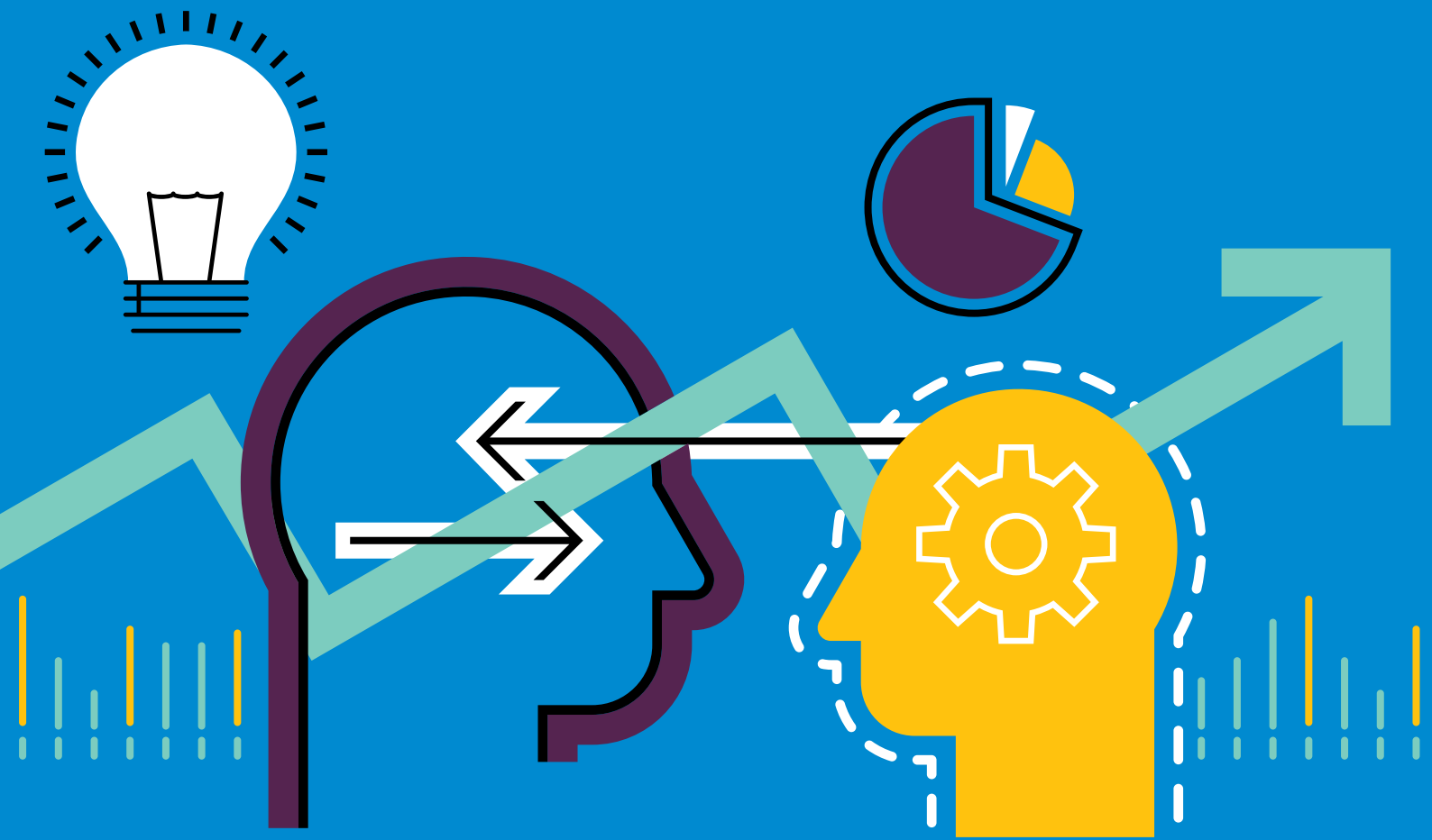


BENCHMARK SURVEY 2017

hindsight

foresight



Stand-alone survey



Insurance

Financial Planning

Retirement

Investments

Wealth

# contents:

<b>Foreword</b>	2
<b>Research methodology</b>	4
<b>Section 1:</b> <i>General employer statistics</i>	6
<b>Section 2:</b> <i>Cost, expenses or fees</i>	10
<b>Section 3:</b> <i>Benefit design</i>	12
<b>Section 4:</b> <i>Contributions</i>	13
<b>Section 5:</b> <i>Risk benefits</i>	19
<b>Section 6:</b> <i>Governance and administration service provider selection</i>	30
<b>Section 7:</b> <i>Retirement</i>	32
<b>Section 8:</b> <i>Investments</i>	37
<b>Section 9:</b> <i>Evolution of employee benefits</i>	44
<b>Section 10:</b> <i>Advice</i>	48
<b>Section 11:</b> <i>Future benefit structures</i>	55
<b>Section 12:</b> <i>Section 37C and taking care of beneficiaries</i>	57
<b>Demographics</b>	64

## foreword

# Reflections: Looking back to make looking ahead even clearer

My team and I have been debating the concept of the “evolution of employee benefits” for the past five years. I spent some time contemplating how far we have come since 2013. This is a necessary step to gaining an understanding of how the landscape is morphing. It provides critical insights into what we need to focus on to achieve our desired future state.



**Dawie de Villiers**  
Chief Executive Officer:  
Sanlam Employee Benefits

*Despite the macro-economic challenges which South Africa faces, we have seen a marginal increase in the employed population from 14.7 million (2013) to 15.5 million (2016) adults. According to Statistics SA, the unemployment rate based on the official number has increased from 25.3% (2013) to 26.6% (2016).*

*These official stats are not comforting at all. Our member studies indicate that the two primary dependencies for financial wellness is the level of education and employment status (access to financial resources).*

*As an industry we need to consider the longer-term economic consequences when not all employed people have access to any form of medical aid provision or contributing to pension/retirement funds. The number of employed people who have access to medical aid decreased from 31.7% (2013) to 29.8% (2016) and those contributing to a pension/retirement fund decreased from 48.5% (2013) to 46.5% (2016).*

*In the past, employers may have considered the impact of the financial strain on their employees' productivity. Another consequence is the effect it has on the career trajectories of those individuals. A key finding of our member studies is that financial constraints may act as a trigger for employees to search alternative employment. This is done either to access retirement benefits or to move for more competitive or a wider range of employee benefits.*

### 5-year trends from an intermediary's perspective

Despite all the industry efforts regarding member education, the overall level of understanding around retirement benefits remains very low. Over the years we've also seen an interesting shift in demand for various types of products. Due to economic reasons it would appear that the industry is focussing on group risk benefits (funeral cover, dread disease cover and income replacement). This is a positive trend as many members are largely under-insured. Regulatory changes are driving cost pressures which in turn are forcing the industry to reduce complexity and increase the transparency of costs. The conversion from stand-alone retirement funds to commercial umbrella funds continues unabatedly.

There also appears to be a misalignment between the employer's value proposition and the range of benefits offered.

### Everything that matters to employees is entrenched in an employers' value proposition

We have consistently intimated that financial wellness as a nation and on an individual level requires a shift in thinking and behaviour. Merely being employed and/or earning an income (at any level) does not necessarily equate to positive financial outcomes. The key differentiators are behaviour and attitude towards money.

Employee value propositions are broadly defined as the full spectrum of benefits which an organisation delivers to its employees in return for the employees' time and skillset. It includes the total rewards package such as remuneration, retirement and risk benefits, flexible work arrangements and wellness programmes.

We tested the concept of an employee value proposition and whether it was aligned to the full suite of benefits offered. It was pleasing to see that 47% of stand-alone funds and 35% of participating employers in commercial umbrella funds indicated that their value propositions took a holistic view of their employees.

As a result, a wide range of financial and healthcare benefits including wellness, healthcare clinics, child care, financial assistance for children's education and financial planning are included in the total rewards offered. But only half of employed individuals enjoy these rewards for as long they are economically active.

### Money conversations as a potential stimulus to bring about the change in attitude

Volumes have been written about millennials, the generation born between 1982 and 2004. Approximately one quarter (23%) of our member studies sample constitutes this generation.

We tested their attitudes on a number of issues relating to work, career and income trajectories as well as their financial wellness. What stood out for me was the candour with which young professionals speak about their career aspirations and the ability to quantify their potential future earnings.

Young professionals are indeed self-directed and want to take charge of their futures. There was little evidence to support a defined benefit mind-set. When asked about future career opportunities three key themes became apparent:

- Innovation
- Ownership and accountability
- Upskilling

Their optimism about career opportunities centres around advancements in technology across all sectors. Self-directed individuals take responsibility for personal growth and development and believe that upskilling is pivotal to their career advancement and security. However, their optimism is tempered by an overwhelming uncertainty based on a wide spectrum of macro-economic challenges.

Increasingly, open architecture with a focus on holistic benefits for members will probably be the solution for this generation. They are gearing themselves up for multiple income streams from different sources. Those with less of an entrepreneurial spirit will look to corporates to provide a wide range of benefits.

For this generation the goal is not so much about money as it is about living life on their terms. It is about having options in their careers and all other aspects of their lives.

Looking back it is apparent how much has changed in five years.

As you turn the pages of this report, you will hopefully be inspired to consider our take on what the future may hold for this industry.

I wish to extend my gratitude and heartfelt appreciation to everyone who made this research possible.

### Dawie de Villiers

CEO Sanlam Employee Benefits

# Research methodology

The size and the scope of the 2017 stand-alone fund survey has remained largely consistent with previous years. Interviews were conducted amongst 100 principal officers and trustees of stand-alone retirement funds.

*For the fifth consecutive year we have included a subset of interviews with 10 union funds.*

*We analysed the stats for the union funds separately and have not reported on it in this databook. However the data is available on request.*

*Respondents were selected at random and it may be possible that some funds included in the survey may currently be funds which are administered or consulted to by Sanlam. Some participants may even have assets invested with Sanlam Investments. As it is not a requirement of the study, we did not select respondents on the basis of their current retirement fund service provider.*



by

**Danie van Zyl**

Head, Guaranteed Investments:  
Sanlam Employee Benefits

and

**Wagieda Suliman**

Market Insights  
Sanlam Employee Benefits

*The entire fieldwork process is outsourced to BDRC Africa, a leading market research agency. This is to ensure the integrity of the data and the confidentiality of all respondents is maintained at all times.*

### **Interview technique**

*Personal interviews were conducted at the offices of the respondent, with each being approximately 1 hour in length. At times more than one fund representative participated in the interview.*

*Field work was conducted between February and March this year.*

### **Sample composition**

*For the purposes of this survey, the sampling frame has been defined as all stand-alone employer sponsored retirement funds. This year we have had a significant 69% year-on-year participation in the survey. We continue to observe the ongoing migration from stand-alone funds to participating employers in umbrella funds.*

*Respondents were selected at random with a specific quota control to ensure that samples were statistically and demographically representative of the retirement fund industry.*

*This year we have retained the sample size of 100 interviews. One of the questions we often receive is whether the sample size is sufficient and robust enough to make accurate statistical inferences on the employed population. The simple answer is that a sample size of 100 for institutional research will produce an approximate margin of sampling error*

*that is within a 6% to 10% range, and with a 95% confidence level. Which suggests that the sample size we've selected is robust and the conclusions drawn credible.*

*We are satisfied that the sample size for this study meets statistical analysis requirements.*

### **Data tables and graphs**

*The tables and graphs in this report are based on 100 responses. In some instances the sample responses are  $\neq$  100.*

*Where:*

- the number of responses is less than 100, the question was not applicable to all respondents*
- the number of responses is greater than 100, the question allowed for multiple responses*

**Caution:** *Data should be used with care, particularly where the number of responses is  $<30$ , as this is considered statistically insufficient to draw any meaningful industry conclusions at a quantitative level.*

*Should you require any further details or assistance in using the contents of this report, please feel free to contact any of the BENCHMARK team members, whose details are listed at the end of this report.*

*All our survey data can be accessed on [www.sanlambenchmark.co.za](http://www.sanlambenchmark.co.za) the BENCHMARK research portal which has been refreshed to provide a convenient, single point of access for all the research related reference material.*

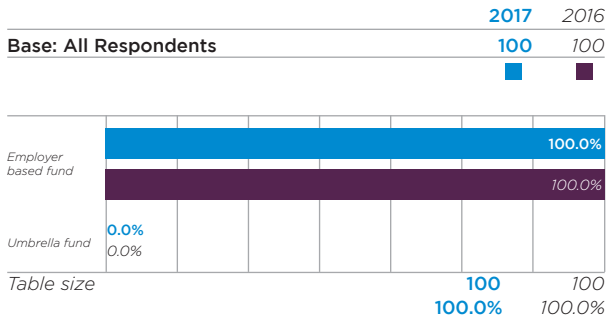
# Section 1

# General employer statistics

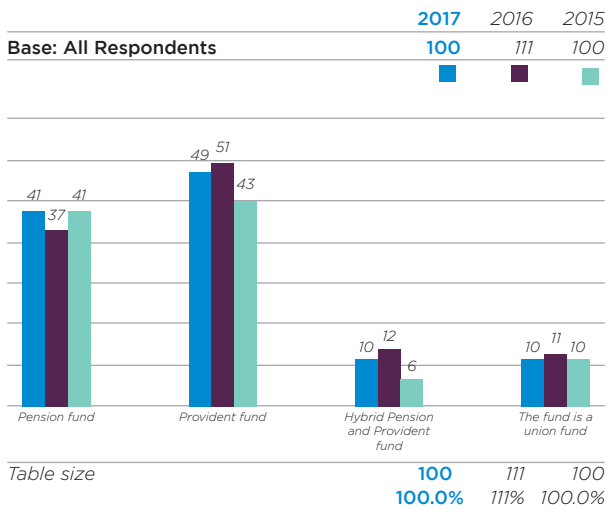
## Q1.1a How would you classify the principal employer, using one of the following business categories?

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
Financial Services	8	11	11
	8.0%	11.0%	11.0%
Manufacturing	19	18	13
	19.0%	18.0%	13.0%
Agriculture, forestry or fishing	2	2	2
	2.0%	2.0%	2.0%
Professional or business services	4	7	2
	4.0%	7.0%	2.0%
Building or construction	3	1	5
	3.0%	1.0%	5.0%
Wholesale and retail	9	10	11
	9.0%	10.0%	11.0%
Mining	2	5	7
	2.0%	5.0%	7.0%
Government, semi-government /parastatal	7	4	4
	7.0%	4.0%	4.0%
Local authority or municipality	4	0	1
	4.0%	0.0%	1.0%
Breweries, distilleries or wineries	1	0	1
	1.0%	0.0%	1.0%
Chemical or pharmaceutical	3	2	3
	3.0%	2.0%	3.0%
Energy or petrochemical	4	2	4
	4.0%	2.0%	4.0%
Engineering	2	3	3
	2.0%	3.0%	3.0%
Education	7	3	4
	7.0%	3.0%	4.0%
Healthcare	3	2	3
	3.0%	2.0%	3.0%
Hospitality	1	2	2
	1.0%	2.0%	2.0%
IT or telecoms	3	7	5
	3.0%	7.0%	5.0%
Printing and publishing	1	2	2
	1.0%	2.0%	2.0%
Religion	2	2	1
	2.0%	2.0%	1.0%
Food and Beverage	0	0	1
	0.0%	0.0%	1.0%
Bargaining Council	2	2	1
	2.0%	2.0%	1.0%
Transport/Logistics	4	3	9
	4.0%	3.0%	9.0%
Union	5	11	3
	5.0%	11.0%	3.0%
Advertising/Media	2	0	1
	2.0%	0.0%	1.0%
Other	2	1	1
	2.0%	1.0%	1.0%
Table Size	100	100	100
	100.0%	100.0%	100.0%

**Q1.1b Is the largest defined contribution based retirement fund to which your employees belong (in terms of no. of members) an employer-based retirement fund or an umbrella fund?**



**Q1.2 Which of the following descriptions applies to the fund participating in the survey?**



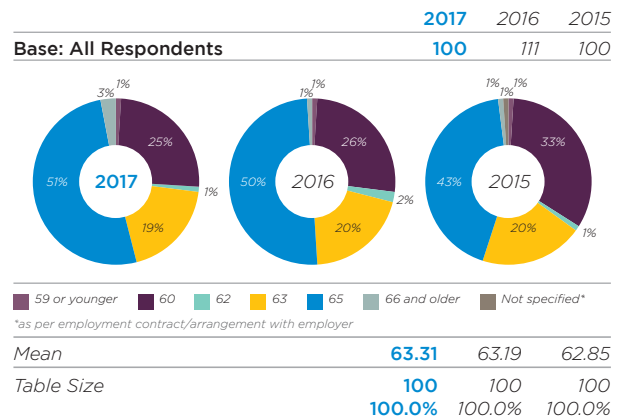
**Q1.3a How many of your employees belong to the fund? (i.e. are active members of the fund?)**

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
<100	2	3	4
	2.0%	3.0%	4.0%
101 to 300	16	16	14
	16.0%	16.0%	14.0%
301 to 500	9	11	10
	9.0%	11.0%	10.0%
501 to 2,000	28	26	23
	28.0%	26.0%	23.0%
2,001 to 5,000	23	22	23
	23.0%	22.0%	23.0%
5,001 to 10,000	6	5	7
	6.0%	5.0%	7.0%
10,001 or more	16	17	19
	16.0%	17.0%	19.0%
Mean	R 11,231	R 9,696	R 4,063
Table Size	100	100	100
	100.0%	100.0%	100.0%

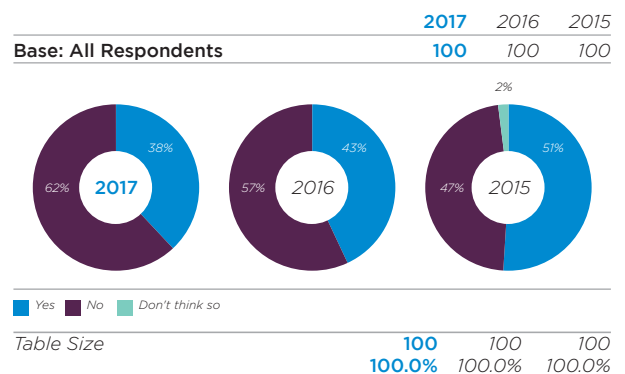
**Q1.3b What is the total value of your members' assets of the fund? (R million)**

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
<R50m	9	9	4
	9.0%	9.0%	4.0%
R50m to R100m	10	10	10
	10.0%	10.0%	10.0%
R101m to R300m	13	13	16
	13.0%	13.0%	16.0%
R301m to R500m	13	12	8
	13.0%	12.0%	8.0%
R501m to R1bn	11	14	16
	11.0%	14.0%	16.0%
R 1 bn to R 5 bn	35	25	22
	35.0%	25.0%	22.0%
More than R5bn	9	13	20
	9.0%	13.0%	20.0%
Not sure	0	2	4
	0.0%	2.0%	4.0%
Refused	0	2	0
	0.0%	2.0%	0.0%
Mean	R 2,105	R 2,837	R 2,472
Table Size	100	100	100
	100.0%	100.0%	100.0%

**Q1.4 What is the normal retirement age for new entrants?**



**Q1.5 Has the employer ever considered providing benefits to members via an umbrella fund arrangement?**





## Q1.6 What are the factors that would influence the Board's choice of umbrella fund provider?

	2017	2016	2015
<b>Base: All who have considered an umbrella fund</b>	<b>38</b>	43	
<b>Base pre 2016: All considering moving to an umbrella fund in the next year</b>			7
<i>Competitive fees</i>	20 52.6%	24 55.8%	5 71.4%
<i>Efficient administration</i>	13 34.2%	24 55.8%	5 71.4%
<i>Good investment returns / Investment policies</i>	13 34.2%	18 41.9%	5 71.4%
<i>Reputation/track record/brand</i>	21 55.3%	22 51.2%	4 57.1%
<i>Existing relationship with the provider</i>	9 23.7%	9 20.9%	3 42.9%
<i>Good range/ selection of investment options</i>	5 13.2%	15 34.9%	3 42.9%
<i>Well established/longevity in the market</i>	9 23.7%	9 20.9%	2 28.6%
<i>Financial stability/size of company</i>	12 31.6%	19 44.2%	2 28.6%
<i>Expertise of the trustees</i>	8 21.1%	13 30.2%	1 14.3%
<i>Meets member investment needs</i>	0 0.0%	0 0.0%	1 14.3%
<i>Effective communication to members/Communication</i>	0 0.0%	1 2.3%	0 0.0%
<i>Professionalism / quality of trustees / expertise/lack of in-house expertise</i>	0 0.0%	1 2.3%	0 0.0%
<i>Quality of their admin/manage admin timeously / speedy claim payments / good service levels/ Quality of service to members</i>	0 0.0%	1 2.3%	0 0.0%
<i>Flexibility of benefits</i>	1 2.6%	2 4.7%	0 0.0%
<i>Control/employer input to decision making</i>	3 7.9%	0 0.0%	0 0.0%
<i>Other</i>	4 10.5%	2 4.7%	0 0.0%
<i>None/Nothing</i>	0 0.0%	3 7.0%	0 0.0%
<i>Table Size</i>	118 310.5%	163 379.1%	31 442.9%

## Q1.7 What would prevent your fund from moving into an umbrella offering?

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	100	100
<i>Loss of control of decision-making</i>	<b>70</b>	73	67
	<b>70.0%</b>	73.0%	67.0%
<i>Cost</i>	<b>23</b>	13	29
	<b>23.0%</b>	13.0%	29.0%
<i>Risk of having all services with one provider</i>	<b>13</b>	19	18
	<b>13.0%</b>	19.0%	18.0%
<i>Don't believe one provider can offer best solution across all required areas</i>	<b>22</b>	17	19
	<b>22.0%</b>	17.0%	19.0%
<i>Umbrella fund is too restrictive/limiting</i>	<b>4</b>	0	4
	<b>4.0%</b>	0.0%	4.0%
<i>Company is big enough to be independent/We are too big</i>	<b>6</b>	4	3
	<b>6.0%</b>	4.0%	3.0%
<i>In-house expertise</i>	<b>1</b>	3	2
	<b>1.0%</b>	3.0%	2.0%
<i>Need approval from members/trade union/government</i>	<b>2</b>	3	0
	<b>2.0%</b>	3.0%	0.0%
<i>Happy with the current fund/happy with benefits/risk</i>	<b>3</b>	3	0
	<b>3.0%</b>	3.0%	0.0%
<i>Business requirements prevent us from moving</i>	<b>0</b>	3	0
	<b>0.0%</b>	3.0%	0.0%
<i>In the process of moving</i>	<b>2</b>	0	0
	<b>2.0%</b>	0.0%	0.0%
<i>Other</i>	<b>4</b>	3	9
	<b>4.0%</b>	3.0%	9.0%
<i>Nothing</i>	<b>1</b>	0	1
	<b>1.0%</b>	0.0%	1.0%
<i>Table Size</i>	<b>151</b>	141	152
	<b>151.0%</b>	141%	152%

