
	Participants	37	22	**59**
1.17	**Provision of cash benefit in times of need**			
	Yes	6	5	**5**
	No	94	95	**95**
	Participants	35	22	**57**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
1.18	**Type of cash benefit**			
	Endowment plan	–	–	–
	Savings scheme	100	100	**100**
	Participants	2	2	**2**
1.19	**Provision of housing aid**			
	Yes	65	82	**71**
	No	35	18	**29**
	Participants	37	22	**59**
1.20	**Type of housing aid**			
	Loan as deposit for building society or bank mortgage	52	25	**41**
	Direct loan to member	48	75	**59**
	Participants	22	16	**38**
1.21	**Transfer value of previous fund**			
	Actuarial reserve only	55	63	**59**
	Actuarial reserve plus fixed percentage	23	33	**27**
	Actuarial reserve plus age-related increase	14	5	**10**
	Transfer credit based on envisaged retirement benefit	9	–	**5**
	Participants	22	19	**41**
1.22	**Cost of risk benefits over the past years**			
	Increased	50	29	**42**
	Decreased	–	14	**5**
	No significant change	50	57	**53**
	Participants	34	21	**55**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
1.23	**Reaction to increase**			
	Decreased bonus	–	–	–
	Subsidised from reserves	47	43	**45**
	Decrease in contributions for retirement funding	27	29	**27**
	Changed level of risk benefits	13	14	**14**
	Employer contribution rate increased	13	14	**14**
	Participants	15	7	**22**

Section 2: Contributions

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
2.1	**Total annual contribution category**			
	Less than R1 million	53	–	**33**
	R1 million – R5 million	47	–	**29**
	More than R5 million	–	100	**39**
	Participants	34	22	**56**
2.2	**Employer contributions as percentage of annual salaries**			
	0%	5	–	**3**
	0.1% – 5%	–	5	**2**
	5.1% – 6%	13	–	**8**
	6.1% – 7%	8	–	**5**
	7.1% – 8%	16	19	**17**
	8.1% – 10%	30	33	**31**
	10.1% – 12%	21	38	**27**
	12.1 or more	8	5	**7**
	Participants	38	21	**59**
2.3	**Member's contributions as percentage of annual salaries**			
	0%	8	5	**7**
	0.1% – 5%	8	–	**5**
	5.1% – 6%	22	10	**18**
	6.1% – 7%	26	25	**26**
	7.1% – 8%	19	50	**30**
	8.1 or more	6	–	**4**
	Participants	36	20	**56**

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
2.4	**Description of employer's contributions**			
	Certain percentage of salary plus cost of administration and risk benefits	24	23	**24**
	Certain percentage of salary, which includes cost of administration and risk benefits	76	77	**76**
	Participants	37	22	**59**
2.5	**If defined benefit fund is offered as an alternative, employer contribution rate to provident fund is**			
	More	20	19	**19**
	Less	30	25	**28**
	Same	50	56	**53**
	Participants	20	16	**36**

Section 3: Membership

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
3.1	**Description of membership**			
	Temporary employees		–	–
	Trade union members	24	–	15
	Hourly/weekly paid	14	17	15
	Choice of employee	48	78	60
	Executives – "Top Hat" fund	14	6	11
	Participants	39	18	57
3.2	**Qualification requirements (more than one answer possible)**			
	None	8	–	5
	Permanent worker	89	100	93
	Above minimum age	8	14	10
	Below maximum age	37	41	38
	Minimum salary	–		–
	Minimum years of service	3	–	2
	Other	11	–	7

Section 4: Retirement age

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
4.1	**Normal retirement age (men)**			
	59 or younger	3	5	3
	60 years	26	18	23
	61 – 62 years	–	–	–
	63 – 64 years	13	18	15
	65 years	58	59	59
	Participants	38	22	60
4.2	**Normal retirement age (women)**			
	59 or younger	5	9	7
	60 years	27	24	26
	61 – 62 years		–	–
	63 – 64 years	14	19	16
	65 years	51	52	51
	Participants	37	21	58
4.3	**Funds that allow retirement before normal retirement age**			
	Yes	97	100	98
	No	3	–	2
	Participants	38	22	60
4.4	**Number of years that early retirement may precede normal retirement**			
	Less than 5 years		–	–
	5 years	22	23	22
	6 – 9 years	16	27	22
	10 years or more	59	50	56
	Participants	36	22	58

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
4.5	**Delay of retirement till after normal retirement date**			
	Yes	76	59	**70**
	No	24	41	**30**
	Participants	38	22	**60**
4.6	**Continuation of contributions after normal retirement date**			
	Yes	66	77	**69**
	No	34	23	**31**
	Participants	29	13	**42**