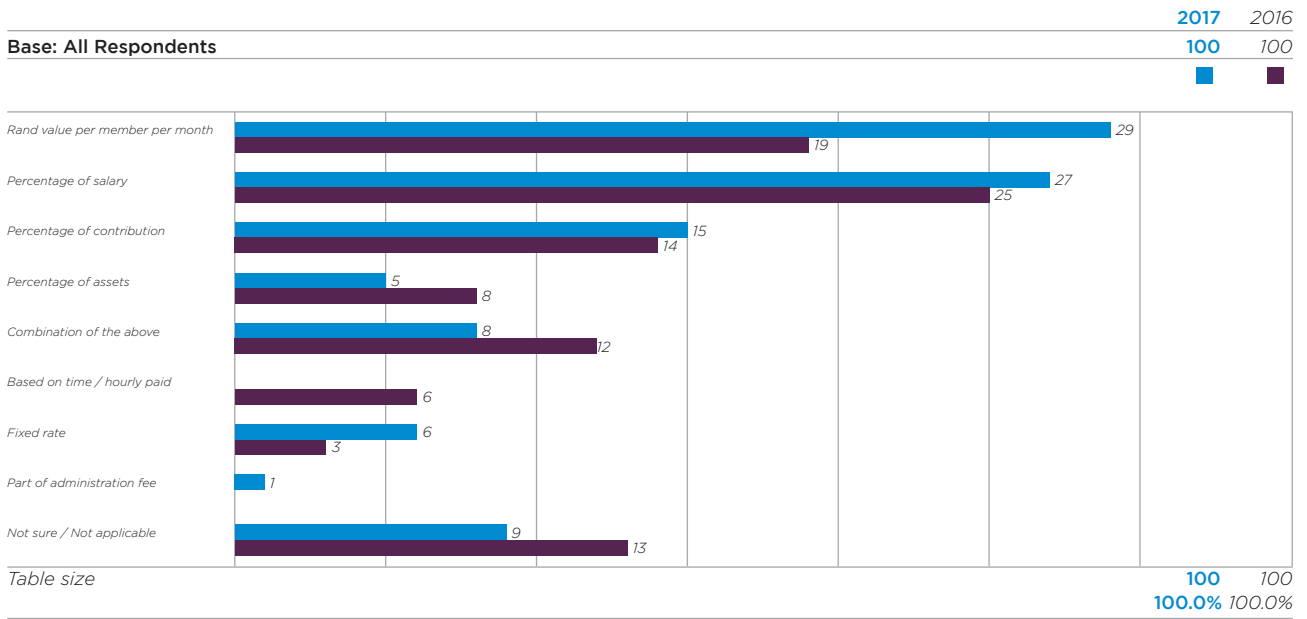
# Section 2

# Costs, expenses or fees

## Q2.1 On what basis is your fund's consultant/broker remunerated?

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>Statutory commission paid annually in advance</i>	<b>4</b> <b>4.0%</b>	6 6.0%	8 8.0%
<i>Statutory commission paid monthly</i>	<b>14</b> <b>14.0%</b>	15 15.0%	8 8.0%
<i>Fee as negotiated between the employer and the advisor</i>	<b>71</b> <b>71.0%</b>	66 66.0%	71 71.0%
<i>Part of the admin fee</i>	<b>1</b> <b>1.0%</b>	1 1.0%	4 4.0%
<i>Quarterly fee</i>	<b>0</b> <b>0.0%</b>	1 1.0%	2 2.0%
<i>Performance based fee</i>	<b>0</b> <b>0.0%</b>	0 0.0%	2 2.0%
<i>Annual fee</i>	<b>0</b> <b>0.0%</b>	0 0.0%	1 1.0%
<i>% of salary</i>	<b>2</b> <b>2.0%</b>	0 0.0%	1 1.0%
<i>Retainer</i>	<b>0</b> <b>0.0%</b>	0 0.0%	1 1.0%
<i>Flat fee</i>	<b>0</b> <b>0.0%</b>	0 0.0%	1 1.0%
<i>Other</i>	<b>1</b> <b>1.0%</b>	0 0.0%	0 0.0%
<i>Not sure</i>	<b>2</b> <b>2.0%</b>	2 2.0%	0 0.0%
<i>Not applicable - no fund consultant</i>	<b>5</b> <b>5.0%</b>	9 9.0%	3 3.0%
<b>Summary:</b>			
<i>Any statutory commission</i>	<b>18</b> <b>18%</b>	21 21%	16 16%
<i>Table Size</i>	<b>107</b> <b>107.0%</b>	100 100.0%	102 102.0%

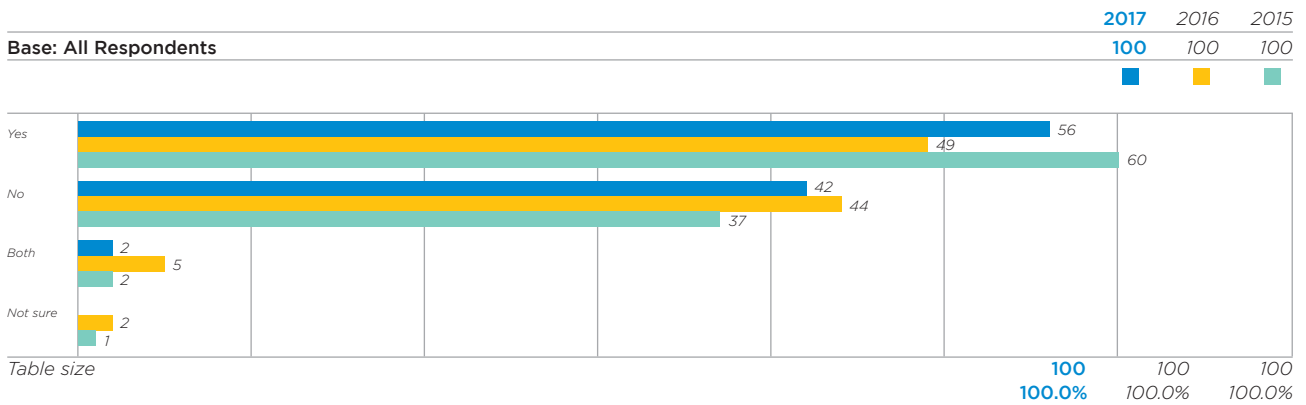
## Q2.2 How is the consulting fee expressed?



# Section 3

## Benefit design

### Q3.1 Is the member's remuneration package structured on a total cost to company basis?



### Q3.2 What percentage of the total remuneration is pensionable remuneration (PEAR)?

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
Less than 70%	23	20	26
	<b>23.0%</b>	20.0%	26.0%
70.1% to 80%	30	21	29
	<b>30.0%</b>	21.0%	29.0%
80.1% to 90%	19	17	12
	<b>19.0%</b>	17.0%	12.0%
90.1% to 100.0%	23	36	22
	<b>23%</b>	36.0%	22.0%
Depends on level/grade	1	0	0
	<b>1.0%</b>	0.0%	0.0%
Varies/ differs for senior staff and other staff	0	0	6
	<b>0.0%</b>	0.0%	6.0%
Don't know/ Not sure	4	6	5
	<b>4.0%</b>	6.0%	5.0%
Mean	<b>78.25%</b>	79.56%	75.01%
Table Size	<b>100</b>	<b>100</b>	<b>100</b>
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

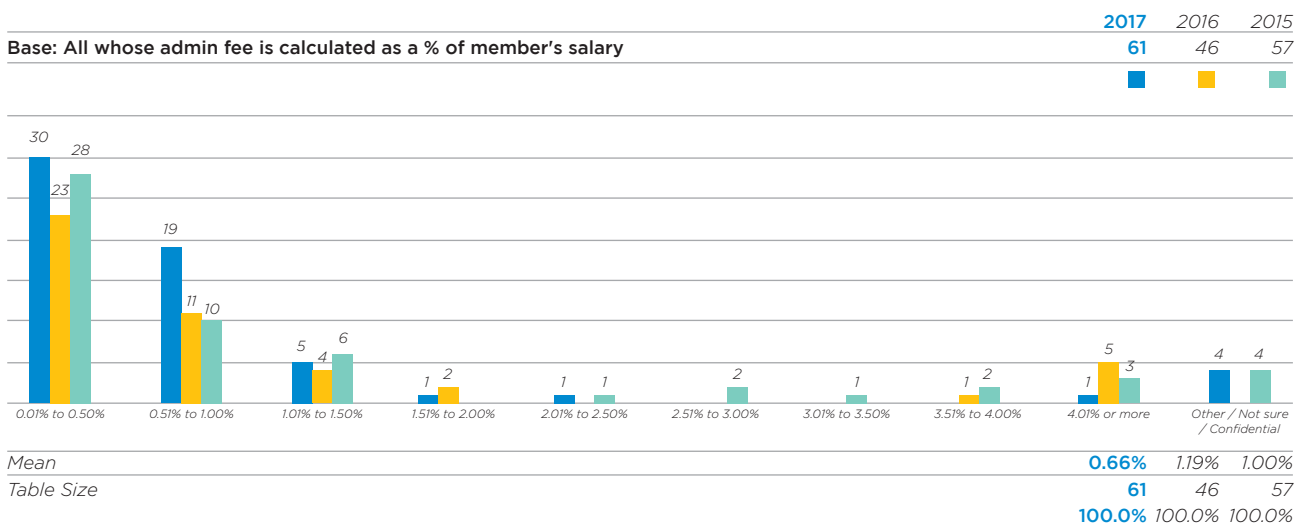
# Section 4

# Contributions

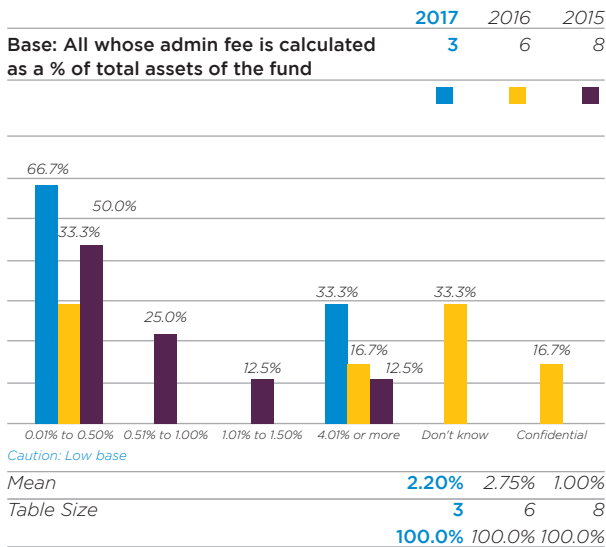
## Q4.1 How is the cost of the pure administration fee of the fund expressed?

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
As a % of the member's salary	61	46	57
	61.0%	46.0%	57.0%
As a % of the total asset value of the fund	3	6	8
	3.0%	6.0%	8.0%
As a fixed cost per member per month	34	41	30
	34.0%	41.0%	30.0%
As a % of the contribution	0	2	0
	0.0%	2.0%	0.0%
Combination of the above	0	1	0
	0.0%	1.0%	0.0%
Other	1	2	4
	1.0%	2.0%	4.0%
Don't know	1	1	0
	1.0%	1.0%	0.0%
Not applicable	0	0	1
	0.0%	0.0%	1.0%
No response	0	1	0
	0.0%	1.0%	0.0%
Table Size	100	100	100
	100.0%	100.0%	100.0%

## Q4.2A What percentage of member's salary (as a proportion of PEAR) goes towards the fund's pure administration costs - excluding asset management fees/ consulting and risk costs?



**Q4.2B What percentage of the asset value of the fund goes towards the pure administration costs (total fund management fees – excluding asset management fees/ consulting and risk cost)?**



**Q4.2C What are the fund's administration costs per member per month as a fixed cost inclusive of VAT?**

	2017	2016
Base: All whose admin fee is calculated as a fixed cost per member per month	34	41
<R10	2	1
	5.9%	2.4%
R15 to R24	4	2
	11.8%	4.9%
R25 to R29	5	8
	14.7%	19.5%
R30 to R34	4	3
	11.8%	7.3%
R35 to R39	4	3
	11.8%	7.3%
R40 to R44	3	3
	8.8%	7.3%
R50 to R54	2	1
	5.9%	2.4%
R55 to R59	2	1
	5.9%	2.4%
R60 to R64	0	3
	0.0%	7.3%
R65 to R69	0	1
	0.0%	2.4%
R75 to R79	0	1
	0.0%	2.4%
R80 or more	7	5
	20.6%	12.2%
Varies according to level of contribution	0	2
	0.0%	4.9%
Not sure/Not applicable	1	7
	2.9%	17.0%
Mean	R 53.71	R 54.04
Table Size	34	41
	100.0%	100.0%

**Q4.3 Was asked only of participating employers in umbrella funds.**

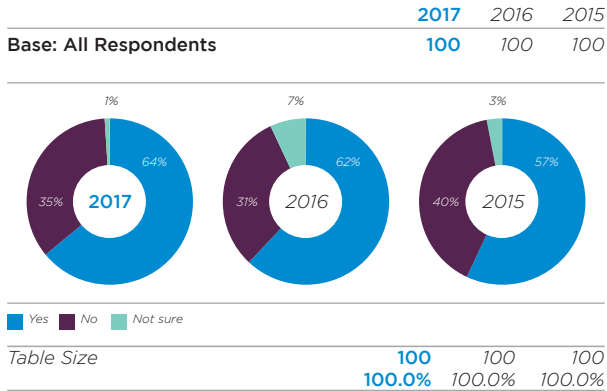
**Q4.4A What percentage of salaries is applied to the total cost of death benefits/ life cover under the fund?**

	2017	2016	2015
Base: All respondents	100		
Base: All who provide risk benefits		98	
Base: All respondents			100
0%	0	2	0
	0.0%	2.0%	0.0%
0.01% to 0.50%	8	11	8
	8.0%	11.2%	8.0%
0.51% to 1.00%	27	16	20
	27.0%	16.3%	20.0%
1.01% to 1.50%	17	12	13
	17.0%	12.2%	13.0%
1.51% to 2.00%	10	13	13
	10.0%	13.3%	13.0%
2.01% to 2.50%	8	7	8
	8.0%	7.1%	8.0%
2.51% to 3.00%	3	3	3
	3.0%	3.1%	3.0%
3.01% to 3.50%	2	1	3
	2.0%	1.0%	3.0%
3.51% to 4.00%	1	3	2
	1%	3.1%	2.0%
4.01% or more	0	1	3
	0.0%	1.0%	3.0%
No benefit	18	26	19
	18.0%	26.5%	19.0%
Confidential / Not sure	6	3	8
	6.0%	3.1%	8.0%
Mean	1.28%	1.38%	1.54%
Table Size	100	98	100
	100.0%	100.0%	100.0%

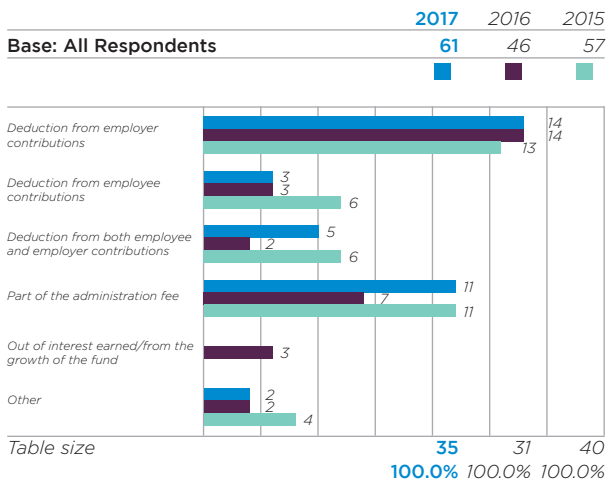
**Q4.4B What percentage of salaries is applied to the total cost of death benefits/ life cover under a separate scheme?**

	2017	2016	2015
Base 2017: All respondents	100		
Base 2016: All who provide risk benefits		98	
Base 2015: All respondents			100
0%	2	1	0
	2.0%	1.0%	0.0%
0.01% to 0.50%	6	10	3
	6.0%	10.2%	3.0%
0.51% to 1.00%	5	3	10
	5.0%	3.1%	10.0%
1.01% to 1.50%	9	7	3
	9.0%	7.1%	3.0%
1.51% to 2.00%	3	7	5
	3.0%	7.1%	5.0%
2.01% to 2.50%	4	2	2
	4.0%	2.0%	2.0%
2.51% to 3.00%	0	1	0
	0.0%	1.0%	0.0%
3.01% to 3.50%	0	0	2
	0.0%	0.0%	2.0%
3.51% to 4.00%	1	1	0
	1.0%	1.0%	0.0%
4.01% or more	1	1	0
	1.0%	1.0%	0.0%
No benefit	65	60	70
	65.0%	61.2%	70.0%
Not sure /Other	4	5	5
	4.0%	5.0%	5.0%
Mean	1.25%	1.24%	1.27%
Table Size	100	98	100
	100.0%	100.0%	100.0%

### Q4.5A Does your fund operate a contingency reserve account to manage costs, where all the other fund management costs (other than pure administration and consulting fees) are budgeted for?



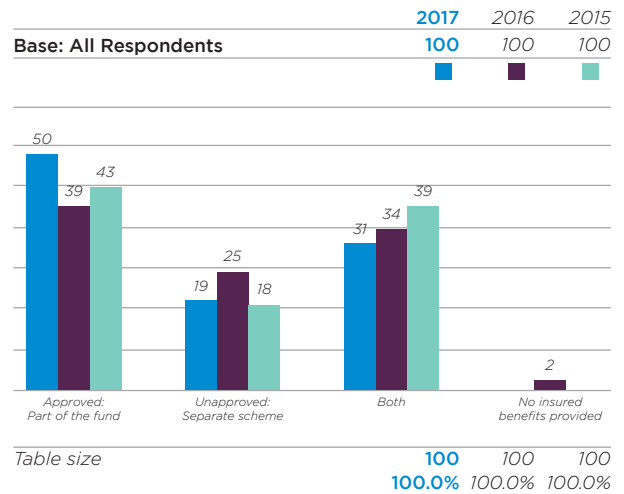
### Q4.5B How does your fund recover these costs?



### Q4.7 Are your approved risk benefits defined as a percentage of salary where the salary is defined as/based on?

	2017	2016	2015
Base: All who provide risk benefits	81	73	82
Total cost to company (TCTC)	17	9	16
PEAR	21.0%	12.3%	19.5%
Both	60	62	66
	74.1%	84.9%	80.5%
Costs based on cost per R1000 cover	3	1	0
	3.7%	1.4%	0.0%
Not sure	0	1	0
	0.0%	1.4%	0.0%
Table Size	81	73	82
	100.0%	100.0%	100.0%

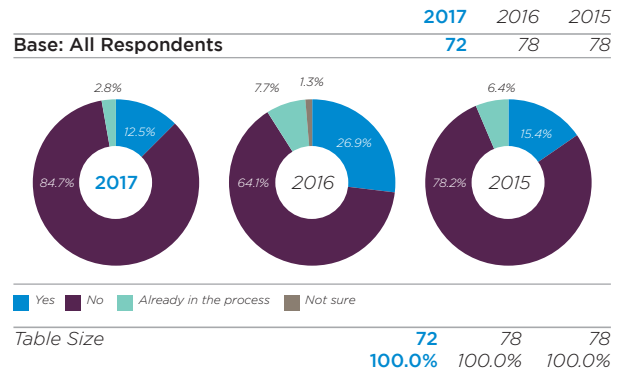
### Q4.6 Are risk benefits provided as part of the fund (approved) or are they provided through a separate scheme (unapproved)?



### Q4.8 Are your unapproved risk benefits defined as a percentage of salary where the salary is defined as/based on?

	2017	2016	2015
Base: All who provide risk benefits	50	59	57
Total cost to company (TCTC)	14	12	12
	28.0%	20.3%	21.1%
PEAR	34	44	44
	68.0%	74.6%	77.2%
Fixed amount per director/member	0	1	1
	0.0%	1.7%	1.8%
Both	2	1	0
	4.0%	1.7%	0.0%
Costs based on cost per R1000 cover	0	1	0
	0.0%	1.7%	0.0%
Table Size	50	59	57
	100.0%	100.0%	100.0%

### Q4.9 You mentioned earlier that the fund provides risk benefits based on PEAR, do you see a move towards a unified definition based on TCTC?





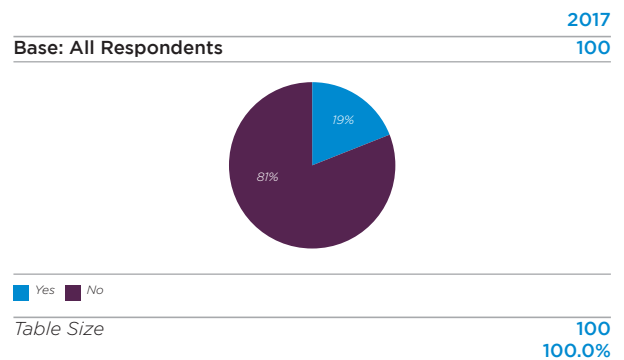
**Q4.10A What percentage of salaries is applied to the total cost of disability income benefits under the fund?**

	2017	2016	2015
<b>Base: All who provide risk benefits</b>	<b>100</b>	<b>98</b>	
<b>Base 2016: All respondents</b>			<b>100</b>
0%	1 1.0%	1 1.0%	0 0.0%
0.01% to 0.50%	9 9.0%	8 8.2%	18 18.0%
0.51% to 1.00%	20 20.0%	15 15.3%	21 21.0%
1.01% to 1.50%	14 14.0%	9 9.2%	3 3.0%
1.51% to 2.00%	3 3.0%	4 4.1%	4 4.0%
2.01% to 2.50%	3 3.0%	2 2.0%	1 1.0%
2.51% to 3.00%	1 1.0%	0 0.0%	2 2.0%
3.01% to 3.50%	0 0.0%	1 1.0%	2 2.0%
3.51% to 4.00%	1 1.0%	0 0.0%	1 1.0%
4.01% or more	1 1.0%	1 1.0%	1 1.0%
No benefit	43 43.0%	53 54.1%	43 43.0%
Not sure / Confidential	4 4.0%	4 4.1%	4 4.0%
Mean	1.08%	1.06%	1.00%
Table Size	100 100.0%	98 100.0%	100 100.0%

**Q4.10B What percentage of salaries is applied to the total cost of disability income benefits under a separate scheme?**

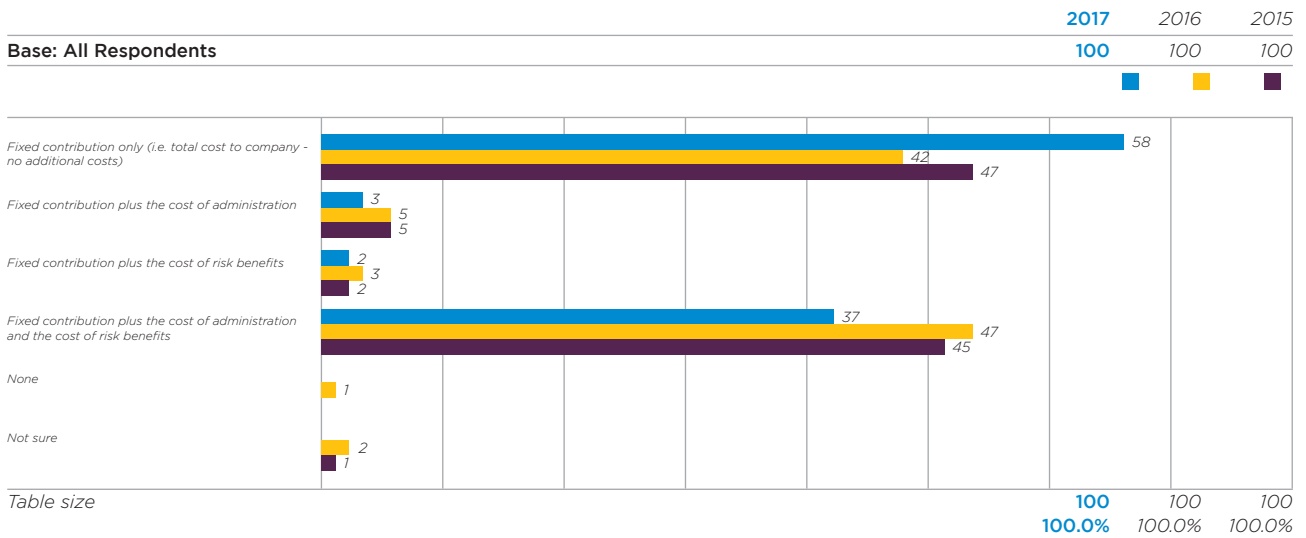
	2017	2016	2015
<b>Base: All who provide risk benefits</b>	<b>100</b>	<b>98</b>	
<b>Base: All respondents</b>			<b>100</b>
0%	2 2.0%	4 4.1%	2 2.0%
0.01% to 0.50%	9 9.0%	11 11.2%	9 9.0%
0.51% to 1.00%	20 20.0%	29 29.6%	23 23.0%
1.01% to 1.50%	7 7.0%	6 6.1%	9 9.0%
1.51% to 2.00%	4 4.0%	1 1.0%	3 3.0%
2.01% to 2.50%	0 0.0%	1 1.0%	2 2.0%
3.01% to 3.50%	1 1.0%	1 1.0%	1 1.0%
3.51% to 4.00%	0 0.0%	1 1.0%	0 0.0%
4.01% or more	0 0.0%	2 2.0%	0 0.0%
No benefit	54 54.0%	41 41.8%	47 47.0%
Not sure	3 3.0%	1 1.0%	4 4.0%
Mean	0.84%	0.92%	0.89%
Table Size	100 100.0%	98 100.0%	100 100.0%

**Q4.11 Do members have any choice as to what level of salary their risk benefits are based on?**



■ Yes ■ No

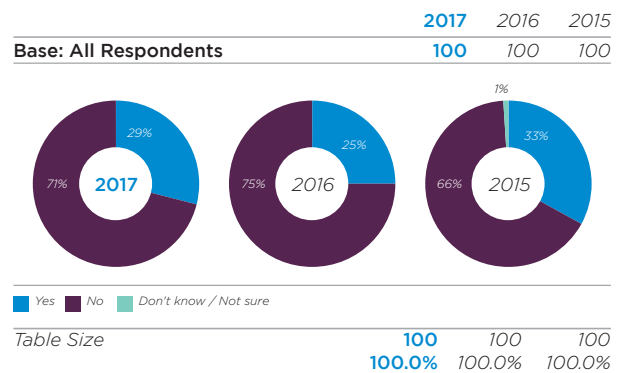
### Q4.12 Which of the following does the employer pay?



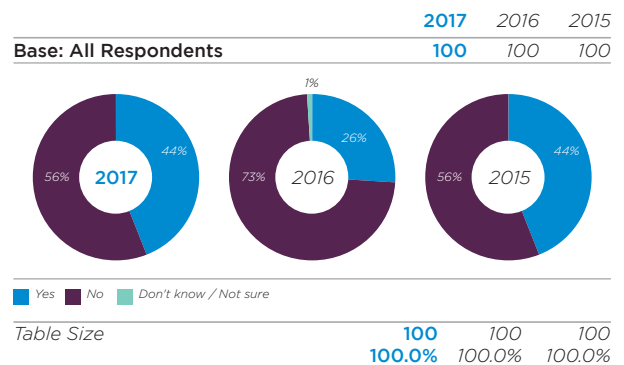
### Q4.13 What on average are the employer's total contributions (excluding any contributions made to an unapproved scheme), expressed as a percentage of total average annual salary?

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
0%	4	1	0
	<b>4.0%</b>	1.0%	0.0%
0.1% to 5%	6	8	5
	<b>6.0%</b>	8.0%	5.0%
5.1% to 7.5%	18	21	19
	<b>18.0%</b>	21.0%	19.0%
7.6% to 10%	24	21	26
	<b>24.0%</b>	21.0%	26.0%
10.1% to 11%	5	11	6
	<b>5.0%</b>	11.0%	6.0%
11.1% to 12.5%	14	11	10
	<b>14.0%</b>	11.0%	10.0%
12.6% to 15%	8	11	13
	<b>8.0%</b>	11.0%	13.0%
15.1% or more	19	13	16
	<b>19.0%</b>	13.0%	16.0%
Varies	1	2	0
	<b>1.0%</b>	2.0%	0.0%
Not sure/don't know	1	1	5
	<b>1.0%</b>	1.0%	5.0%
Mean	<b>10.70%</b>	10.36%	11.09%
<b>Table Size</b>	<b>100</b>	<b>100</b>	<b>100</b>
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### Q4.14 Can members choose the level of contribution by the employer in terms of a remuneration package structure arrangement (even though it may only be within certain parameters and at certain levels)?



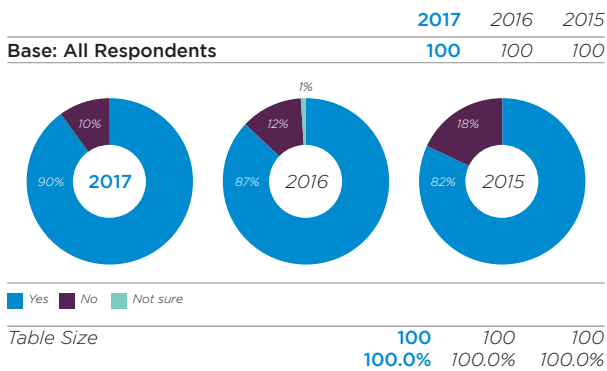
### Q4.15 Can members choose their own contribution levels (even though it may only be within certain parameters and at certain intervals)?



**Q4.16 What contribution (as a percentage of salary, and excluding any additional voluntary contributions) is made by members on average?**

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
0%	11	9	12
	11.0%	9.0%	12.0%
0.1% to 5%	4	9	11
	4.0%	9.0%	11.0%
5.1% to 6%	6	5	5
	6.0%	5.0%	5.0%
6.1% to 7.4%	15	15	18
	15.0%	15.0%	18.0%
7.50%	45	43	36
	45.0%	43.0%	36.0%
7.6% to 8%	3	1	5
	3.0%	1.0%	5.0%
8.1% or more	14	7	10
	14.0%	7.0%	10.0%
Other	2	3	1
	2.0%	3.0%	1.0%
Not applicable	0	3	1
	0.0%	3.0%	1.0%
Not sure/ don't know	0	5	1
	0.0	5.0%	1.0%
Mean	7.84	7.27	6.46
Table Size	100	100	100
	100.0%	100.0%	100.0%

**Q4.17A Does the fund allow for members to make additional voluntary contributions via the fund?**



**Q4.17B What additional voluntary contribution (as a percentage of salary) is made by members on average?**

	2017	2016	2015
<b>Base: All who allow AVCs</b>	<b>90</b>	<b>87</b>	<b>82</b>
0%	16	9	6
	17.8%	10.3%	7.3%
0.1% to 5%	36	30	31
	40%	34.5%	37.8%
8.1% or more	1	0	0
	1.1%	0.0%	0.0%
Varies	2	8	1
	2.2%	9.2%	1.2%
Rand amount, not %	12	17	23
	13.3%	19.5%	28%
Other	0	0	4
	0.0%	0.0%	4.9%
Not sure/ don't know	23	23	17
	25.6%	26.4%	20.7%
Mean	1.58	1.65	1.41
Table Size	90	87	82
	100.0%	100.0%	100.0%

# Section 5

## Risk benefits

### Q5.1A What is the size of the lump sum payable on death on your approved fund ?

	2017	2016	2015
<b>Base: All who provide approved risk benefits</b>	<b>81</b>	73	82
<i>1 x Annual salary</i>	1 1.2%	2 2.7%	2 2.4%
<i>1.5 x Annual salary</i>	0 0.0%	1 1.4%	0 0.0%
<i>2 x Annual salary</i>	12 14.8%	7 9.6%	12 14.6%
<i>2.5 x Annual salary</i>	1 1.2%	0 0.0%	2 2.4%
<i>3 x Annual salary</i>	19 23.5%	21 28.8%	22 26.8%
<i>3.5 x Annual salary</i>	1 1.2%	0 0.0%	0 0.0%
<i>4 x Annual salary</i>	21 25.9%	16 21.9%	19 23.2%
<i>4.5 x Annual salary</i>	0 0.0%	1 1.4%	0 0.0%
<i>5 x Annual salary</i>	5 6.2%	4 5.5%	8 9.8%
<i>More than 5 x Annual salary</i>	1 1.2%	3 4.1%	3 3.7%
<i>Depending on years of service</i>	2 2.5%	0 0.0%	0 0.0%
<i>Scaled per age band</i>	9 11.1%	10 13.7%	9 11%
<i>Fixed amount</i>	0 0.0%	0 0.0%	1 1.2%
<i>Members have flexible benefits, so it varies from member to member</i>	8 9.9%	6 8.2%	3 3.7%
<i>No lump sum</i>	1 1.2%	1 1.4%	0 0.0%
<i>Not sure</i>	0 0.0%	1 1.4%	0 0.0%
<i>Not applicable</i>	0 0.0%	0 0.0%	1 1.2%
<i>Mean</i>	<b>3.33</b>	3.4	3.4
<i>Table size</i>	<b>81</b>	73	82
	<b>100.0%</b>	100.0%	100.0%

### Q5.1B What is the size of the lump sum payable on death on your unapproved scheme?

	2017	2016	2015
<b>Base: All who provide approved risk benefits</b>	<b>50</b>	59	57
<i>1 x Annual salary</i>	1	2	1
	2.0%	3.4%	1.8%
<i>1.5 x Annual salary</i>	0	0	1
	0.0%	0.0%	1.8%
<i>2 x Annual salary</i>	1	5	5
	2.0%	8.5%	8.8%
<i>2.5 x Annual salary</i>	0	0	1
	0.0%	0.0%	1.8%
<i>3 x Annual salary</i>	12	9	8
	24.0%	15.3%	14.0%
<i>4 x Annual salary</i>	7	8	5
	14.0%	13.6%	8.8%
<i>5 x Annual salary</i>	1	1	3
	2.0%	1.7%	5.3%
<i>More than 5 x Annual salary</i>	1	0	1
	2.0%	0.0%	1.8%
<i>Scaled per age band</i>	3	3	3
	6.0%	5.1%	5.3%
<i>Fixed amount</i>	2	1	0
	4.0%	1.7%	0.0%
<i>Members have flexible benefits, so it varies from member to member</i>	7	7	8
	14.0%	11.9%	14.0%
<i>Not applicable</i>	0	0	19
	0.0%	0.0%	33.3%
<i>No lump sum</i>	14	22	0
	28.0%	37.3%	0.0%
<i>Not sure</i>	1	1	2
	2.0%	1.7%	3.5%
<i>Mean</i>	<b>3.39</b>	3.04	3.20
<i>Table size</i>	<b>50</b>	59	57
	<b>100.0%</b>	100.0%	100.0%

### Q5.1C What is the size of the lump sum payable on disability on your approved fund?

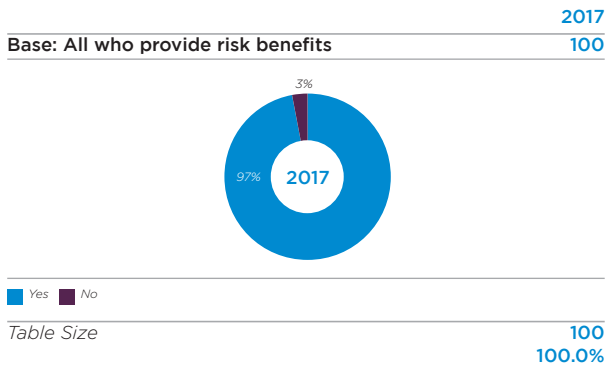
	2017	2016	2015
<b>Base: All who provide approved risk benefits</b>	<b>81</b>	73	82
<i>1 x Annual salary</i>	3	1	1
	3.7%	1.4%	1.2%
<i>2 x Annual salary</i>	2	1	1
	2.5%	1.4%	1.2%
<i>2.5 x Annual salary</i>	1	1	1
	1.2%	1.4%	1.2%
<i>3 x Annual salary</i>	5	3	4
	6.2%	4.1%	4.9%
<i>4 x Annual salary</i>	2	0	0
	2.5%	0.0%	0.0%
<i>5 x Annual salary</i>	0	0	1
	0.0%	0.0%	1.2%
<i>More than 5 x Annual salary</i>	0	2	1
	0.0%	2.7%	1.2%
<i>Depending on years of service</i>	1	0	1
	1.2%	0.0%	1.2%
<i>Scaled per age band</i>	4	3	4
	4.9%	4.1%	4.9%
<i>Fixed amount</i>	0	1	3
	0.0%	1.4%	3.7%
<i>Members have flexible benefits, so it varies from member to member</i>	3	3	2
	3.7%	4.1%	2.4%
<i>No lump sum disability</i>	60	58	62
	74.1%	79.5%	75.6%
<i>Not sure</i>	0	0	2
	0.0%	0.0%	2.4%
<i>Mean</i>	<b>2.5</b>	3.31	2.94
<i>Table size</i>	<b>81</b>	73	82
	<b>100.0%</b>	100.0%	100.0%

**Q5.1D What is the size of the lump sum payable on disability on your unapproved fund?**

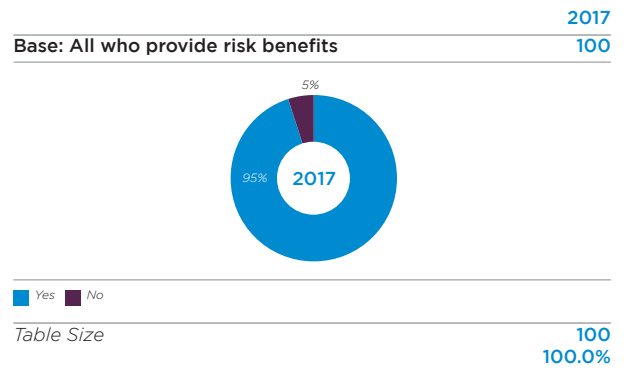
	2017	2016	2015
<b>Base: All who provide approved risk benefits</b>	<b>50</b>	59	57
1 x Annual salary	2	0	1
	4.0%	0.0%	1.8%
2 x Annual salary	1	1	4
	2.0%	1.7%	7%
2.5 x Annual salary	0	0	2
	0.0%	0.0%	3.5%
3 x Annual salary	5	4	1
	10.0%	6.8%	1.8%
4 x Annual salary	1	0	0
	2.0%	0.0%	0.0%
More than 5 x Annual salary	1	0	0
	2.0%	0.0%	0.0%
Scaled per age band	0	3	2
	0.0%	5.1%	3.5%
Fixed amount	1	1	1
	2.0%	1.7%	1.8%
Members have flexible benefits, so it varies from member to member	2	3	2
	4.0%	5.1%	3.5%
No lump sum disability	36	47	43
	72.0%	79.7%	75.4%
Not sure	1	0	1
	2.0%	0.0%	1.8%
Mean	2.9	2.8	2.13
Table size	50	59	57
	100.0%	100.0%	100.0%

**Q5.2 Was asked only of participating employers in umbrella funds.**

**Q5.3 Are you satisfied with the benefits currently offered by your risk provider?**



**Q5.4A Are you satisfied with the current level of service received from your risk provider?**



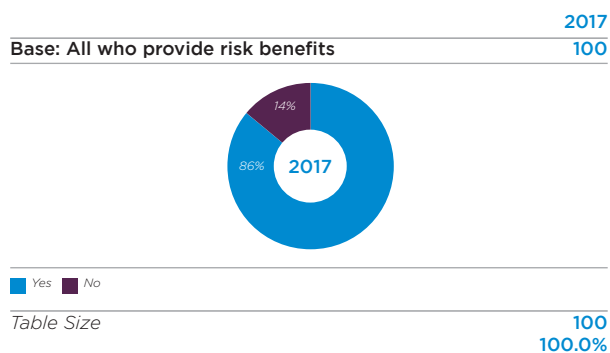
**Q5.4B(i) Why do you say that?**

	2017
<b>Base: All who provide risk benefits and are SATISFIED with current level of service</b>	<b>95</b>
<i>Claims handled efficiently/payments made timeously</i>	<b>33</b> <b>34.7%</b>
<i>Efficient/ meet members' needs/ no complaints from members</i>	<b>29</b> <b>30.5%</b>
<i>Low fees/competitive rates/value for money</i>	<b>25</b> <b>26.3%</b>
<i>Fast turnaround on requests/queries</i>	<b>20</b> <b>21.1%</b>
<i>They deliver good, professional service</i>	<b>9</b> <b>9.5%</b>
<i>Good level of assistance/staff support/always willing to go the extra mile</i>	<b>8</b> <b>8.4%</b>
<i>Good range of member benefits</i>	<b>8</b> <b>8.4%</b>
<i>Good business relationship</i>	<b>7</b> <b>7.4%</b>
<i>Good communication/regular updates and reports</i>	<b>7</b> <b>7.4%</b>
<i>Service provided is in line with SLA</i>	<b>6</b> <b>6.3%</b>
<i>Good admin system/processes</i>	<b>4</b> <b>4.2%</b>
<i>We benchmark our benefits against the market/annual review</i>	<b>4</b> <b>4.2%</b>
<i>Provide good advice</i>	<b>3</b> <b>3.2%</b>
<i>It is in-house - there is direct control over service levels/ in-house expertise</i>	<b>2</b> <b>2.1%</b>
<i>They understand our business</i>	<b>2</b> <b>2.1%</b>
<i>We rebroke every three years</i>	<b>2</b> <b>2.1%</b>
<i>Other</i>	<b>7</b> <b>7.4%</b>
<i>Table size</i>	<b>176</b> <b>185.3%</b>

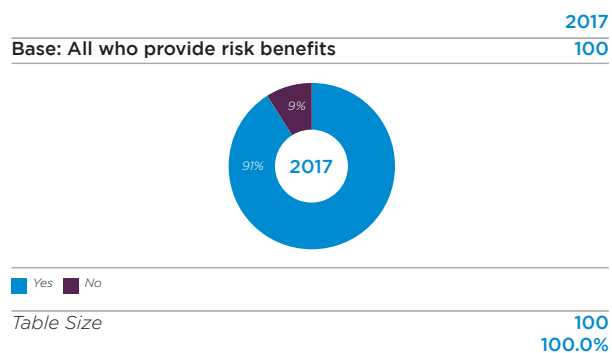
**Q5.4B (ii) Why do you say that?**

	2017
<b>Base: All who provide risk benefits and are DISSATISFIED with current level of service</b>	<b>5</b>
<i>Shocking service</i>	<b>2</b> <b>40.0%</b>
<i>Slow turnaround on queries/requests</i>	<b>2</b> <b>40.0%</b>
<i>They are very slow in making payments</i>	<b>1</b> <b>20.0%</b>
<i>They have messed up on a couple of death claims that could potentially go to court</i>	<b>1</b> <b>20.0%</b>
<i>Poor advice/provided incorrect information</i>	<b>1</b> <b>20.0%</b>
<i>Payments fluctuates</i>	<b>1</b> <b>20.0%</b>
<i>Unclear underwriting decisions</i>	<b>1</b> <b>20.0%</b>
<i>They are always late with statements</i>	<b>1</b> <b>20.0%</b>
<i>Table size</i>	<b>10</b> <b>200.0%</b>

### Q5.5A Do you understand how your premium is calculated?



### Q5.5B Are you satisfied with your current premium?



### Q5.5C(i) Why?

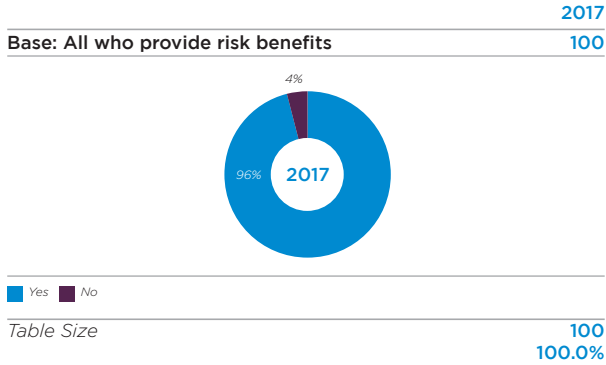
	2017
<b>Base: All who provide risk benefits and are SATISFIED with current level of service</b>	<b>91</b>
<i>Reasonable cost/ competitive rates/affordable/cost effective/good value</i>	54
	59.3%
<i>Benchmark / rebroke every year/ comparisons done annually</i>	45
	49.5%
<i>The premium is market related</i>	10
	11.0%
<i>It is negotiated premiums - so it is fair</i>	7
	7.7%
<i>Self insured/ in-house insurer</i>	4
	4.4%
<i>Since we have taken out the policy we have not had an increase on premiums/ no increase in two years</i>	3
	3.3%
<i>The cover is good</i>	2
	2.2%
<i>Rate is based on our claims analysis</i>	1
	1.1%
<i>We look at solvency</i>	1
	1.1%
<i>The pay-outs are more than the premiums</i>	1
	1.1%
Table size	128
	140.7%

### Q5.5C(ii) Why not?

	2017
<b>Base: All who provide risk benefits and are DISSATISFIED with current level of service</b>	<b>9</b>
<i>Too expensive/ a little high compared to other companies</i>	4
	44.4%
<i>Could always be lower/we strive for better rates</i>	2
	22.2%
<i>The administration rebroke - but they never explain how it is worked out/ I don't understand how it is calculated</i>	2
	22.2%
<i>Increase from 1.5 to 1.8 percent</i>	1
	11.1%
Table size	9
	100.0%



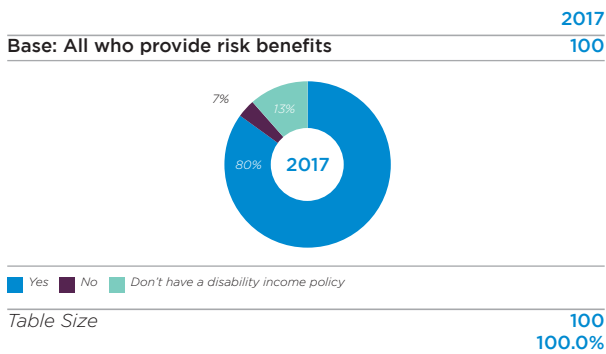
**Q5.6 Are you aware of the needs of insurers to have accurate and up to-date data in order to perform actuarial investigations and provide you with accurate pricing?**