Section 5: Pensionable remuneration

		Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
5.1	**Pensionable remuneration includes (more than one answer possible)**			
	Bonus (eg marketing)	13	5	**10**
	Bonus (13th cheque)	32	41	**35**
	Commission	8	5	**7**
	Car allowance	11	14	**12**
	Housing allowance	–	5	**2**
	Overtime	3	–	**2**
	Other	8	14	**10**
5.2	**Definition of pensionable remuneration adjusted (past 2 years)**			
	Yes	11	5	**9**
	No	89	95	**91**
	Participants	37	21	**58**
5.3	**Benefits added to pensionable remuneration (past 2 years) (more than one answer possible)**			
	Bonus (eg marketing)	25	–	**20**
	Bonus (13th cheque)	50	100	**60**
	Commission	25	–	**20**
	Car allowance	25	100	**40**
	Housing allowance	–	–	–
	Overtime	–	–	–
	Other	25	–	**20**

Section 6: Retirement benefits

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
6.1	**Retirement benefits based on**			
	Contributions plus investment returns	95	95	**95**
	Fixed formula	5	5	**5**
	Participants	38	22	**60**
6.2	**Funds considering converting to retirement benefits based on accumulated contributions**			
	Yes	50	-	**33**
	No	50	100	**67**
	Participants	2	1	**3**

Section 7: Death benefits prior to retirement

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
7.1	**Benefits paid to dependants (more than one answer possible)**			
	Accumulated member's contributions	11	9	**10**
	Accumulated member's contributions plus part of employer's contributions on a sliding scale	21	18	**20**
	Accumulated member and employer contributions	61	59	**60**
	Lump sum payment of multiple of salary	79	91	**83**
	Lump sum payment of multiple of salary subject to minimum of the member's share of the fund	3	9	**5**
	Spouse's pension	3	5	**3**
	Children's pension	3	5	**5**
7.2	**Only lump sums (including lump sums under separate schemes) paid at death Members without dependants**			
	1 x salary	3	-	**2**
	2 x salary	10	19	**14**
	3 x salary	42	10	**28**
	4 x salary	29	37	**33**
	5 x salary	7	14	**10**
	6 x salary	3	10	**6**
	More than 6 x salary	3	5	**4**
	Depending on years of service	3	5	**4**
	Participants	29	21	**50**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
7.3	**Only lump sums (including lump sums under separate schemes) paid at death Members without dependants**			
	1 x salary	4	–	**2**
	2 x salary	18	25	**21**
	3 x salary	37	5	**23**
	4 x salary	25	40	**32**
	5 x salary	4	10	**6**
	6 x salary	4	10	**6**
	More than 6 x salary	4	5	**4**
	Depending on years of service	4	5	**4**
	Participants	28	20	**48**
7.4	**Provision of separate funeral benefit**			
	Yes	55	73	**62**
	No	45	27	**38**
	Participants	38	22	**60**
7.5	**Funeral benefit on death of principal member**			
	R1 000	–	–	–
	R1 500	–	–	–
	R2 000	24	19	**22**
	R3 000	43	31	**38**
	R4 000 or more	33	50	**40**
	Participants	21	16	**37**

Section 8: Disability benefits

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
8.1	**Funds that provide a benefit at (more than one answer possible)**			
	Temporary disability	53	59	**55**
	Permanent disability	87	86	**87**
8.2	**Type of disability benefit (temporary disability), if provided for**			
	Lump sum only	–	–	–
	Monthly income only	100	100	**100**
	Income followed by lump sum	–	–	–
	Lump sum followed by income	–	–	–
	Participants	20	13	**33**
8.3	**Type of disability benefit (permanent disability), if provided for**			
	Lump sum only	24	36	**28**
	Monthly income only	67	32	**55**
	Income followed by lump sum	9	21	**13**
	Lump sum followed by income	–	11	**4**
	Participants	34	19	**53**
8.4	**Type of lump sum, if provided for**			
	Multiple or percentage of annual salary	73	95	**84**
	Fixed amount	9	5	**8**
	Other	18	–	**8**
	Participants	11	12	**24**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
8.5	**Multiple of annual salary if lump sum is payable on permanent disability**			
	1 x annual salary	16	33	**26**
	2 x annual salary	29	17	**21**
	3 x annual salary	43	8	**21**
	4 x annual salary	16	33	**21**
	5 x annual salary or more	–	17	**11**
	Participants	7	12	**19**
8.6	**Disability benefit as a percentage of annual salary**			
	Less than 50%	–	–	**–**
	50% – 59%	–	12	**4**
	60% – 74%	10	–	**7**
	75%	77	76	**76**
	100% first 2 years and 75% thereafter	10	12	**11**
	Other combination averaging over 75%	3	–	**2**
	Participants	29	17	**46**
8.7	**Increase in disability income**			
	None	33	61	**43**
	Fixed percentage (rules)	38	11	**25**
	Ad hoc with minimum	24	22	**24**
	Rate declared by insurer	–	–	**–**
	Combination of above	9	6	**8**
	Participants	33	18	**51**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
8.8	**Waiting period before payment starts (temporary disability)**			
	None	–	8	**3**
	1 month	25	8	**18**
	2 – 3 months	45	61	**52**
	4 – 5 months	5	–	**3**
	6 months	25	13	**21**
	12 months or longer	–	8	**3**
	Participants	20	13	**33**
8.9	**Waiting period before payment starts (permanent disability)**			
	None	9	11	**10**
	1 month	9	–	**6**
	2 – 3 months	33	33	**33**
	4 – 5 months	3	–	**2**
	6 months	43	52	**45**
	12 months or longer	3	5	**4**
	Participants	33	18	**52**