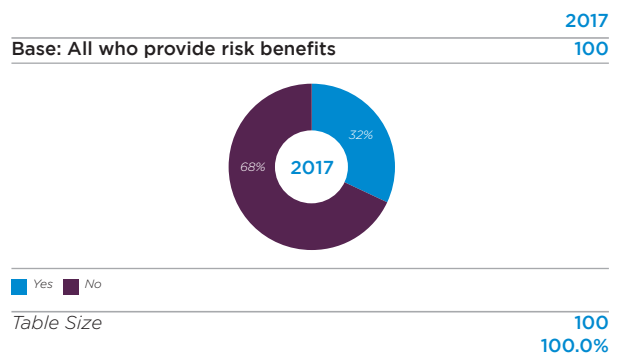
**Q5.7 What systems do you have in place to make member data extraction (to provide to the insurer) easier for the employer?**

	2017
<b>Base: All who provide risk benefits</b>	<b>100</b>
Data is extracted electronically via the payroll system and downloaded directly to administrator	39
	39.0%
Done by our broker/consultants / administrator	30
	30.0%
HR system - spread sheet excel/ our HR department has access to extract data from the service provider's site	16
	16.0%
We are using the SAP enterprise system/ SAP@CM	10
	10.0%
All information is accessed on portal (web based)/ we have direct access to service provider's website which is VIP access	7
	7.0%
Sage VIP accounting	3
	3.0%
Other	10
	10.0%
Table size	115
	115.0%

**Q5.8 If you have a disability income policy (PHI), did you receive good advice from your broker/consultant as to what form of benefit to select after the recent tax changes? E.g. flat, scaled, etc.?**



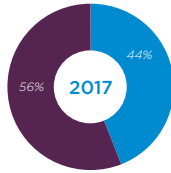
**Q5.9 Would you have appreciated more guidance from the insurance industry as to what is best/cheapest for members?**



**Q5.10 In future, would you appreciate more guidance in terms of legislation and tax changes from the insurer?**

2017

Base: All who provide risk benefits 100



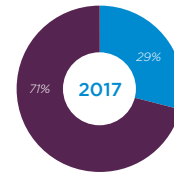
■ Yes ■ No

Table Size 100 100.0%

**Q5.12A Do you provide flexible risk benefits to your members?**

2017

Base: All who provide risk benefits 100



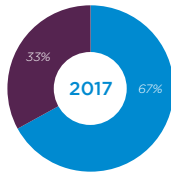
■ Yes ■ No

Table Size 100 100.0%

**Q5.11 Would a standard risk policy be easier for members to understand, or are you satisfied with the current level of complexity in the market?**

2017

Base: All who provide risk benefits 100



■ Yes ■ No

Table Size 100 100.0%

**Q5.12B(i) Why?**

2017

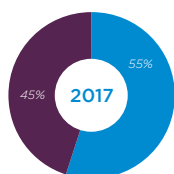
Reason	Count	Percentage
Base: All who provide flexible risk benefits	29	
People have different personal needs/ One size doesn't fit all/ Members can choose according to their needs	18	62.1%
Affordability/ members can choose cover to suit their income	5	17.2%
To cater for those members who request additional life cover	4	13.8%
To meet the needs of different age groups	2	6.9%
In order to cover members when they are unable to work through sickness or death	1	3.5%
It becomes a comparative advantage for the employer	1	3.5%
Gives our employees peace of mind	1	3.5%
It is part of the policy/ standard company policy	1	3.5%
Table size	33	113.8%

### Q5.12B(ii) Why not?

	2017
<b>Base: All who don't provide flexible risk benefits</b>	<b>71</b>
<i>Employees don't need it/ it has never been a requirement/current benefit levels are sufficient</i>	16 22.5%
<i>Low income group/limited member understanding/potential for members to make wrong choices</i>	14 19.7%
<i>The admin/ there is too much admin required</i>	12 16.9%
<i>It is easier to have a flat structure/ easier to have a standard policy</i>	12 16.9%
<i>It is too complicated to maintain/ simplification of systems</i>	10 14.1%
<i>The cost/ to keep the costs down/ it will be high in costs</i>	4 5.6%
<i>The group is too big - we can't have variables to manage</i>	4 5.6%
<i>We provide a standard amount - in this way being equal to all</i>	2 2.8%
<i>Rules do not allow for this</i>	2 2.8%
<i>We have never considered offering</i>	2 2.8%
<i>Flexible benefits are not offered to us by the fund</i>	2 2.8%
<i>This extra scheme allows those who wish to increase their cover - it is voluntarily</i>	1 1.4%
<i>Not offering at the moment - looking to offer it in the future</i>	1 1.4%
<i>It is part of the policy/ standard company policy</i>	1 1.4%
<i>The only extra we give members is funeral policy</i>	1 1.4%
<i>The benefits are already so high - they can't do better than they have already</i>	1 1.4%
<i>Payroll system not geared up for complexity</i>	1 1.4%
<i>Additional cost for flexible benefits means less available for retirement savings</i>	1 1.4%
<i>It is difficult because it will be based on equal pay</i>	1 1.4%
<i>Members don't want additional costs/ not affordable/ members want minimum cost</i>	1 1.4%
<i>The multiple pay-points and multi national nature of the fund produces it</i>	1 1.4%
<i>We need to align it with the flexible pensionable salary</i>	1 1.4%
<i>Nothing</i>	1 1.4%
<i>Table size</i>	92 129.6%

### Q5.13A Do you see a future for flexible risk benefits for your members?

Base: All who provide risk benefits 2017  
100



■ Yes ■ No

Table Size 100  
100.0%

### Q5.13B(i) Why?

	2017
<b>Base: All who see a future for flexible risk benefits</b>	<b>55</b>
<i>People have different needs/ one size doesn't fit all/ members want choice as they get older and as their needs change</i>	<b>26</b> 47.3%
<i>Gives members more control / members can choose according to their life stage/salary</i>	<b>15</b> 27.3%
<i>The industry is moving that way / younger members demand more flexibility</i>	<b>8</b> 14.6%
<i>We offer this already</i>	<b>5</b> 9.1%
<i>Not offering at the moment - looking to offer it in the future</i>	<b>3</b> 5.5%
<i>Risk benefits have accumulated over the years - people will have to do salary sacrifices</i>	<b>2</b> 3.6%
<i>Reduce death benefit for members so that more money can go towards retirement</i>	<b>2</b> 3.6%
<i>To ensure people are prepared for any eventuality</i>	<b>1</b> 1.8%
<i>It provides good value for the member - one pays only for what one gets</i>	<b>1</b> 1.8%
<i>As systems and technology improve members can have more choice in the future</i>	<b>1</b> 1.8%
<i>Only if the benefits are reduced</i>	<b>1</b> 1.8%
<i>We fall under the company's umbrella</i>	<b>1</b> 1.8%
<i>Table size</i>	<b>66</b> 120.0%

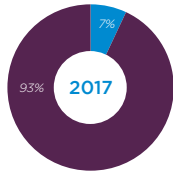
### Q5.13B(ii) Why not?

	2017
<b>Base: All who don't see a future for flexible risk benefits</b>	<b>45</b>
<i>Happy with the current benefits/no need for this/no requests from members</i>	<b>9</b> 20.0%
<i>It will be too much administration for us/ we don't have the capacity to deal with it</i>	<b>8</b> 17.8%
<i>Members financial literacy rates are low/ it will add confusion to members</i>	<b>8</b> 17.8%
<i>We want to keep it simple/ easier to deal with everyone on the same level</i>	<b>6</b> 13.3%
<i>The size of the group makes it unmanageable/ it will be difficult to manage/ it will be too complicated</i>	<b>4</b> 8.9%
<i>The cost is not justified/ it will increase costs</i>	<b>4</b> 8.9%
<i>We make sure that members are fully covered/protected</i>	<b>3</b> 6.7%
<i>Only if the benefits are less - we don't need extra private risk benefits</i>	<b>3</b> 6.7%
<i>Rules do not allow for this</i>	<b>3</b> 6.7%
<i>They are lower paid/ low income group - unaffordability</i>	<b>2</b> 4.4%
<i>If a member wants more cover they can do it themselves</i>	<b>2</b> 4.4%
<i>The company made the offer to members - the company is paying</i>	<b>1</b> 2.2%
<i>We would need to research validity and flexibility benefits as a group of trustees</i>	<b>1</b> 2.2%
<i>Table size</i>	<b>54</b> 120.0%

**Q5.14A Do you have any risk benefit needs that are not addressed by current market offerings?**

2017

Base: All who provide risk benefits 100



■ Yes ■ No

Table Size 100  
100.0%

**Q5.14B What are these needs?**

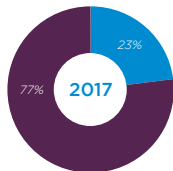
2017

Base: All who have risk benefit needs that are not addressed by current market offerings	7
Education policies for children in case of members dying in service	3 42.9%
We need a wider spectrum within the various categories of disability in our company	2 28.6%
Funeral cover/benefits/ spouse death benefits	1 14.3%
Income protector	1 14.3%
Trauma counselling	1 14.3%
Table size	8 114.3%

**Q5.15 Do you offer critical illness (trauma) benefits to your members?**

2017

Base: All responses 100



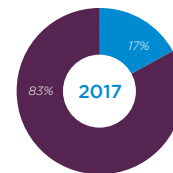
■ Yes ■ No

Table Size 100  
100.0%

**Q5.16A Is your fund self-insured?**

2017

Base: All responses 100



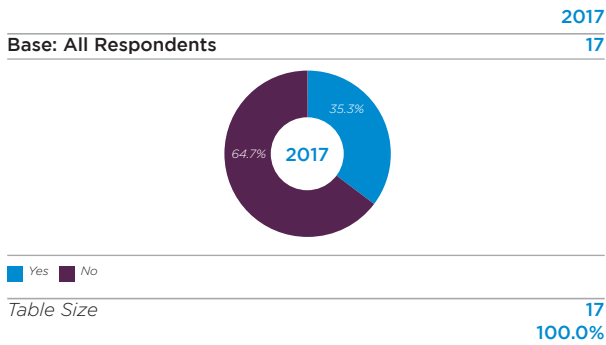
■ Yes ■ No

Table Size 100  
100.0%

### Q5.16B(ii) Why do you think self-insured is better than outsourcing risk?

	2017
<b>Base: All who self-insure</b>	17
<i>It is cheaper/ it is cost effective</i>	9 52.9%
<i>More controlled/ its easier to manage</i>	4 23.5%
<i>It is more accurate - claims analysis and risk is specific to our company</i>	3 17.7%
<i>It allows a certain amount of flexibility</i>	2 11.8%
<i>We have a huge number of members</i>	2 11.8%
<i>Reserve is sufficiently large to accommodate claims</i>	1 5.9%
<i>We are in the process of changing from self insured to outsourcing</i>	1 5.9%
<i>It assures one that your members are covered by the fund for death, illness and funeral expenses</i>	1 5.9%
<i>We can reduce contributions if you have a low claim ratio</i>	1 5.9%
<i>Don't know</i>	1 5.9%
<i>Table size</i>	25 147.1%

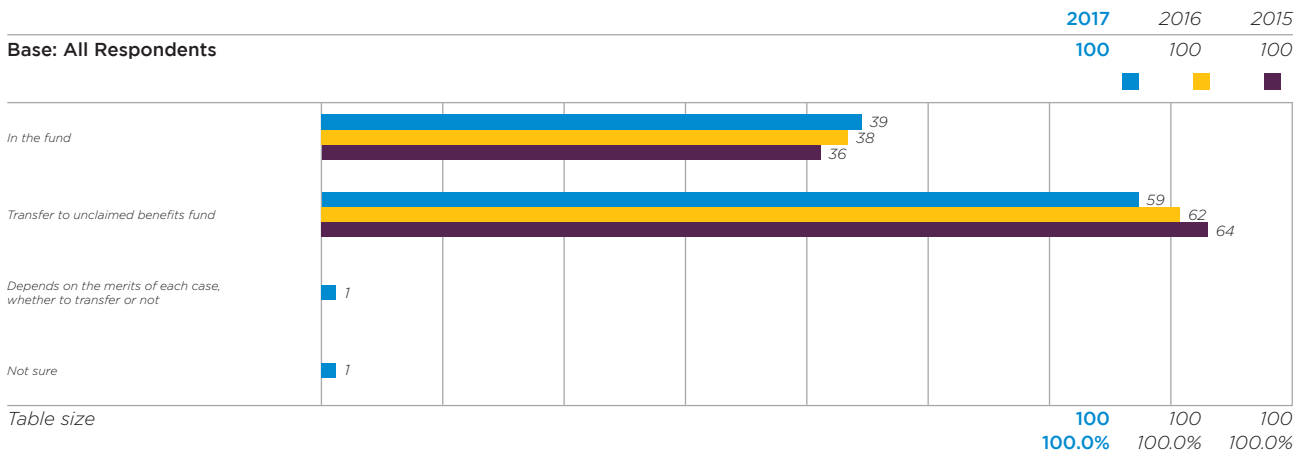
### Q5.16C Have you investigated moving away from self-insurance?



# Section 6

## Governance and administration service provider selection

**Q6.1 Do you keep unclaimed benefits (i.e. benefits that remain unclaimed after 2 years) in the fund or do you transfer them to an unclaimed benefits fund?**



**Q6.2 When considering all the aspects of retirement fund administration, which of the following processes do you consider to be most important? Please indicate the five most important processes and rank them in order of importance: 1 is most important, 2 is second most important etc.**

### Any mention

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
<i>Paying claims timeously</i>	<b>93</b> <b>93.0%</b>	91 91.0%	69 69.0%
<i>Effecting member level transactions timeously</i>	<b>57</b> <b>57.0%</b>	54 54.0%	-
<i>Loading &amp; investing contributions timeously</i>	<b>75</b> <b>75.0%</b>	80 80.0%	64 64.0%
<i>Issuing benefit statements timeously</i>	<b>31</b> <b>31.0%</b>	41 41.0%	-
<i>Daily updated information on the internet</i>	<b>12</b> <b>12.0%</b>	-	-
<i>Adequate financial reporting at fund level</i>	<b>48</b> <b>48.0%</b>	41 41.0%	-
<i>"Moving with the times", like having an App</i>	<b>5</b> <b>5.0%</b>	-	-
<i>Transparency of costs</i>	<b>66</b> <b>66.0%</b>	46 46.0%	28 28.0%
<i>Response time to queries</i>	<b>51</b> <b>51.0%</b>	44 44.0%	-
<i>Tailor made reporting</i>	<b>4</b> <b>4.0%</b>	4 4.0%	-
<i>Ability to track cash flows end-to-end (from receipt in the bank account to investment by the asset manager)</i>	<b>32</b> <b>32.0%</b>	-	-
<i>Ability to match assets and liabilities on a daily basis</i>	<b>26</b> <b>26.0%</b>	-	-
<i>Not applicable</i>	<b>0</b> <b>0.0%</b>	2 2.0%	-
<i>Table size</i>	<b>500</b> <b>500.0%</b>	476 476.0%	300 300.0%

**Q6.3 If your fund is unitised and requires monthly or daily unit prices, which service provider in the value chain is best positioned to provide this service?**

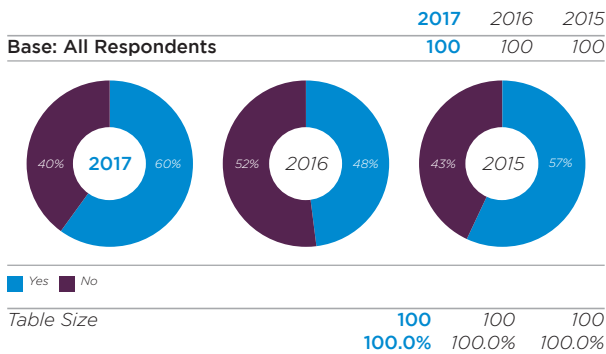
	2017	2016
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>
<i>The asset manager</i>	<b>13</b> <b>13.0%</b>	19 19.0%
<i>The multi manager</i>	<b>14</b> <b>14.0%</b>	5 5.0%
<i>The investment consultant</i>	<b>12</b> <b>12.0%</b>	8 8.0%
<i>The benefit administrator</i>	<b>24</b> <b>24.0%</b>	21 21.0%
<i>A pricing specialist</i>	<b>11</b> <b>11.0%</b>	-
<i>An investment and administration platform</i>	<b>0</b> <b>0.0%</b>	23 23.0%
<i>The actuary</i>	<b>1</b> <b>1.0%</b>	7 7.0%
<i>Not applicable - our fund is not unitised or does not require monthly or daily unit prices</i>	<b>25</b> <b>25.0%</b>	21 21.0%
<i>Not sure</i>	<b>0</b> <b>0.0%</b>	2 2.0%
<i>Table size</i>	<b>100</b> <b>100.0%</b>	100 100.0%



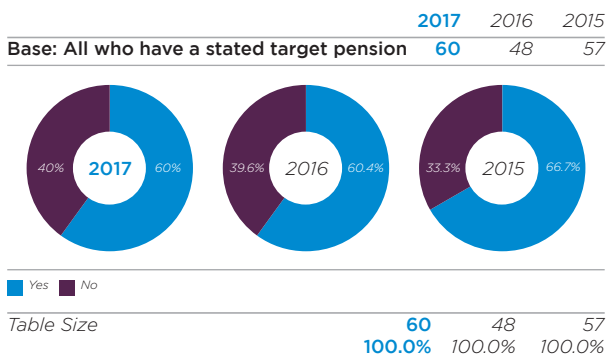
# Section 7

# Retirement

## Q7.1A Does your fund have a stated target pension (expressed as Net Replacement Ratio (NRR) or Projected Pensions Ratio (PPR)) that the trustees actively work towards?



## Q7.1B Do you have a default contribution rate (Employer and Employee) that is aligned with the stated target pension?



## Q7.1C What income replacement ratio does the fund target?

	2017	2016	2015
Base: All who have a stated target pension	60	48	57
Less than 25%	3 5.0%	1 2.1%	0 0.0%
25% - 49%	2 3.3%	0 0.0%	3 5.3%
50% - 59%	0 0.0%	0 0.0%	6 10.5%
60% - 69%	10 16.7%	7 14.6%	6 10.5%
70% - 75%	37 61.7%	29 60.4%	39 68.4%
76% or more	6 10.0%	8 16.7%	3 5.3%
Don't know	2 3.3%	3 6.3%	0 0.0%
Mean	67.96%	72.58%	68.05%
Table Size	60 100.0%	48 100.0%	57 100.0%

## Q7.2 Do you believe that NRR is a suitable measure for determining whether a member is on track for retirement?

	2017	2016
Base: All Respondents	100	100
Yes	59 59.0%	58 58.0%
Yes, but based on TCTC	1 1.0%	-
No, members do not understand the measure	10 10.0%	20 20.0%
No, there are too many variables and assumptions used	21 21.0%	17 17.0%
No, the trustees do not feel comfortable with the measure	3 3.0%	2 2.0%
Other	6 6.0%	2 2.0%
Not sure	0 0.0%	1 1.0%
Summary:		
Any no	40 40.0%	41 41.0%
Table Size	100 100.0%	100 100.0%

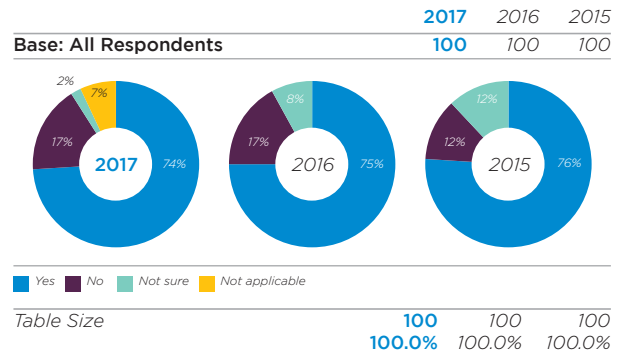
**Q7.3 Does the fund monitor the replacement ratio for members's PPR or NRR on an ongoing basis?**

	2017
<b>Base: All Respondents</b>	<b>100</b>
Yes - we receive a report on our members' PPR / NRR on a regular basis but do nothing further.	14
	14.0%
Yes - we receive a report on the members' PPR / NRR on a regular basis and inform members of this on their annual benefit statement	26
	26.0%
Yes - we receive a report on the members' PPR / NRR on a regular basis and have a specific strategy to communicate with members with a low ratio	16
	16.0%
No - we do not monitor members' PPR / NRR on a regular basis	38
	38.0%
Other	5
	5.0%
Don't know	1
	1.0%
<b>Summary:</b>	
Any no	59
	59.0%
Any yes	40
	40.0%
Table Size	100
	100.0%

**Q7.4 What percentage of your retirees would you estimate are able to retain their current standard of living in retirement?**

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
0%	1	2	3
	1.0%	2.0%	3.0%
1%	3	6	6
	3.0%	6.0%	6.0%
2%	4	3	2
	4.0%	3.0%	2.0%
3%	1	4	1
	1.0%	4.0%	1.0%
4%	2	3	0
	2.0%	3.0%	0.0%
5%	9	12	7
	9.0%	12.0%	7.0%
6%-10%	21	26	23
	21.0%	26.0%	23.0%
11%-20%	13	8	6
	13.0%	8.0%	6.0%
21%-30%	6	5	5
	6.0%	5.0%	5.0%
31%-40%	3	6	6
	3.0%	6.0%	6.0%
41%-50%	9	9	11
	9.0%	9.0%	11.0%
51%-60%	5	0	3
	5.0%	0.0%	3.0%
61%-70%	1	1	1
	1.0%	1.0%	1.0%
71%-80%	3	0	3
	3.0%	0.0%	3.0%
81%-90%	0	3	1
	0.0%	3.0%	1.0%
91%-100.0%	1	1	1
	1.0%	1.0%	1.0%
Other	0	0	1
	0.0%	0.0%	1.0%
Don't know	18	11	20
	18.0%	11.0%	20.0%
Mean	23.84%	19.60%	24.81%
Table size	100	100	100
	100.0%	100.0%	100.0%

**Q7.5A Can the stated target pension be achieved by members who remain in the fund for their working life time (35-40yrs) if they are only ever invested in the default investment portfolio?**



### Q7.5B What proportion of your membership (in terms of number of members) is invested in the Trustee choice or Default investment option?

	2017	2016	2015
<b>Base: All who believe their members can achieve the stated target pension if they remain in the default portfolio</b>	<b>74</b>	75	76
0% to 10%	3	4	0
	4.1%	5.3%	0.0%
10,1% to 20%	2	0	2
	2.7%	0.0%	2.6%
20,1% to 30%	2	1	1
	2.7%	1.3%	1.3%
30,1% to 40%	0	0	1
	0.0%	0.0%	1.3%
40,1% to 50%	0	5	2
	0.0%	6.7%	2.6%
50,1% to 60%	2	2	0
	2.7%	2.7%	0.0%
60,1% to 70%	3	5	2
	4.1%	6.7%	2.6%
70,1% to 80%	8	5	3
	10.8%	6.7%	3.9%
80,1% to 90%	12	10	14
	16.2%	13.3%	18.4%
90,1% to 100.0%	42	43	50
	56.8%	57.3%	65.8%
Don't know	0	0	1
	0.0%	0.0%	1.3%
Mean	81.22%	80.20%	86.33%
Table size	74	75	76
	100.0%	100.0%	100.0%

### Q7.6 Has your Fund implemented an appropriate default annuity strategy for your members? (Previous wording: Has the fund implemented an appropriate default annuity product for your members?)

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	100	100
Yes, we have already determined an appropriate default annuity product	22	16	16
	22.0%	16.0%	16.0%
We are working on this and it will be done within the next 12 months	8	13	25
	8.0%	13.0%	25.0%
We are working on this and it will be done within the next 24 months	18	17	16
	18.0%	17.0%	16.0%
No, we are waiting for the Default Regulations to be finalised before we start	29	-	-
	29.0%	-	-
No, we have not discussed/ considered this at all	10	-	-
	10.0%	-	-
No, we are a Provident Fund and do not believe that this should be applicable to us	11	-	-
	11.0%	-	-
No, we have discussed and considered and decided against it	1	-	-
	1.0%	-	-
No	0	54	43
	0.0%	54.0%	43.0%
Not applicable	1	-	-
	1.0%	-	-
Table size	100	100	100
	100.0%	100.0%	100.0%

## Q7.7 As a trustee what do you believe is the most important feature of a default annuity?

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
Longevity projections (income for life)	32 32.0%	29 29.0%	17 17.0%
Allowing for pensioners to maintain their pre-retirement lifestyle as long as possible (even if not for the full duration of retirement)	13 13.0%	11 11.0%	15 15.0%
Ability to access the lump sum after the retiree's death (remaining assets are transferred to the deceased's estate)	1 1.0%	4 4.0%	2 2.0%
Annuity income which keeps pace with inflation	46 46.0%	49 49.0%	58 58.0%
Flexibility to vary the income levels year-on-year (flexible drawdown rate)	4 4.0%	5 5.0%	6 6.0%
Unsure	4 4.0%	2 2.0%	2 2.0%
<b>Table size</b>	<b>100</b>	<b>100</b>	<b>100</b>
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Q7.8A Which default annuity product have you selected?

	2017	2016	2015
<b>Base: All who have determined an appropriate default annuity product</b>	<b>22</b>	<b>16</b>	<b>16</b>
Guaranteed annuity (level or increasing at a fixed percentage)	3 13.6%	1 6.3%	3 18.8%
With profit annuity	7 31.8%	5 31.3%	2 12.5%
Living annuity	6 27.3%	6 37.5%	2 12.5%
Inflation linked annuity	4 18.2%	2 12.5%	6 37.5%
Index linked annuity (increases are referenced to a published index, e.g. SWIX, ALSI, GOVI)	0 0.0%	1 6.3%	-
Combination of different annuities	0 0.0%	1 6.3%	3 18.8%
Other	1 4.6%	-	-
Unsure	1 4.6%	-	-
<b>Table size</b>	<b>22</b>	<b>16</b>	<b>16</b>
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

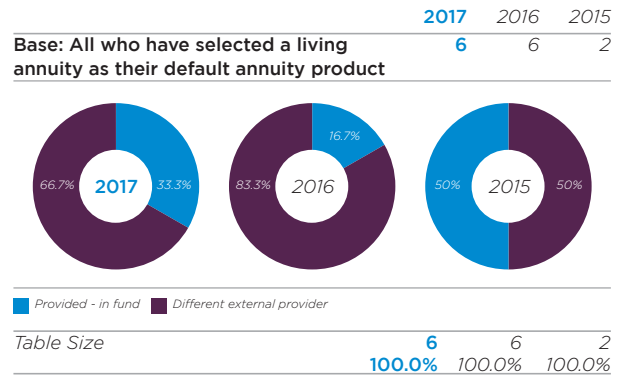
## Q7.8B What additional services/ features are offered over and above the annuity product?

	2017	2016	2015
<b>Base: All who have determined an appropriate default annuity product</b>	<b>22</b>	<b>16</b>	<b>16</b>
Member advice pre-retirement	18 81.8%	11 68.8%	10 62.5%
Pensioner rewards programme	0 0.0%	1 6.3%	1 6.3%
Net Replacement Ratio monitoring	11 50.0%	5 31.3%	-
Quotes from various providers	7 31.8%	4 25.0%	-
Unsure	0 0.0%	1 6.3%	3 18.8%
None	2 9.1%	2 12.5%	2 12.5%
<b>Table size</b>	<b>38</b>	<b>24</b>	<b>16</b>
	<b>172.7%</b>	<b>150.0%</b>	<b>100.0%</b>

**Q7.8C In selecting a default annuity provider, which factor is the most important to you?**

	2017
<b>Base: All who have determined an appropriate default annuity product</b>	<b>22</b>
<i>Cost of the product</i>	6 27.3%
<i>Security of the product</i>	10 45.5%
<i>Investment fees (living annuity)</i>	1 4.6%
<i>Smooth transition from pre to post retirement</i>	3 13.6%
<i>Other</i>	2 9.1%
<i>Table size</i>	22 100.0%

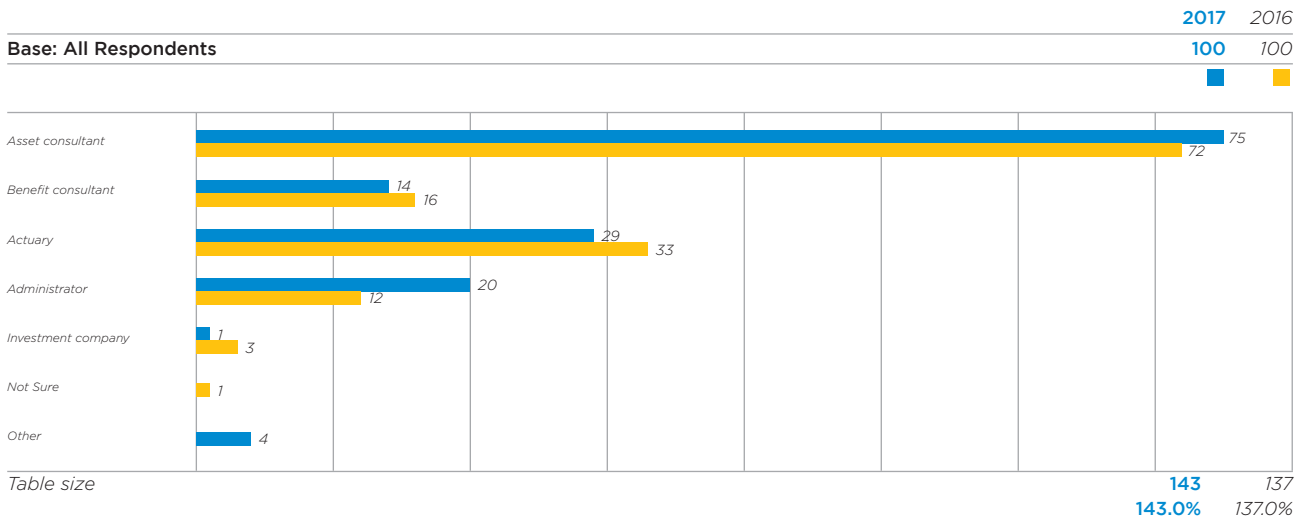
**Q7.9 Is your fund's Living Annuity solution provided in-fund or provided by a different external financial services provider?**



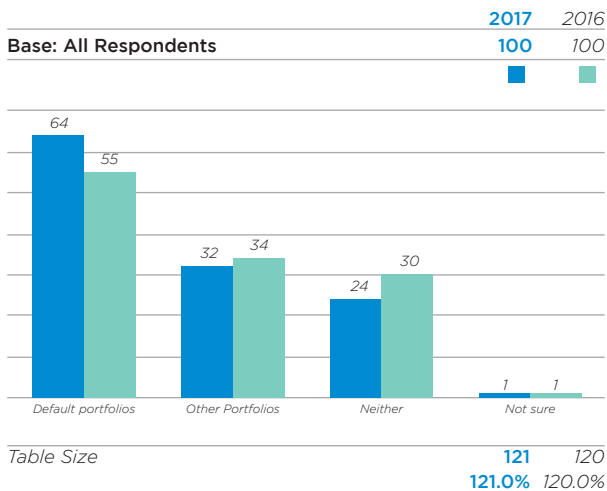
# Section 8

# Investments

## Q8.1 Which service providers help you with your asset allocation and manager selection processes?



## Q8.2 Are investment performance fees charged on?



## Q8.3 Which of the following best describes your Fund's investment strategy?

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
Trustee Choice, i.e. there is no choice for members	44	36	40
	<b>44.0%</b>	36.0%	40.0%
Default investment portfolio, plus member choice	49	48	47
	<b>49.0%</b>	48.0%	47.0%
Member investment choice without a default	1	3	3
	<b>1.0%</b>	3.0%	3.0%
Combination of the above for different categories of members	6	13	10
	<b>6.0%</b>	13.0%	10.0%
<b>Table size</b>	<b>100</b>	<b>100</b>	<b>100</b>
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

### Q8.4 Which of the following best describes the investment portfolio of the Trustees Choice/Default?

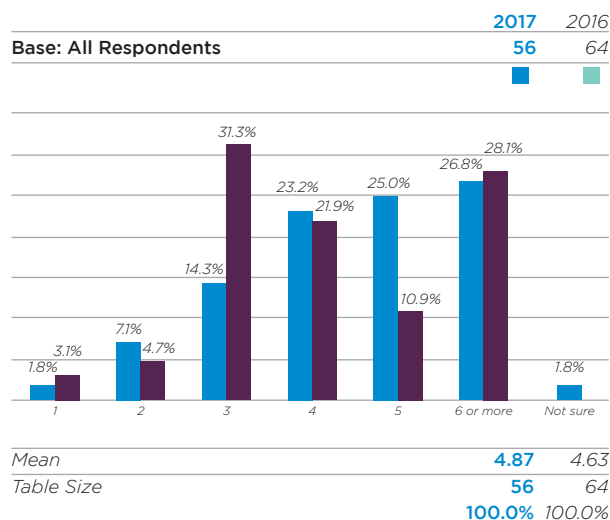
	2017	2016	2015
<b>Base: All who offer a Trustee Choice/Default</b>	<b>99</b>	97	97
<i>Lifestage</i>	<b>58</b>	59	59
	<b>58.6%</b>	60.8%	60.8%
<i>Balanced active</i>	<b>27</b>	20	27
	<b>27.3%</b>	20.6%	27.8%
<i>Balanced passive</i>	<b>5</b>	4	4
	<b>5.1%</b>	4.1%	4.1%
<i>Guaranteed / Smoothed bonus</i>	<b>6</b>	9	9
	<b>6.1%</b>	9.3%	9.3%
<i>Cash / Money market</i>	<b>0</b>	1	2
	<b>0.0%</b>	1.0%	2.1%
<i>Combination of the above</i>	<b>3</b>	3	-
	<b>3.0%</b>	3.1%	-
<i>Other</i>	<b>0</b>	1	-
	<b>0.0%</b>	1.0%	-
<i>Table size</i>	<b>99</b>	97	101
	<b>100.0%</b>	100.0%	104.1%

### Q8.5 What percentage of assets is invested in your default investment option?

	2017	2016	2015
<b>Base: All who offer a Trustee Choice/Default</b>	<b>99</b>	97	97
<i>0-10%</i>	<b>0</b>	2	5
	<b>0.0%</b>	2.1%	5.2%
<i>11-20%</i>	<b>2</b>	0	2
	<b>2.0%</b>	0.0%	2.1%
<i>21-30%</i>	<b>1</b>	3	0
	<b>1.0%</b>	3.1%	0.0%
<i>31-40%</i>	<b>2</b>	1	2
	<b>2.0%</b>	1.0%	2.1%
<i>41-50%</i>	<b>1</b>	3	1
	<b>1.0%</b>	3.1%	1.0%
<i>51-60%</i>	<b>5</b>	7	6
	<b>5.1%</b>	7.2%	6.2%
<i>61-70%</i>	<b>3</b>	2	0
	<b>3.0%</b>	2.1%	0.0%
<i>71-80%</i>	<b>8</b>	12	13
	<b>8.1%</b>	12.4%	13.4%
<i>81-90%</i>	<b>17</b>	10	15
	<b>17.2%</b>	10.3%	15.5%
<i>91-100.0%</i>	<b>55</b>	46	44
	<b>55.6%</b>	47.4%	45.4%
<i>Confidential</i>	<b>0</b>	0	1
	<b>0.0%</b>	0.0%	1.0%
<i>Don't know</i>	<b>5</b>	11	8
	<b>5.1%</b>	11.3%	8.2%
<i>Mean</i>	<b>87.96%</b>	84.15%	82.53%
<i>Table size</i>	<b>99</b>	97	97
	<b>100.0%</b>	100.0%	100.0%

### Q8.6 Was asked only of participating employers in umbrella funds.

### Q8.7 How many investment options does the fund offer to members?



### Q8.8 If you believe in the value of active management, how do you quantify what you are prepared to pay for it?

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	100	100
<i>Flat fee - market related</i>	<b>24</b>	30	37
	<b>24.0%</b>	30.0%	37.0%
<i>Pay performance fee on outperformance</i>	<b>43</b>	50	47
	<b>43.0%</b>	50.0%	47.0%
<i>Accept the fee arrangement negotiated by the asset consultant</i>	<b>34</b>	31	32
	<b>34.0%</b>	31.0%	32.0%
<i>We invest in passive - don't believe in the value of active management</i>	<b>5</b>	5	3
	<b>5.0%</b>	5.0%	3.0%
<i>Other</i>	<b>0</b>	1	1
	<b>0.0%</b>	1.0%	1.0%
<i>Not sure</i>	<b>0</b>	1	0
	<b>0.0%</b>	1.0%	0.0%
<i>Table size</i>	<b>106</b>	118	120
	<b>106.0%</b>	118.0%	120.0%

## Q8.9 What preferences do you have in terms of passive or active investing going forward?

	2017	2016
<b>Base: All who offer a trustee choice/ default</b>	<b>99</b>	<b>97</b>
Want exclusively passive investing	5	4
	5.1%	4.1%
Want exclusively active investing	25	27
	25.3%	27.8%
Want a portfolio of Active and Passive investments but the majority of the fund invested in passive investment instruments	16	15
	16.2%	15.5%
Want a portfolio of Active and Passive investments but the majority of the fund invested in active investment instruments	43	38
	43.4%	39.2%
Want a portfolio of Active and Passive investments split equally between active and passive investment instruments	10	7
	10.1%	7.2%
Not sure	0	6
	0.0%	6.2%
Table Size	99	97
	100.0%	100.0%

## Q8.10A Does your fund currently have a responsible investing policy in place which incorporates ESG (Environmental, Social & Corporate Governance)?

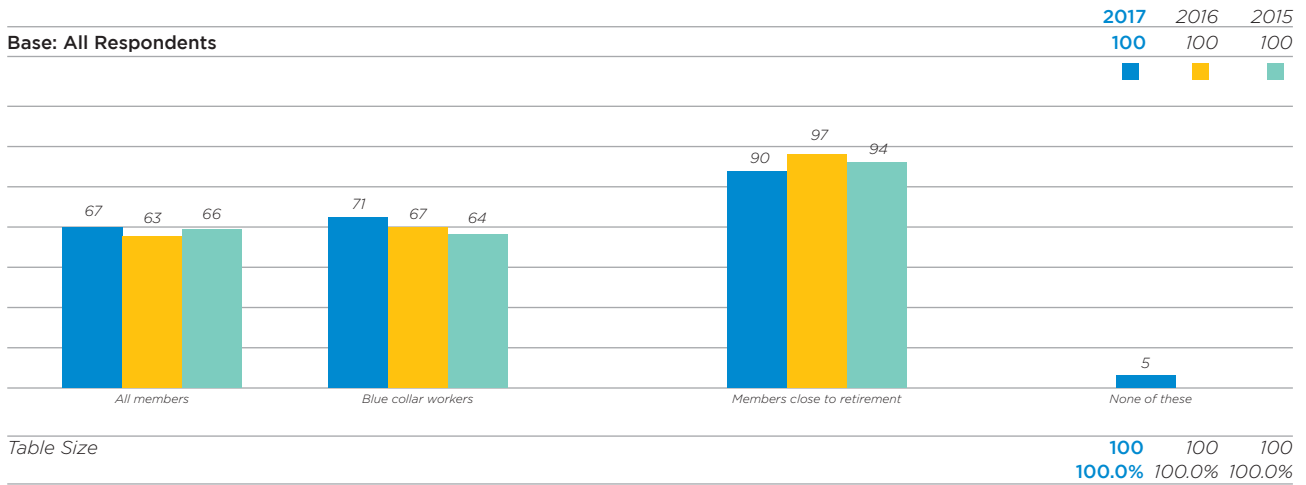
	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
<p>2017: Yes 77%, No 20%, Not sure 3%</p> <p>2016: Yes 75%, No 20%, Not sure 5%</p> <p>2015: Yes 71%, No 25%, Not sure 4%</p>			
Table Size	100	100	100
	100.0%	100.0%	100.0%

## Q8.10B Do you believe there is a cost benefit or other benefit associated with responsible investing?

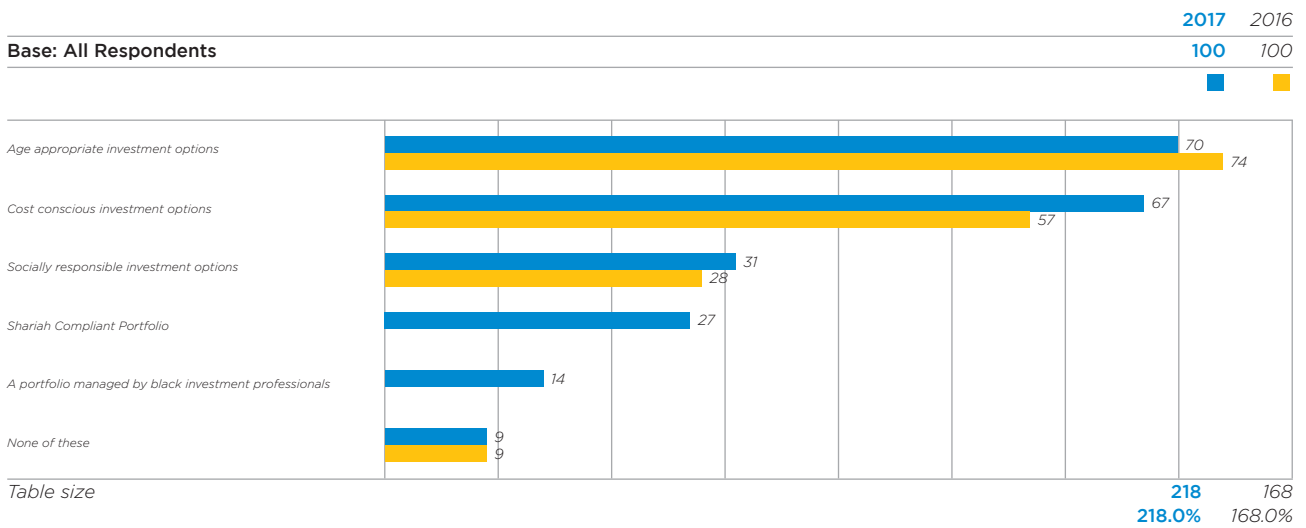
	2017	2016
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>
Yes, as it reduces the universe of investible shares	9	10
	9.0%	10.0%
Yes, as there are increased costs for monitoring and compliance	11	13
	11.0%	13.0%
Yes, we believe the shares selected through this process will provide a higher value to our members	30	26
	30.0%	26.0%
Yes, we believe the social good outweighs the costs	19	22
	19.0%	22.0%
Neither cost benefit nor other benefit	40	37
	40.0%	37.0%
Other	4	2
	4.0%	2.0%
Table Size	113	110
	113.0%	110.0%



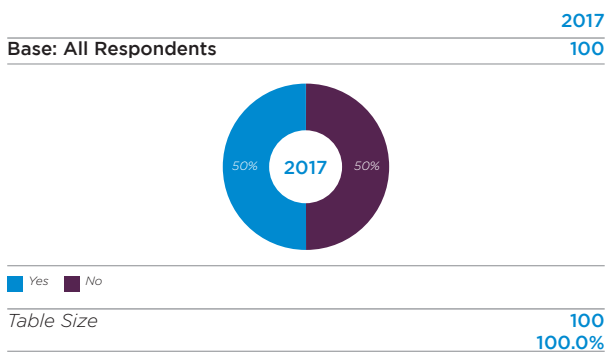
**Q8.11 From the fund's perspective, is it important that products provide stable investment returns to protect against the volatility of markets to? (Responses indicate: "Yes")**



**Q8.12 From the fund's perspective, is it important that the fund offers?**



**Q8.13 Are you concerned that young fund members are investing too conservatively?**



### Q8.14 What gross investment returns did the fund achieve in the last calendar year?

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
0.1 to 2.5 %	<b>6</b> <b>6.0%</b>	1 1.0%	0 0.0%
2.6 to 5 %	<b>26</b> <b>26.0%</b>	3 3.0%	1 1.0%
5.1 to 7.5 %	<b>15</b> <b>15.0%</b>	15 15.0%	1 1.0%
7.6 to 10 %	<b>29</b> <b>29.0%</b>	26 26.0%	5 5.0%
10.1 to 12.5 %	<b>17</b> <b>17.0%</b>	27 27.0%	25 25.0%
12.6 to 15 %	<b>4</b> <b>4.0%</b>	14 14.0%	30 30.0%
15.1 to 17.5 %	<b>3</b> <b>3.0%</b>	3 3.0%	10 10.0%
17.6 to 20 %	<b>0</b> <b>0.0%</b>	2 2.0%	8 8.0%
20.1 to 25 %	<b>0</b> <b>0.0%</b>	1 1.0%	13 13.0%
25.1 to 30 %	<b>0</b> <b>0.0%</b>	1 1.0%	3 3.0%
Negative return	<b>0</b> <b>0.0%</b>	1 1.0%	0 0.0%
Don't know	<b>0</b> <b>0.0%</b>	5 5.0%	2 2.0%
Confidential	<b>0</b> <b>0.0%</b>	1 1.0%	2 2.0%
Mean	<b>7.67%</b>	10.63%	15.05%
Table size	<b>100</b> <b>100.0%</b>	100 100.0%	100 100.0%

### Q8.15 What gross investment returns do you expect to achieve in the next calendar year?

	2017	2016
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>
0.1 to 2.5 %	<b>0</b> <b>0.0%</b>	3 3.0%
2.6 to 5 %	<b>14</b> <b>14.0%</b>	11 11.0%
5.1 to 7.5 %	<b>11</b> <b>11.0%</b>	12 12.0%
7.6 to 10 %	<b>52</b> <b>52.0%</b>	47 47.0%
10.1 to 12.5 %	<b>11</b> <b>11.0%</b>	12 12.0%
12.6 to 15 %	<b>8</b> <b>8.0%</b>	5 5.0%
15.1 to 17.5 %	<b>2</b> <b>2.0%</b>	0 0.0%
20.1 to 25 %	<b>1</b> <b>1.0%</b>	0 0.0%
Don't know	<b>1</b> <b>1.0%</b>	10 10.0%
Mean	<b>9.16%</b>	8.57%
Table size	<b>100</b> <b>100.0%</b>	100 100.0%

### Q8.16 What do you consider to be the measures or criteria of a successful asset management/ investment company with a good track record?