Section 9: Withdrawal benefits

	Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
9.1 Cash benefit normally paid to members at termination of service (voluntary resignation)			
Own contributions without interest	–	–	**–**
Own contributions plus interest	14	–	**8**
Member's contributions plus part of employer's contributions on sliding scale plus interest	53	72	**62**
Member's contributions plus all of employer's contributions plus interest	11	5	**8**
Member's total share of fund	22	23	**22**
Participants	37	22	**59**

	Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
9.2 Cash benefit normally paid to members at termination of service (retrenchment)			
Own contributions without interest	–	–	**–**
Own contributions plus interest	3	–	**2**
Member's contributions plus part of employer's contributions on sliding scale plus interest	16	18	**17**
Member's contributions plus all of employer's contributions plus interest	38	41	**39**
Member's total share of fund	43	41	**42**
Participants	37	22	**59**

	Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
9.3 Number of year's membership after which a portion of the employer's contributions is repayable (voluntary resignation), if sliding scale is applicable			
Payable immediately	21	13	**18**
1 – 2 years	48	27	**38**
3 – 5 years	26	46	**35**
6 – 10 years	5	7	**6**
More than 10 years	–	7	**3**
Participants	19	15	**34**

	Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
9.4 Number of year's membership after which a portion of the employer's contributions is repayable (voluntary resignation)			
Payable immediately	42	25	**37**
1 – 2 years	–	50	**18**
3 – 5 years	29	–	**18**
6 – 10 years	29	–	**18**
More than 10 years	–	25	**9**
Participants	7	4	**11**

	Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
9.5 Percentage of employer contributions that vest each year (voluntary resignation), if sliding scale is applicable			
0% – 9,9%	14	6	**11**
10%	40	25	**34**
10,1% – 19,9%	–	19	**8**
20%	23	31	**26**
More than 20%	23	19	**21**
Participants	22	14	**36**

	Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
9.6 Percentage of employer contributions that vest each year (retrenchment)			
0% – 9,9%	14	7	**11**
10%	21	14	**18**
10,1% – 19,9%	–	21	**11**
20%	7	7	**7**
More than 20%	58	51	**53**
Participants	14	14	**28**

	Annual premium less than R5 million %	Annual premium more than R5 million %	Total %
9.7 Interest rate payable (compounded annually)			
Less than 4%	6	–	**4**
4,0% – 5,9%	6	–	**4**
6,0% – 7,9%	24	–	**15**
8,0% – 9,9%	28	20	**25**
10,0% – 11,9%	6	30	**15**
12,9% – 15,0%	18	10	**15**
More than 15,0%	12	40	**22**
Participants	17	10	**27**

		Annual premium less than R5 million	Annual premium more than R5 million	Total
		%	%	%
9.8	**Determination of interest rate**			
	Specified in rules	28	5	**19**
	Based on investment return of fund	72	95	**81**
	Participants	32	21	**53**
9.9	**Funds that allow transfer of benefit to another approved fund**			
	Yes	100	91	**97**
	No	–	9	**3**
	Participants	38	22	**60**
9.10	**Benefit transferable (voluntary resignation)**			
	Own contributions without interest	–	–	**–**
	Own contributions plus interest	5	–	**4**
	Member's contributions plus part of employer's contributions on a sliding scale plus interest	57	65	**59**
	Member's contributions plus all of employer's contributions plus interest	14	5	**11**
	Member's total share of fund	24	30	**26**
	Participants	37	20	**57**
9.11	**Benefit transferable (retrenchment)**			
	Own contributions without interest	–	–	**–**
	Own contributions plus interest	3	–	**3**
	Member's contributions plus part of employer's contributions on a sliding scale plus interest	16	11	**14**
	Member's contributions plus all of employer's contributions plus interest	30	47	**36**
	Member's total share of fund	51	42	**48**
	Participants	37	19	**56**

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Please contact Sanlam Employee Benefits with any suggestions on how we can make this survey more authoritative. We can be contacted at:

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