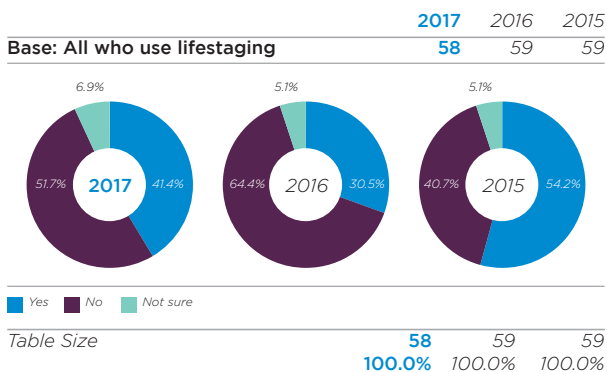
	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
Tracking against an independent benchmark study	<b>30</b> <b>30.0%</b>	34 34.0%	32 32.0%
A company that consistently (over 5-10 years) delivers on benchmark	<b>58</b> <b>58.0%</b>	63 63.0%	62 62.0%
A company that is recommended by independent consultants	<b>5</b> <b>5.0%</b>	6 6.0%	10 10.0%
A company that is consistently in the top Quartile	<b>39</b> <b>39.0%</b>	42 42.0%	30 30.0%
A company that delivers on mandate	<b>55</b> <b>55.0%</b>	52 52.0%	44 44.0%
A company that enables the fund to provide good returns	<b>21</b> <b>21.0%</b>	11 11.0%	27 27.0%
A company that enables the fund consistently to provide inflation-beating returns	<b>53</b> <b>53.0%</b>	40 40.0%	42 42.0%
Over performance relative to the overall market	<b>21</b> <b>21.0%</b>	24 24.0%	26 26.0%
The investment company is consistently ranked in the Top 3	<b>17</b> <b>17.0%</b>	15 15.0%	14 14.0%
Table Size	<b>299</b> <b>299.0%</b>	287 287.0%	287 287.0%

# Lifestage investment strategies

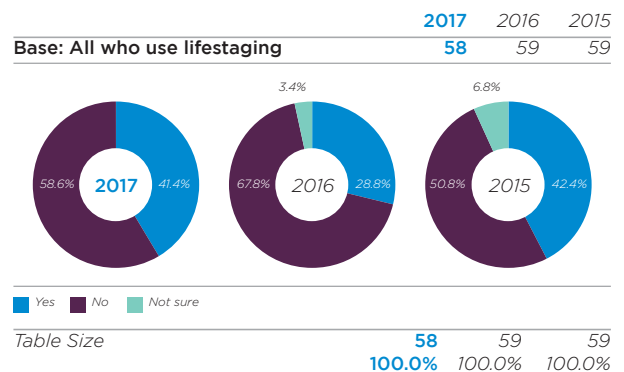
**Q8.17** In a life stage vehicle members are switched to a less volatile portfolio during the consolidation phase in the investment portfolios for the period just prior to normal retirement age. How many years prior to retirement do you does your fund start moving members to that phase, i.e. how long is the phase out period?

	2017	2016	2015
<b>Base: All Respondents</b>	<b>58</b>	59	59
Less than 5 years	6 10.3%	7 11.9%	10 16.9%
5 years	25 43.1%	21 35.6%	25 42.4%
6-7 years	17 29.3%	20 33.9%	16 27.1%
8-10 years	9 15.5%	11 18.6%	6 10.2%
More than 10 years	1 1.7%	0 0.0%	1 1.7%
Other	0 0.0%	0 0.0%	1 1.7%
Mean (Years)	5.97	6.02	5.6
Table size	58	59	59
	100.0%	100.0%	100.0%

**Q8.18** Is your life stage investment strategy explicitly aligned to your annuity strategy?



**Q8.19** Is there more than one end stage portfolio intended to align with members' annuity selection?



## Q8.20 Which type of annuities / pensions do the different final / end stages allow for ?

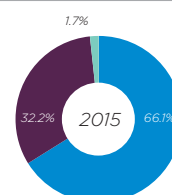
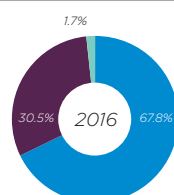
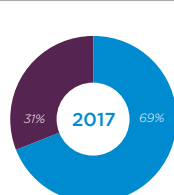
	2017	2016	2015
<b>Base: All who use lifestaging</b>	<b>58</b>	<b>59</b>	<b>59</b>
Guaranteed annuity (level or increasing at a fixed percentage)	17	7	23
	29.3%	11.9%	39.0%
Inflation linked annuity (guaranteed to increase by a fixed percentage of inflation)	13	15	21
	22.4%	25.4%	35.6%
Index linked annuity (guaranteed to increase by a measure linked to a published index, e.g. The Complete Picture Pension)	6	4	-
	10.3%	6.8%	-
With profit annuity, where pension increases are declared by an insurer	16	12	18
	27.6%	20.3%	30.5%
Living annuity (ILLA), where a member can withdraw between 2.5% and 17.5% of his fund value per year	19	11	26
	32.8%	18.6%	44.1%
A composite annuity (combination of a Living Annuity and another type of annuity offered by an insurer)	5	1	-
	8.6%	1.7%	-
Our end stages are not aligned with any annuity option at retirement	20	26	10
	34.5%	44.1%	16.9%
Not sure	3	5	5
	5.2%	8.5%	8.5%
Table Size	99	81	103
	170.7%	137.3%	174.6%

## Q8.21 Which of the following asset allocations best describes the portfolio in the final year before retirement in the lifestage option?

	2017	2016	2015
<b>Base: All who use lifestaging</b>	<b>58</b>	<b>59</b>	<b>59</b>
Cash (100.0%)	23	21	32
	39.7%	35.6%	54.2%
Bonds (100.0%)	5	7	9
	8.6%	11.9%	15.3%
Smooth bonus	6	6	3
	10.3%	10.2%	5.1%
Conservative equity (<40%)	27	25	26
	46.6%	42.4%	44.1%
Moderate equity (40%-65%)	6	8	6
	10.3%	13.6%	10.2%
Aggressive equity portfolio (66%+)	1	0	0
	1.7%	0.0%	0.0%
Absolute return	5	4	-
	8.6%	6.8%	-
Liability matching portfolio	0	2	-
	0.0%	3.4%	-
Other	0	1	0
	0.0%	1.7%	0.0%
Not sure	1	3	1
	1.7%	5.1%	1.7%
Table Size	74	77	77
	127.6%	130.5%	130.5%

## Q8.22 Do members receive investment and retirement advice when they switch into this last / final phase of the life stage model before retirement?

	2017	2016	2015
<b>Base: All who use lifestaging</b>	<b>58</b>	<b>59</b>	<b>59</b>



■ Yes ■ No ■ Don't know / Not sure

Table Size	58	59	59
	100.0%	100.0%	100.0%

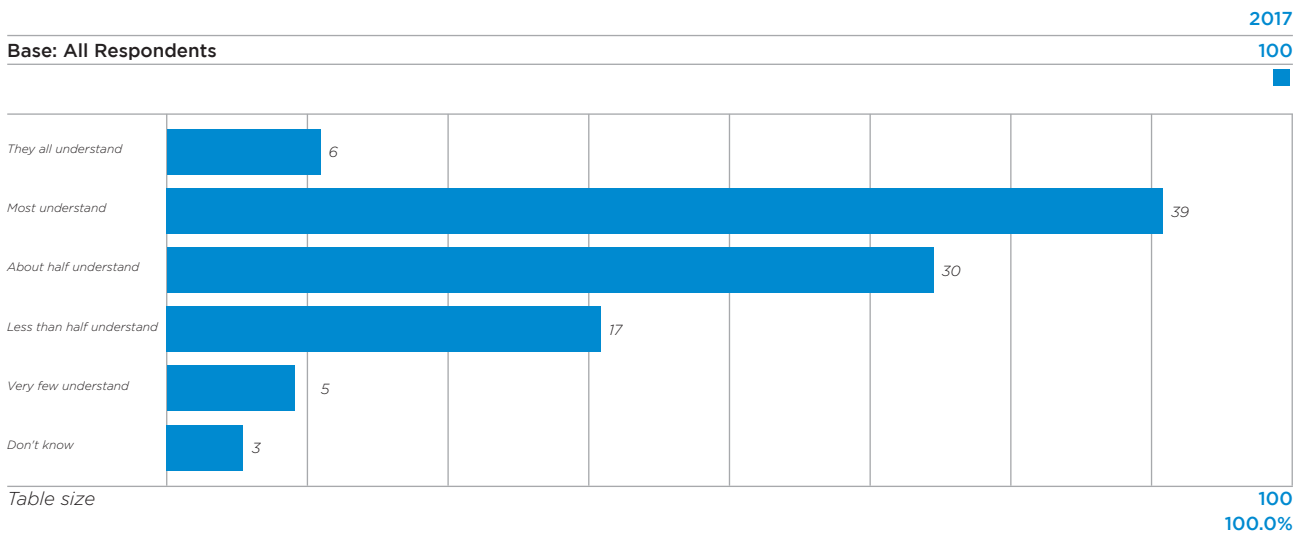
# Section 9

## Evolution of employee benefits

### Q9.1 What is your current employee value proposition in relation to the full suite of benefits provided?

	2017
<b>Base: All Respondents</b>	<b>100</b>
<i>Our VP is aligned to the personal and career needs of employees</i>	20 20.0%
<i>Our VP centres on what we need to provide employees to enable them to succeed in their job, i.e. empowerment, leadership, mentorship</i>	12 12.0%
<i>Our VP takes a holistic view of the employee as both a professional and a family person, therefore we offer a wide range of financial and healthcare benefits, including wellness, healthcare clinics, childcare, financial planning, etc.</i>	47 47.0%
<i>Other</i>	2 2.0%
<i>We don't have an employee value proposition</i>	17 17.0%
<i>Don't know</i>	2 2.0%
<i>Table Size</i>	100 100.0%

### Q9.2 To what extent do you believe your employees understand their available suite of employee benefits?



### Q9.3 To what extent do your employees appreciate their available suite of employee benefits?

2017

Base: All Respondents

100

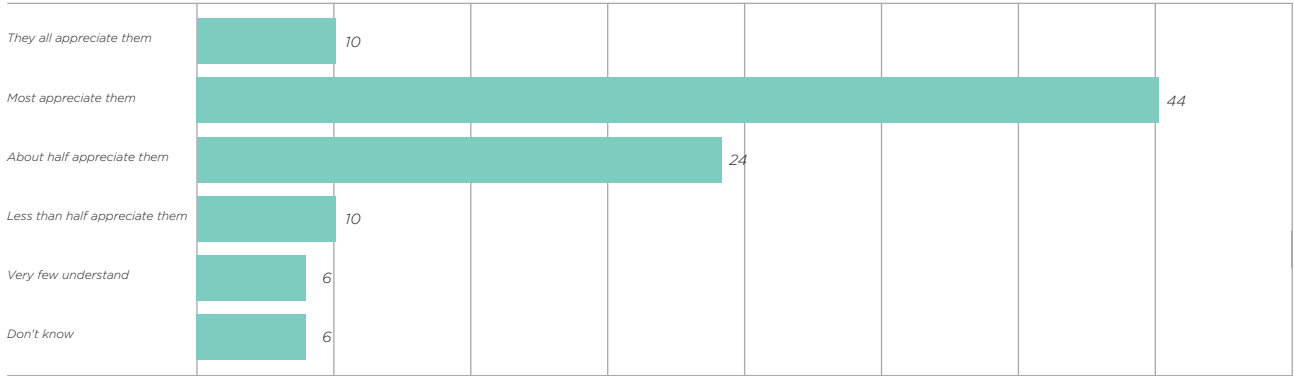


Table size

100

100.0%

### Q9.4 What do you believe is the ideal suite of benefits and services that should be included for all employees?

2017

Base: All Respondents

100

Retirement fund	100
Group Risk	90
Medical Aid	90
Short-term insurance	11
Financial wellness programmes	70
Rewards programmes	24
Other	5
Table Size	390

390.0%

### Q9.5 To what extent do you think employees would be interested in purchasing non-retirement financial products, such as discretionary saving, short term insurance etc. via the employer?

2017

Base: All Respondents

100

They would all be interested	1
Most would be interested	14
About half would be interested	11
Less than half would be interested	24
Very few would be interested	38
Don't know	12
Table Size	100

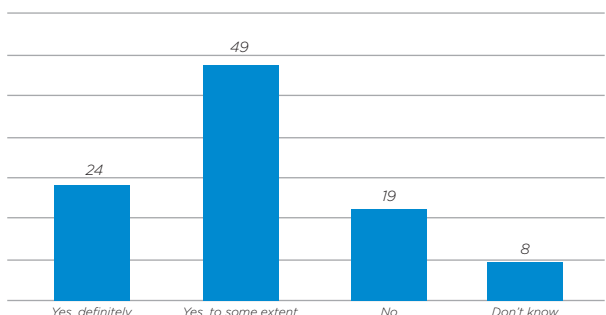
12.0%

100.0%

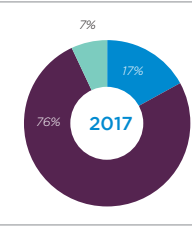
**Q9.6 If employees did want to have access to a broader range of financial services via the employer, what should this include?**

	2017
<b>Base: All Respondents</b>	<b>100</b>
Current account	1 1.0%
Savings	18 18.0%
Investments	15 15.0%
Mortgage bond	33 33.0%
Personal loans	30 30.0%
Personal financial planning	41 41.0%
Tax advice	35 35.0%
Education loans for children/study loans	49 49.0%
Medical aid	3 3.0%
Funeral benefits	6 6.0%
Short term insurance / car insurance	10 10.0%
Gap cover	2 2.0%
How to budget/financial advice/debt counselling	3 3.0%
Other	5 5.0%
Don't know	6 6.0%
Nothing	1 1.0%
Table Size	258 258.0%

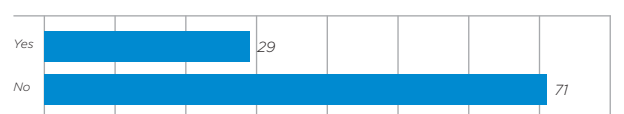
**Q9.7 Do you think employees would value having access to an integrated “one-stop-shop” financial solution via their employer?**

	2017
<b>Base: All Respondents</b>	<b>100</b>
	
<b>Summary</b>	<b>73</b>
Any yes	73.0%
Table Size	100 100.0%

**Q9.8 Do you envision that in the future your employer may offer its employees a selection of umbrella funds to belong to (i.e. open choice) instead of a single retirement fund?**

	2017
<b>Base: All Respondents</b>	<b>100</b>
	
Table Size	100 100.0%

**Q9.9 Do you believe that preservation of withdrawal benefits has become an unrealistic ideal?**

	2017
<b>Base: All Respondents</b>	<b>100</b>
	
Table size	100 100.0%

## Q9.10 What are the top THREE frequently asked questions by members regarding their retirement that should be addressed, if we are to transform the retirement industry?

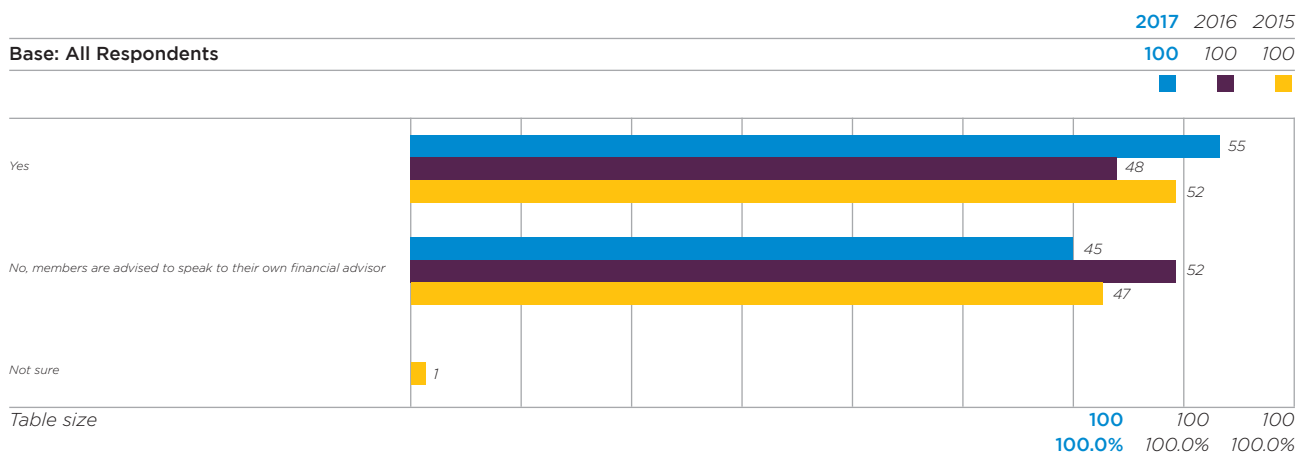
	2017
<b>Base: All who use lifestaging</b>	<b>100</b>
What is my retirement/withdrawal amount, how much is my retirement value	37
	37.0%
Do I have sufficient retirement funds to retire comfortably, how much do I have to save to retire comfortably	24
	24.0%
How is my investment growing, is my investment stable, is my investment providing good ROI	21
	21.0%
Can I withdraw from my fund/ what is the maximum I can withdraw from the fund	20
	20.0%
Can I use the fund as collateral for a loan	15
	15.0%
Why can't I withdraw all the money upfront/access my money for emergencies	13
	13.0%
Will I get taxed on the money when I withdraw	12
	12.0%
I need to see a financial advisor to make me understand/ I don't understand living annuities, life annuities	9
	9.0%
How do I improve my retirement benefits; must I supplement my retirement savings, can I, the employer make additional contributions	9
	9.0%
Are our funds safe, secure, who can I trust?	8
	8.0%
What must I do with the money when I retire, what investment vehicle, annuity do I choose	8
	8.0%
What will my death benefit be if I die before I retire, Are death benefits sufficient to provide for my family	8
	8.0%
How much will I get monthly	7
	7.0%
Can I retire early, when is the best time to retire	6
	6.0%
Why should I preserve my retirement funds, make compulsory preservation attractive	6
	6.0%
Why is my total so low, why is my benefits pay-out so low	6
	6.0%
Will Government nationalise my fund?	5
	5.0%
Fund running costs, how to reduce costs	5
	5.0%
What is a suitable investment portfolio	5
	5.0%
How/where do they invest my money/what is the investment strategy	5
	5.0%
Can they continue with risk benefits after retirement/ why can't I contribute to medical aid after retirement	5
	5.0%
If I die how will the beneficiaries get the money/ what happens to my money when I die	4
	4.0%
Worried about medical aid post retirement	3
	3.0%
Wider range of risk benefits/ questions on benefits i.e. disability income	2
	2.0%
Can I transfer to another fund	2
	2.0%
Retirement age should be increased	2
	2.0%
More financial advice/ I need to be educated about financial matters	2
	2.0%
What happens if I become disabled	2
	2.0%
Flexibility of contributions when younger and when older	2
	2.0%
Flexibility of pensionable salary/ Allowing 100.0% of pensionable salary	2
	2.0%
Other	9
	9.0%
Nothing	1
	1.0%
Table Size	265
	265.0%



# Section 10

## Advice 3.0

### Q10.1 Does the fund have a formalised strategy for rendering financial advice to active members (whether in consultation with the employer or on its own)?



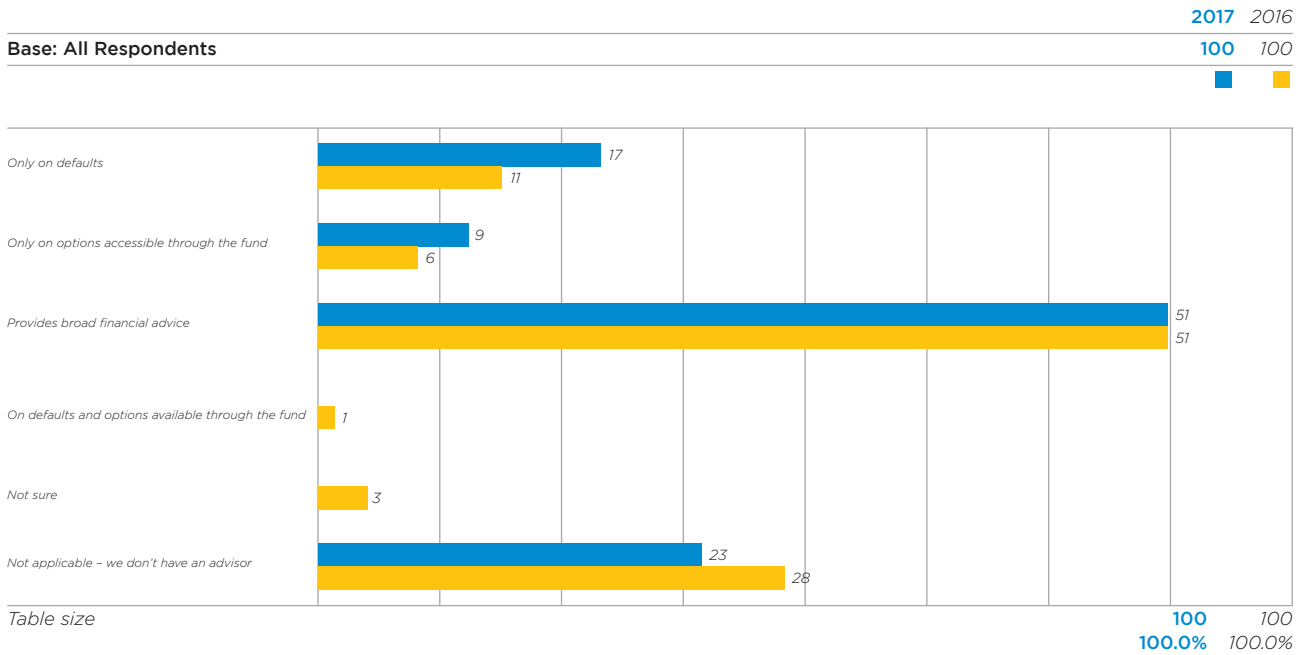
### Q10.2 Which of the following best describes the fund's strategy for rendering financial advice to active members?

	2017	2016	2015
<b>Base: All who provide advice to members</b>	<b>55</b>	<b>48</b>	<b>52</b>
The fund refers members to preferred financial advisors	23	18	27
	41.8%	37.5%	51.9%
The fund offers advice services to members by way of an advisor paid for or subsidised by the fund	13	7	15
	23.6%	14.6%	28.8%
The fund facilitates financial advice services to members by way of an advisor charging a negotiated special fee	2	4	4
	3.6%	8.3%	7.7%
The administrator provides factual information about available options. If the member requires further financial advice, the member can be referred to the fund's financial advisor	17	17	-
	30.9%	35.4%	
The fund took special measures to change the benefit structure and offer tools and procedures that educate and empower members to make informed decisions	0	2	5
	0.0%	4.2%	9.6%
None - we refer members to go to their own advisors	0	0	1
	0.0%	0.0%	1.9%
<b>Table Size</b>	<b>55</b>	<b>48</b>	<b>52</b>
	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

**Q10.3 Given National Treasury’s guidance on funds’ requiring retirement benefits counselling to provide members with advice, what format would you see this taking?**

	2017	2016
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>
Dedicated salaried advisor to the fund	33	22
	33.0%	22.0%
Advisor remunerated on a pay-per-use basis	35	50
	35.0%	50.0%
Telephonic helpline only	19	-
	19.0%	-
Automated advice / robo-advice	15	10
	15.0%	10.0%
HR specialist trained on default product features	27	31
	27.0%	31.0%
Chairman or Trustee advice	0	1
	0.0%	1.0%
Financial advisor employed by administrator	0	2
	0.0%	2.0%
The administrators will provide this to the members	4	-
	4.0%	-
Other	5	-
	5.0%	-
Not sure	0	3
	0.0%	3.0%
<b>Table Size</b>	<b>138</b>	<b>119</b>
	<b>138.0%</b>	<b>119.0%</b>

**Q10.4 Does your current advisor provide advice only on the defaults of the fund, or on other products as well?**



### Q10.5 Who provides financial advice in terms of FAIS?

	2017	2016
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>
	■	■
Consultant/broker on your fund	57	66
Separate financial advisor to the employer	14	14
Member's own financial advisor or broker	54	47
No-one	2	
Not sure	1	
<i>Table size</i>	<b>128</b>	<i>127</i>
	<b>128.0%</b>	<i>127.0%</i>

### Q10.6 Would your fund consider using robo-advice to provide members with access to financial advice?

	2017	2016
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>
Yes, we believe this could be a cheaper solution than other advice options available	13	9
	<b>13.0%</b>	9.0%
Yes, but in conjunction with a person to assist members	36	34
	<b>36.0%</b>	34.0%
No, we do not believe this will be suitable for our membership	51	56
	<b>51.0%</b>	56.0%
Trustees have not discussed this yet - awaiting more detail	0	1
	<b>0.0%</b>	1.0%
<i>Table Size</i>	<b>100</b>	<i>100</i>
	<b>100.0%</b>	<i>100.0%</i>

### Q10.7 Was asked only of participating employers in umbrella funds.

## Q10.8 How will the Draft Default Regulation be applied by the fund?

	2017
<b>Base: All Respondents</b>	<b>100</b>
<i>We will comply/ it will be made compulsory/ we will set up the necessary structure</i>	22
	22.0%
<i>We are already complying with requirements/ we already have a default in place</i>	17
	17.0%
<i>I will wait for the final regulation to be promulgated</i>	15
	15.0%
<i>We are discussing what vehicle to create to cater for new regulations/ amend rules of fund to cater for changes</i>	11
	11.0%
<i>We will engage with the current consultant for advice for the best strategy/ we will get a specialist in to help us</i>	11
	11.0%
<i>Default preservations - they meet the requirements of the pension fund</i>	6
	6.0%
<i>We need more information on it</i>	6
	6.0%
<i>We will communicate the changes to the member</i>	5
	5.0%
<i>We will need lot of communication from the administrator around the tax on preservation of funds /- we will need face to face meeting to make final decisions</i>	5
	5.0%
<i>Arrange for the administrator to speak to employees</i>	3
	3.0%
<i>We go as per what the minimum requirements are</i>	2
	2.0%
<i>There is no impact on us - we only have a default</i>	2
	2.0%
<i>The consultant will educate the members on the different investment options</i>	2
	2.0%
<i>Other</i>	7
	7.0%
<i>Don't know/ still early to say</i>	11
	11.0%
<i>Nothing</i>	1
	1.0%
<i>Table Size</i>	126
	126.0%

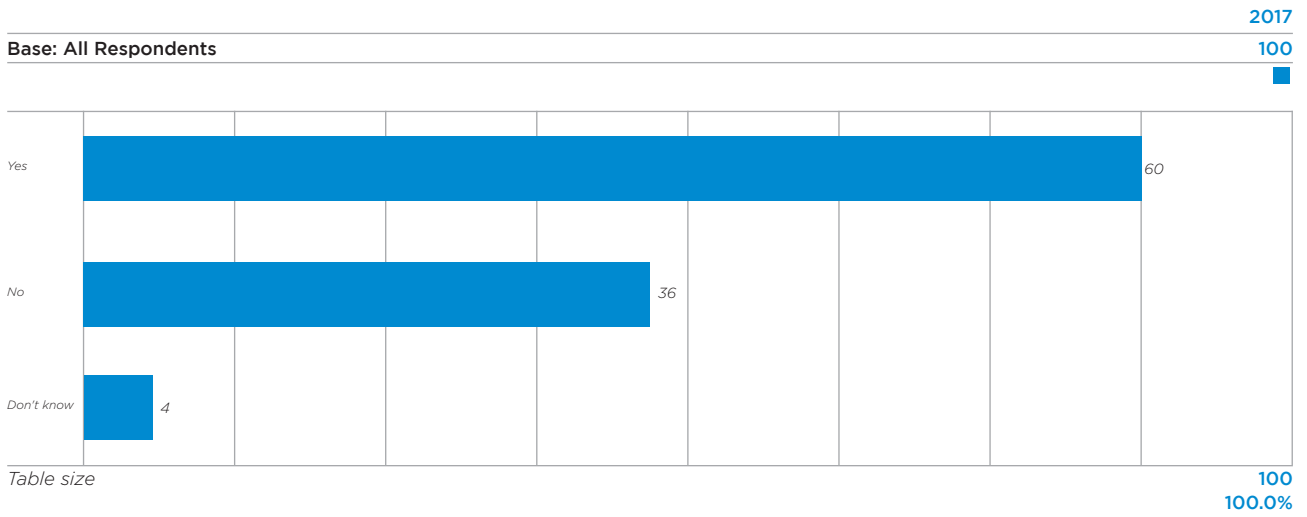
## Q10.9 What do you believe will be the cost implications of the Draft Default Regulations?

	2017
<b>Base: All Respondents</b>	<b>100</b>
<i>Cost will increase/ admin fees will increase slightly - not sure of the amount</i>	29
	29.0%
<i>Very minimal</i>	11
	11.0%
<i>There should be no cost - it will be part of the SLA with the administrator</i>	11
	11.0%
<i>Employee will have to pay for it/ there will be an additional cost per member</i>	10
	10.0%
<i>Professional advice will be required/ there will be costs as someone will be appointed to manage it</i>	3
	3.0%
<i>I believe the cost should be ours because the default investment portfolio should be more cost effective before retirement</i>	2
	2.0%
<i>It will depend on what's chosen/ will depend on what is needed to support the choice</i>	2
	2.0%
<i>There will be transfer costs</i>	2
	2.0%
<i>Costs should come down</i>	2
	2.0%
<i>Other</i>	13
	13.0%
<i>Don't know/ not sure</i>	23
	23.0%
<i>Nothing</i>	6
	6.0%
<i>Table Size</i>	114
	114.0%

**Q10.10A What do you anticipate will be the benefits of the draft Default Regulation?**

	2017
<b>Base: All Respondents</b>	<b>100</b>
<i>It will help members save for retirement in a more cost effective manner</i>	52 52.0%
<i>It will encourage members to preserve their retirement savings when changing jobs</i>	53 53.0%
<i>It will assist members with converting their retirement savings into an income for life</i>	50 50.0%
<i>It will lead to a greater use of passive investment</i>	6 6.0%
<i>No benefit - it's another piece of regulation adding cost and complexity to retirement saving</i>	21 21.0%
<i>Other</i>	1 1.0%
<i>Don't know</i>	3 3.0%
<i>Table Size</i>	<b>186</b> <b>186.0%</b>

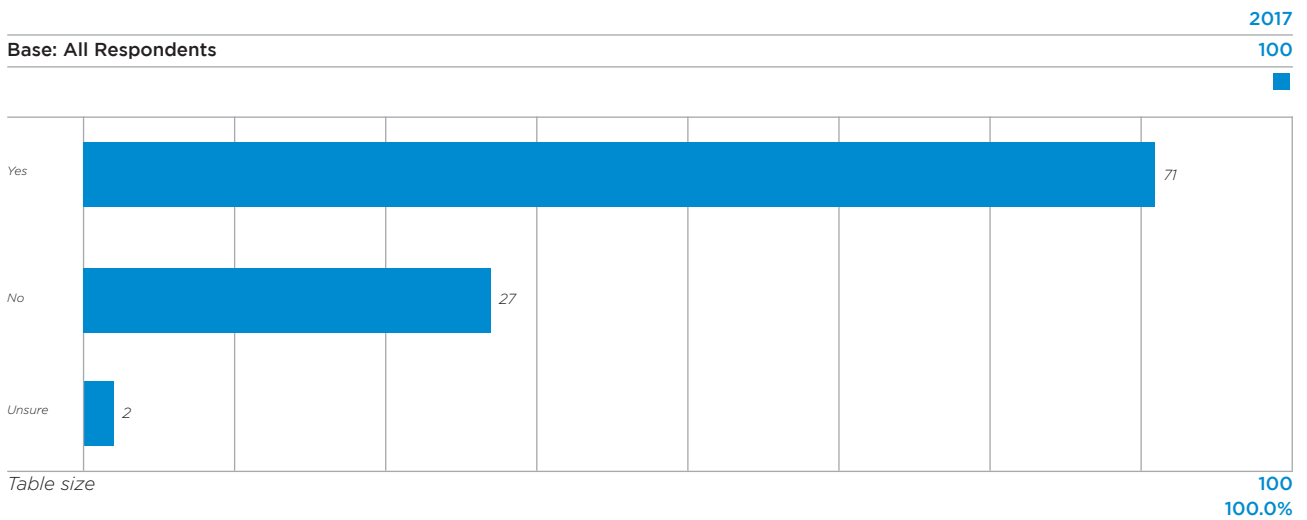
**Q10.10B And, do you consider that the benefits of the draft Default Regulation will justify the cost?**



**Q10.11 If “benefit counselling” goes outside of the scope of the rules of the fund and crosses the advice domain, how will the employer/fund deal with this?**

	2017
<b>Base: All Respondents</b>	<b>100</b>
Member will have to engage services of own consultancy/ private financial advisors as approved by the FSB/ will outsource to broker	23 23.0%
The fund will have to get someone to do this if they don't have it in place already/ contract with a preferred CFP to ensure realistic charging structure	16 16.0%
Our advisors will direct us as to what to do/ it's done via our advisor/ professional guidance will be needed	14 14.0%
Would actively avoid the cross-over/ we would chase them away / current policy prohibits this	10 10.0%
Employees will have to carry the extra cost	9 9.0%
We would only allow FAIS compliant counsellors to be active or involved	8 8.0%
We will look at the situation if it arises/ on a case by case basis	4 4.0%
We would advise members up front about the potential risk and leave it up to them	3 3.0%
We need to make decisions and change the rules of the fund	2 2.0%
We have a service level agreement - any advice given must meet the service level requirements	2 2.0%
Other	10 10.0%
Don't know	6 6.0%
Table size	107 107.0%

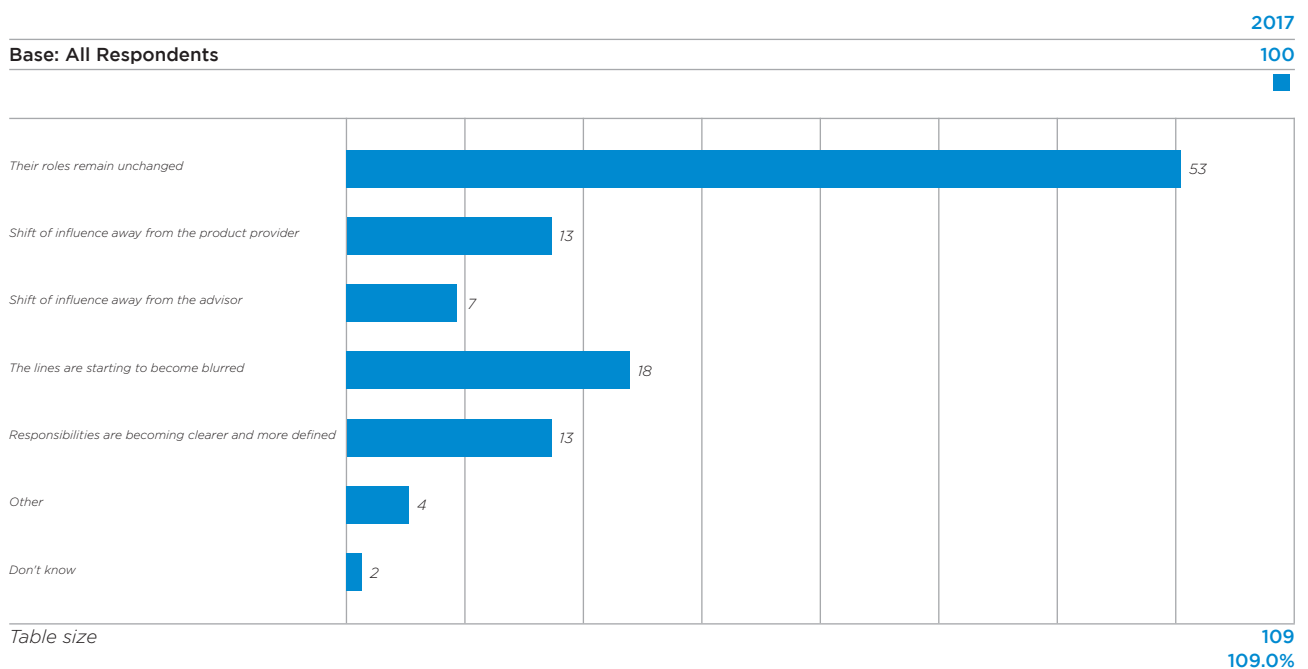
**Q10.12 Does the fund or employer have the administrative capabilities to retain (paid up) members' benefits post withdrawal?**



**Q10.13 What do you believe will be the potential cost implications, if any, of providing some form of “human contact / interaction point” in the robo-advice chain?**

	2017
<b>Base: All Respondents</b>	<b>100</b>
<i>There will be cost implications for fund or employer</i>	15 15.0%
<i>The payment will be made by the member using the robo-advice/will cost more for members</i>	13 13.0%
<i>There would be costs based on having to pay the human intervention contact</i>	13 13.0%
<i>Cost should be included as part of administration with no extra costs</i>	12 12.0%
<i>Insignificant - minimal costs</i>	11 11.0%
<i>We won't go that route at all - no cost implications/ we are not interested in robo-advice</i>	5 5.0%
<i>Depends on how it will be implemented</i>	3 3.0%
<i>There will be more admin related costs</i>	3 3.0%
<i>High costs/ could be expensive</i>	3 3.0%
<i>Staff will need training/ additional staff will be required</i>	3 3.0%
<i>An average of 0,5% to 1% in total assets</i>	2 2.0%
<i>There will be a cost</i>	2 2.0%
<i>Other</i>	2 2.0%
<i>Don't know</i>	14 14.0%
<i>Nothing/ none</i>	1 1.0%
<i>Not applicable</i>	1 1.0%
<i>Table Size</i>	<b>103</b> <b>103.0%</b>

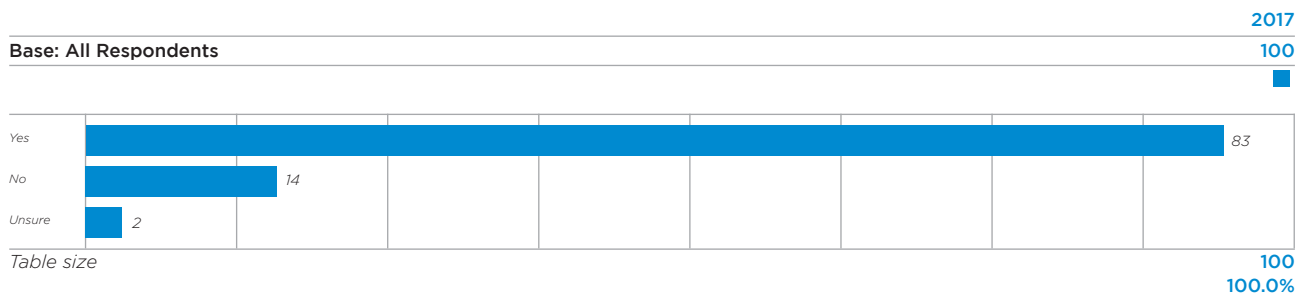
**Q10.14 What changes, if any, do you see in the role of the EB product provider and the EB consultant in the advice chain?**



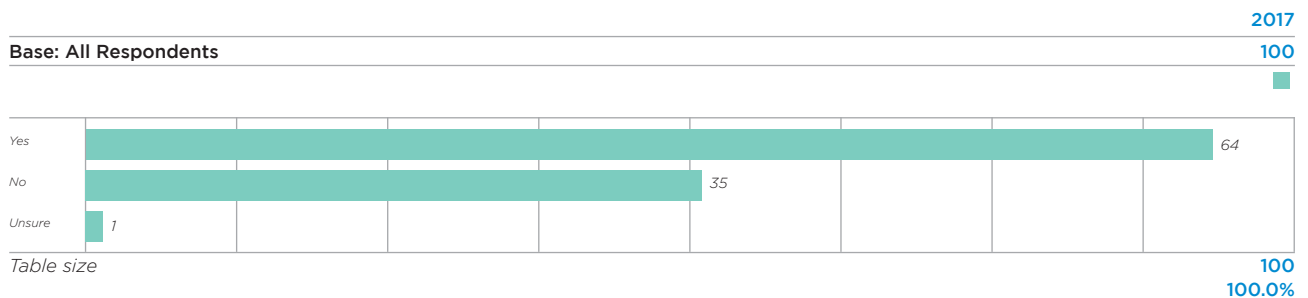
# Section 11

## Future benefit structures

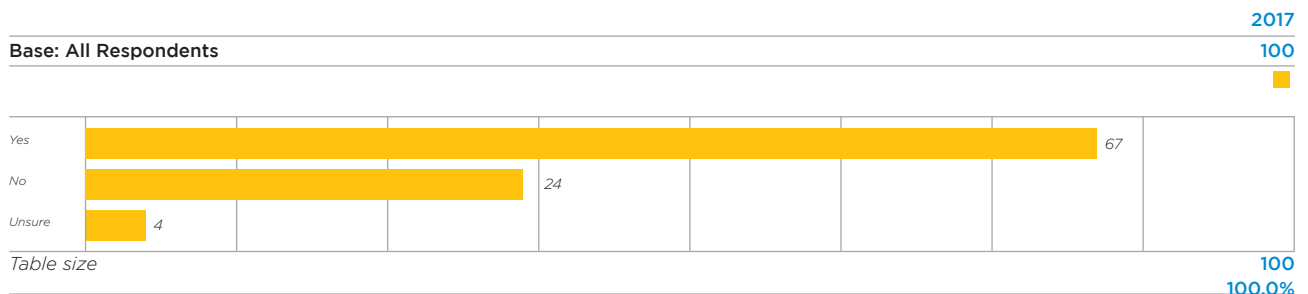
### Q11.1 Do you think it is possible to reduce complexity through standard risk benefits and administration structures?



### Q11.2 Should a minimum set of benefits according to prescribed risk benefits rules be applied? For example, think prescribed minimum benefits on medical aids to be supplied across all product providers?



### Q11.3A Should there be a cap on administration fees?





**Q11.3B How should the cap be applied?**

2017

Base: All Respondents

67



Table size

67  
100.0%

**Q11.4 Should all providers quote according to standard charge structures for certain services, according to a specific standard for all, with full disclosure and transparent comparisons?**

2017

Base: All Respondents

100

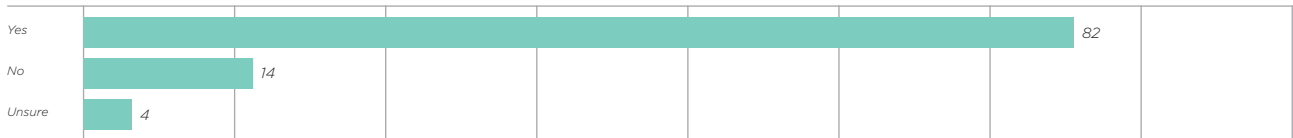


Table size

100  
100.0%

**Q11.5 Some providers claim not to charge an admin fee, but all costs are included in the investment fees. Are you comfortable with this pricing model?**

2017

Base: All Respondents

100

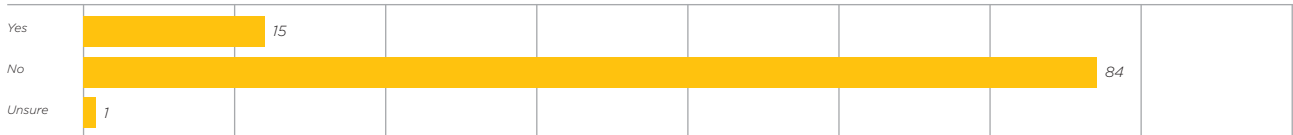


Table size

100  
100.0%

# Section 12

## Section 37C and taking care of beneficiaries

### Q12.1 What is the typical turnaround time on death claims (from the date that the death benefit is approved by the fund in terms of Section 37C)?

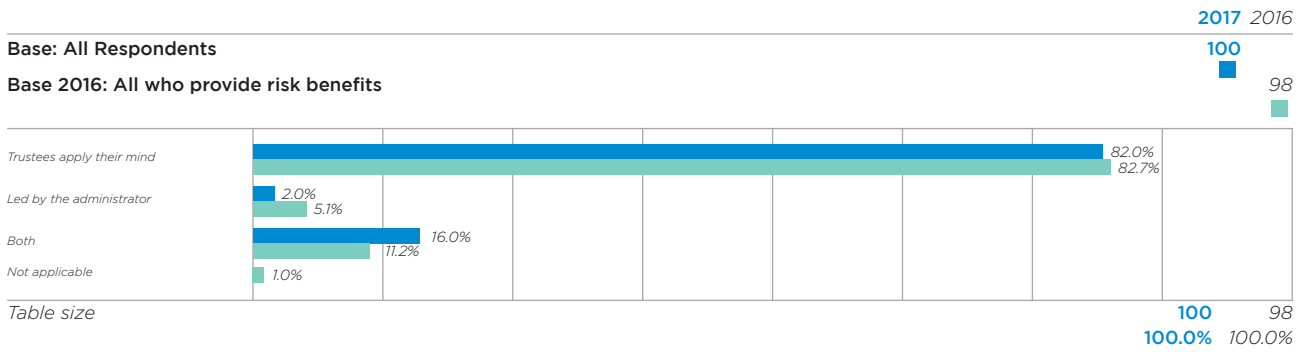
	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>		
<b>Base 2016: All who provide risk benefits</b>		98	
<b>Base pre 2016: All Respondents</b>			100
<i>Less than 3 months</i>	<b>23</b> <b>23.0%</b>	1 1.0%	8 8.0%
<i>3 months</i>	<b>40</b> <b>40.0%</b>	52 53.1%	42 42.0%
<i>5 months</i>	<b>15</b> <b>15.0%</b>	11 11.2%	12 12.0%
<i>7 months</i>	<b>8</b> <b>8.0%</b>	4 4.1%	6 6.0%
<i>9 months</i>	<b>5</b> <b>5.0%</b>	7 7.1%	6 6.0%
<i>&gt; 9 months</i>	<b>6</b> <b>6.0%</b>	1 1.0%	4 4.0%
<i>Other</i>	<b>2</b> <b>2.0%</b>	2 2.0%	2 2.0%
<i>Not Sure</i>	<b>1</b> <b>1.0%</b>	1 1.0%	2 2.0%
<i>Not applicable</i>	<b>0</b> <b>0.0%</b>	1 1.0%	0 0.0%
<i>Mean</i>	<b>4.01</b>	3.55	3.73
<i>Table Size</i>	<b>100</b> <b>100.0%</b>	98 100.0%	100 100.0%

### Q12.2 What are the key reasons for delays in the distribution of death benefit payments?

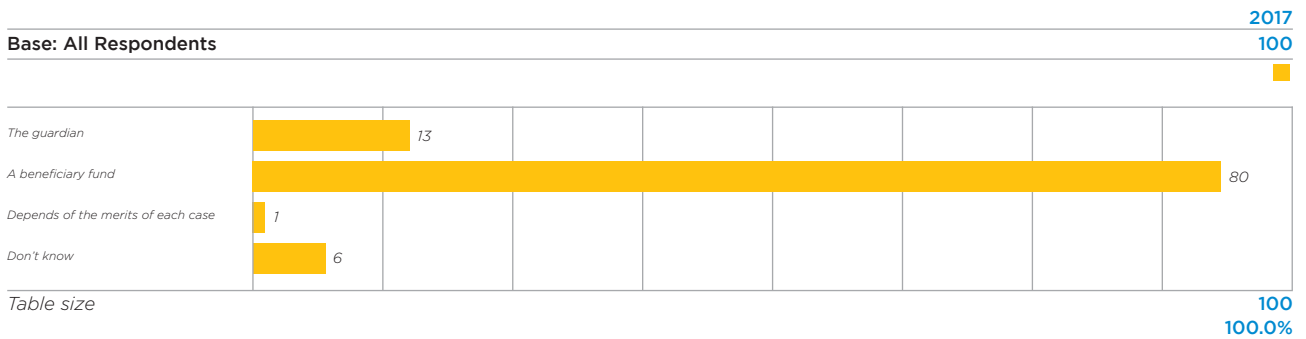
#### Any mention

	2017	2016
<b>Base: All Respondents</b>	<b>100</b>	
<b>Base 2016: All who provide risk benefits</b>		98
<i>Lack of identification of dependents as defined</i>	<b>89</b> <b>89.0%</b>	94 95.9%
<i>Family disputes</i>	<b>82</b> <b>82.0%</b>	76 77.6%
<i>Traditional practices vs legislation</i>	<b>54</b> <b>54.0%</b>	47 48.0%
<i>Lack of a valid will</i>	<b>20</b> <b>20.0%</b>	18 18.4%
<i>Trustees' level of confidence in awarding benefits</i>	<b>24</b> <b>24.0%</b>	28 28.6%
<i>Not applicable</i>	<b>4</b> <b>4.0%</b>	3 3.1%
<i>Table Size</i>	<b>273</b> <b>273.0%</b>	266 271.4%

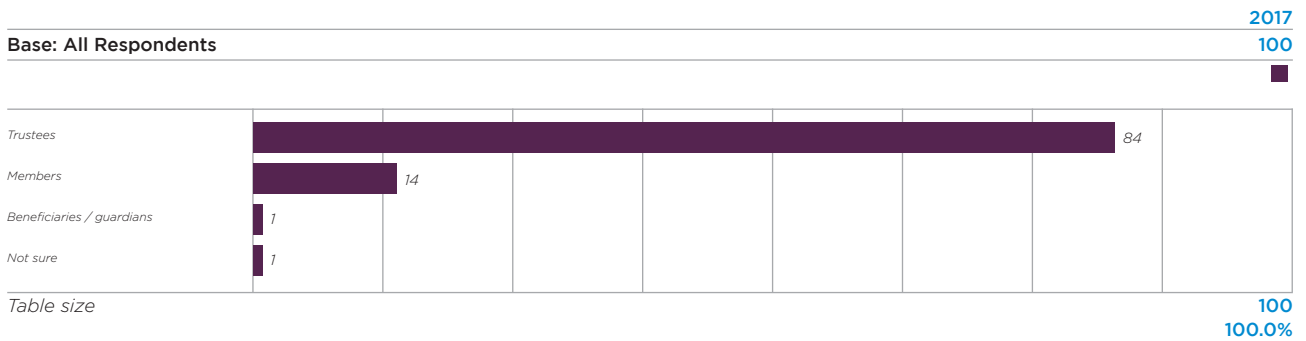
**Q12.3 In your opinion, are Trustees applying their mind to the Section 37C process or are they simply led by the recommendations of the administrator?**



**Q12.4 Do you believe it is better to pay the minor's benefit to the Guardian or to a Beneficiary Fund?**



**Q12.5 Do you believe that Trustees, the members or beneficiaries should decide how the death benefits are distributed after the death of the member?**



### Q12.6 Which of the following statements reflects your views on Section 37C? Section 37C must be amended a.s.a.p. because.:

	2017
<b>Base: All Respondents</b>	<b>100</b>
<i>The Pension Funds Adjudicator determinations which state that minors' benefits may not automatically be paid into a beneficiary fund is considered controversial</i>	<b>36</b> <b>36.0%</b>
<i>It does not take into account the unique needs of different cultures, e.g. the specific needs of African communities</i>	<b>29</b> <b>29.0%</b>
<i>It does not provide sufficient guidance to the trustees as to what is required of them in order to come to a decision on allocation of the benefit</i>	<b>50</b> <b>50.0%</b>
<i>None</i>	<b>8</b> <b>8.0%</b>
<i>Don't know</i>	<b>1</b> <b>1.0%</b>
<i>Not applicable</i>	<b>2</b> <b>2.0%</b>
<i>Table Size</i>	<b>126</b> <b>126.0%</b>

### Q12.7 Which of the following factors do you take into account when allocating death benefits?

	2017
<b>Base: All Respondents</b>	<b>100</b>
<i>Age of the dependants</i>	<b>93</b> <b>93.0%</b>
<i>Relationship to the deceased</i>	<b>83</b> <b>83.0%</b>
<i>Extent of financial dependency on the deceased</i>	<b>95</b> <b>95.0%</b>
<i>Wishes of the deceased in either the nomination form or his last will</i>	<b>81</b> <b>81.0%</b>
<i>Size of the benefit available for distribution</i>	<b>60</b> <b>60.0%</b>
<i>Other</i>	<b>2</b> <b>2.0%</b>
<i>Table Size</i>	<b>414</b> <b>414.0%</b>

### Q12.8 Who should take the distribution decision on behalf of the board of trustees?

	2017
<b>Base: All Respondents</b>	<b>100</b>
<i>Full board of trustees</i>	<b>56</b>
<i>Committee comprising some of the board of trustee members</i>	<b>53</b>
<i>Administrator of the fund</i>	<b>4</b>
<i>Table size</i>	<b>113</b> <b>113.0%</b>

### Q12.9 Who does the investigation and fact finding prior to when the distribution decision is made?

	2017
<b>Base: All Respondents</b>	<b>100</b>
Full board of trustees	11 11.0%
Committee comprising some of the board of trustee members	36 36.0%
Committee with no trustee representation	2 2.0%
Administrator of the fund	21 21.0%
Contractor appointed by the trustees	19 19.0%
HR / HR Manager	22 22.0%
PO / Principal Officer	11 11.0%
The employer/company	10 10.0%
Death claims investigator	3 3.0%
Benefits consultant	3 3.0%
Table Size	138 138.0%

### Q12.10 Which of the following best describes the process that is followed when allocating death benefits?

	2017
<b>Base: All Respondents</b>	<b>100</b>
Trustees make the final, binding decision and potential beneficiaries are not allowed to give their input	46 46.0%
Trustees make a provisional or preliminary decision and give the beneficiaries the opportunity to view their inputs in relation to the distribution before making a final/ binding allocation	54 54.0%
Trustees make a provisional allocation and payment to beneficiaries (that are known at the time) and another allocation decision at a later stage	5 5.0%
Other	1 1.0%
Table Size	106 106.0%

### Q12.11 Which of the following documents/ information do the Trustees require before making an allocation?

	2017
<b>Base: All Respondents</b>	<b>100</b>
Affidavits by dependants on the level of their dependency and financial status (current and future income earning potential)	97 97.0%
Income and expenses statement	65 65.0%
Asset and liability statement	32 32.0%
Bank statements	60 60.0%
Investment account (from financial services provider)	16 16.0%
Policy benefits and other payments received as a result of the death of the member	49 49.0%
Liquidation and distribution account in the deceased's estate	20 20.0%
Other	8 8.0%
Table Size	347 347.0%

### Q12.14 Does the fund use a beneficiary fund to manage the assets of minors?

2017

Base: All Respondents

100



Table size

100

100.0%

### Q12.15 Which service provider manages the death benefit fund for minors?

	2017	2016
<b>Base: All who make use of a beneficiary fund</b>	<b>88</b>	<b>80</b>
Sanlam Legacy Beneficiary Fund	12	11
	13.6%	13.8%
Fairheads	34	30
	38.6%	37.5%
Fedgroup	7	4
	8.0%	5.0%
Alexander Forbes	12	8
	13.6%	10.0%
Liberty	0	1
	0.0%	1.3%
Absa	10	13
	11.4%	16.3%
Momentum	1	1
	1.1%	1.3%
Nedgroup	6	6
	6.8%	7.5%
Sanlam Trust	2	1
	2.3%	1.3%
Bophelo	1	2
	1.1%	2.5%
Robson Savage	1	1
	1.1%	1.3%
Standard Executors & Trustees	5	1
	5.7%	1.3%
Verso Financial Services	2	-
	2.3%	-
Old Mutual	1	-
	1.1%	-
Other	3	-
	3.3%	-
<b>Table Size</b>	<b>97</b>	<b>80</b>
	<b>110.2%</b>	<b>100.0%</b>

### Q12.16 How many beneficiaries are being administered on the fund's behalf by the beneficiary fund?

	2017	2016
<b>Base: All who make use of a beneficiary fund</b>	<b>88</b>	<b>80</b>
Zero	3	-
	3.4%	-
1 to 5	18	16
	20.5%	20.0%
6 to 10	4	6
	4.6%	7.5%
11 to 25	11	5
	12.5%	6.3%
26 to 50	11	9
	12.5%	11.3%
51 to 100	10	5
	11.4%	6.3%
101 to 500	16	12
	18.2%	15.0%
501+	5	7
	5.7%	8.8%
Don't know/refused	10	20
	11.4%	25.0%
<b>Mean</b>	<b>223.19</b>	<b>903.73</b>
<b>Table Size</b>	<b>88</b>	<b>80</b>
	<b>100.0%</b>	<b>100.0%</b>

### Q12.17 What is the total value of the assets being managed on the fund's behalf by the beneficiary fund?

	2017	2016
<b>Base: All who make use of a beneficiary fund</b>	<b>88</b>	<b>80</b>
Zero	3	-
	3.4%	
< 100,000	1	2
	1.1%	2.5%
100,001 to 250,000	1	4
	1.1%	5.0%
250,001 to 500,000	8	3
	9.1%	3.8%
500,001 to 1 mil	5	5
	5.7%	6.3%
1.1 mil to 5 mil	13	14
	14.8%	17.5%
5.1 mil to 10 mil	10	4
	11.4%	5.0%
10.1 mil to 25 mil	7	7
	8.0%	8.8%
25.1 mil to 50 mil	5	7
	5.7%	8.8%
50.1 mil+	10	4
	11.4%	5.0%
Don't know/refused	25	30
	28.4%	37.5%
Mean	R61,342,540	R34,316,748
Table Size	88	80
	100.0%	100.0%

### Q12.18 How satisfied are you with the current Beneficiary Fund?

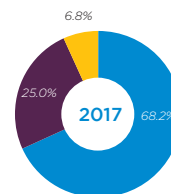
	2017	2016
<b>Base 2016: All who provide risk benefits</b>	<b>88</b>	<b>80</b>
Completely satisfied	70.5%	57.5%
Somewhat satisfied	20.5%	22.5%
Neither satisfied nor dissatisfied	6.8%	17.5%
Somewhat dissatisfied	2.3%	7.3%
Completely dissatisfied	1.3%	1.3%
Table size	88	80
	100.0%	100.0%

### Q12.19 What concerns, if any, do you have about beneficiary funds?

	2017
<b>Base: All who make use of a beneficiary fund</b>	<b>88</b>
Inadequate level of communication from the fund	19
	21.6%
The fund is not accessible when you contact them	6
	6.8%
Costs	5
	5.7%
Service level is not acceptable	3
	3.4%
Inadequate reporting/accessibility of reporting	3
	3.4%
Other	6
	6.8%
None	57
	64.8%
Table Size	99
	112.5%

### Q12.20A With regards administration fees on beneficiary funds, do you think these should be expressed as a?

	2017
<b>Base: All who make use of a beneficiary fund</b>	<b>88</b>
Fixed fee	68.2%
Percentage of assets	25.0%
Unsure	6.8%
Table Size	88
	100.0%



■ Fixed fee ■ Percentage of assets ■ Unsure

### Q12.20B Why do you say that?

	2017
<b>Base: All who think fees on beneficiary funds should be expressed as a fixed fee</b>	<b>60</b>
<i>Same to everybody - irrespective of the amount invested in the fund/ its equal to everybody</i>	17 28.3%
<i>Same amount of work is required/Don't do anything extra to warrant a percentage of assets</i>	12 20.0%
<i>Know upfront what they are paying each month/ easier to budget</i>	9 15.0%
<i>A fixed fee is easier to manage/ there is not a lot of admin work in the fund</i>	8 13.3%
<i>It is fair to have a fixed fee because assets are changing</i>	4 6.7%
<i>To contain costs</i>	3 5.0%
<i>The fee can be negotiated</i>	3 5.0%
<i>It is much fairer than a percentage of assets</i>	3 5.0%
<i>Fees should not be impacting on the beneficiaries</i>	3 5.0%
<i>Total value of lump sum, assets should determine the fee - values are at different levels</i>	2 3.3%
<i>Other</i>	5 8.3%
Table Size	69 115.0%

### Q12.20B Why do you say that?

	2017
<b>Base: All who think fees on beneficiary funds should be expressed as a percentage of assets</b>	<b>22</b>
<i>Fixed costs on small funds are disproportionately large/flat fee will take too much of a small fund/fair for smaller investors</i>	11 50.0%
<i>The more you have the more you pay/Fee should be determined by the level of assets</i>	5 22.7%
<i>A fixed fee is easier to manage/ there is not a lot of admin work in the fund</i>	1 4.6%
<i>To contain costs</i>	1 4.6%
<i>Same to everybody - irrespective of the amount invested in the fund/ its equal to everybody</i>	1 4.6%
<i>As time goes on and beneficiaries are paid out the fund assets will diminish</i>	1 4.6%
<i>A fixed fee might not be fair to the bigger credits in the fund</i>	1 4.6%
<i>We are currently happy with what we have</i>	1 4.6%
Table Size	22 100.0%

### Q12.21 Do you think members should have the option to choose a beneficiary fund in their beneficiary nomination forms?

	2017
<b>Base: All Respondents</b>	<b>100</b>
Yes	24
No	63
Unsure	1
Table size	100 100.0%



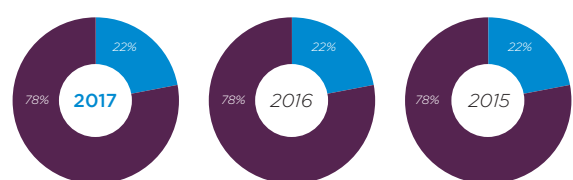
# Demographics

## Demographics: For how long have you performed the duties of a Principal Officer or Trustee on a retirement fund?

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
Up to 1 year	4	7	9
	4.0%	7.0%	9.0%
2 to 5 years	23	29	23
	23.0%	29.0%	23.0%
6 to 10 years	30	29	33
	30.0%	29.0%	33.0%
11 to 20 years	34	26	30
	34.0%	26.0%	30.0%
21+ years	8	6	4
	8.0%	6.0%	4.0%
Don't know / Can't remember	1	3	1
	1.0%	3.0%	1.0%
Mean	10.66	11.97	10.49
Table Size	100	100	100
	100.0%	100.0%	100.0%

## Demographics: Are you an independent Principal Officer or an independent Trustee of the retirement fund?

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>

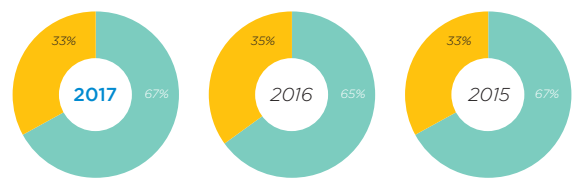


■ Yes ■ No

Table Size	100	100	100
	100.0%	100.0%	100.0%

## Demographics: Gender

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>



■ Male ■ Female

Table Size	100	100	100
	100.0%	100.0%	100.0%

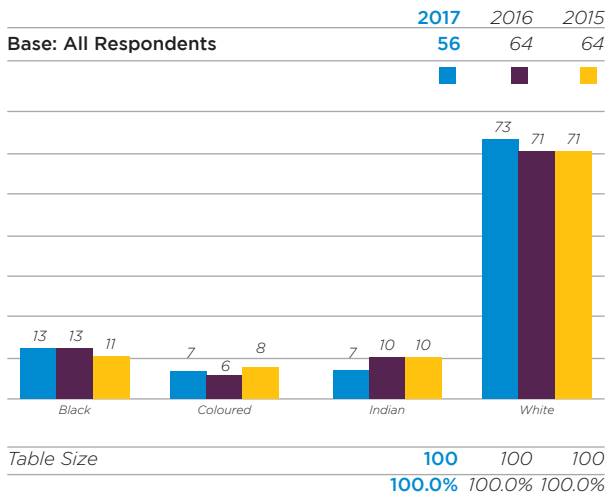
## Demographics: What is the highest level of qualification that you hold?

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
Degree	25	29	26
	25.0%	29.0%	26.0%
Honours degree	17	13	21
	17.0%	13.0%	21.0%
Diploma	17	16	15
	17.0%	16.0%	15.0%
National certificate	1	1	1
	1.0%	1.0%	1.0%
Chartered accountant	11	12	18
	11.0%	12.0%	18.0%
Chartered secretary	1	0	0
	1.0%	0.0%	0.0%
MBA	2	2	2
	2.0%	2.0%	2.0%
Matric	10	10	7
	10.0%	10.0%	7.0%
Masters degree	8	10	7
	8.0%	10.0%	7.0%
Post graduate	3	3	3
	3.0%	3.0%	3.0%
SAIPA	0	1	-
	0.0%	1.0%	-
Did not attain matric	1	2	-
	1.0%	2.0%	-
CFA/CFP	3	-	-
	3.0%	-	-
Other	1	-	-
	1.0%	-	-
Refused	0	1	0
	0.0%	1.0%	0.0%
Table Size	100	100	100
	100.0%	100.0%	100.0%

## Demographics: Which of the following best describes your age group?

	2017	2016	2015
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>	<b>100</b>
25-34	4	7	10
	4.0%	7.0%	10.0%
35-44	15	17	18
	15.0%	17.0%	18.0%
45-54	42	33	38
	42.0%	33.0%	38.0%
55-64	29	37	27
	29.0%	37.0%	27.0%
65 or older	10	5	7
	10.0%	5.0%	7.0%
Refused	0	1	0
	0.0%	1.0%	0.0%
Table Size	100	100	100
	100.0%	100.0%	100.0%

## Demographics: Ethnic group



## Demographics: Which of the following media do you consume?

	2017	2016
<b>Base: All Respondents</b>	<b>100</b>	<b>100</b>
<i>ETV</i>	<b>30</b>	33
	<b>30.0%</b>	33.0%
<i>SABC</i>	<b>38</b>	39
	<b>38.0%</b>	39.0%
<i>CNBC</i>	<b>27</b>	28
	<b>27.0%</b>	28.0%
<i>Bloomberg</i>	<b>36</b>	27
	<b>36.0%</b>	27.0%
<i>Supersport</i>	<b>71</b>	58
	<b>71.0%</b>	58.0%
<i>Today's Trustee</i>	<b>81</b>	66
	<b>81.0%</b>	66.0%
<i>Pensions World</i>	<b>42</b>	30
	<b>42.0%</b>	30.0%
<i>Financial Mail</i>	<b>73</b>	57
	<b>73.0%</b>	57.0%
<i>Moneyweb</i>	<b>46</b>	48
	<b>46.0%</b>	48.0%
<i>EBNet</i>	<b>26</b>	25
	<b>26.0%</b>	25.0%
<i>Fin24</i>	<b>65</b>	56
	<b>65.0%</b>	56.0%
<i>BizNews</i>	<b>28</b>	22
	<b>28.0%</b>	22.0%
<i>Personal Finance</i>	<b>38</b>	40
	<b>38.0%</b>	40.0%
<i>DStv</i>	<b>3</b>	4
	<b>3.0%</b>	4.0%
<i>Other</i>	<b>8</b>	12
	<b>8.0%</b>	12.0%
<i>None</i>	<b>2</b>	2
	<b>2.0%</b>	2.0%
<b>Table Size</b>	<b>614</b>	<b>100</b>
	<b>100.0%</b>	<b>100.0%</b>

## **Danie van Zyl**

*Head: Guaranteed Investments*

*Sanlam Employee Benefits*

*T +27 21 950 2853*

*E [Danie.vanZyl@sanlam.co.za](mailto:Danie.vanZyl@sanlam.co.za)*

## **Viresh Maharaj**

*CEO: Client Solutions*

*Sanlam Employee Benefits*

*T +27 21 950 2795*

*E [Viresh.Maharaj@sanlam.co.za](mailto:Viresh.Maharaj@sanlam.co.za)*

## **Wagieda Suliman**

*Market Insights*

*Sanlam Employee Benefits*

*T +27 21 950 2952*

*E [Wagieda.Suliman@sanlam.co.za](mailto:Wagieda.Suliman@sanlam.co.za)*



2 Strand Road, Bellville, 7530 | PO Box 1, Sanlamhof, 7532, South Africa

Sanlam Life Insurance Limited Reg no 1998/021121/06.  
Licensed Financial Services and Registered Credit Provider (NCRCP43).

[www.sanlam.co.za](http://www.sanlam.co.za)

