

# Sanlam Benchmark Research 2021

Key take-outs from the 40th retirement industry survey



## 1 Cost of retirement fund administration

**0.55%**

Cost for stand-alone funds (slight reduction since 2019)



**R52**

average cost for stand-alone funds in rands



**0.59%**

Cost for participating employers in umbrella funds (the same as 2020)



**R41**

average cost for participating employers



## 3 Contribution suspension

**41.0%**

of participating employers in umbrella funds suspended retirement contributions due to Covid-19



**27.0%**

in stand-alone funds

## 4 Retirement funds and rewards/loyalty programmes have not yet gained traction in a retirement funds context.

**4**

**88.9%**

of stand-alone funds said they do not offer rewards/loyalty programmes

**79.0%**

of participating employers in umbrella funds do not offer rewards/loyalty programmes

## 5 Health integration

**5**



**49.0%**

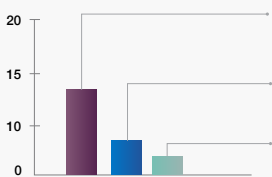
of stand-alone funds and,

**36.0%**

of participating employers believe a holistic, integrated health and financial wellness programme delivers higher productivity and staff happiness.

## 6 Investments

More funds and employers are selecting a combination of default investments with and without member choice



**Less (10.0% to 13.0%)**

funds and employers are offering default investment portfolio plus member choice.

**Proposed changes to Regulation 28**

**Only 6.6%** of stand-alone funds and,

**4.7%** of participating employers will be investing in infrastructure investments.

**7**

## Default regulation and member behaviour

Stand-alone funds have not seen a significant improvement in member behaviour since the implementation of default regulations.

**57.0%**

Preservation

**46.0%**

Annuitisation

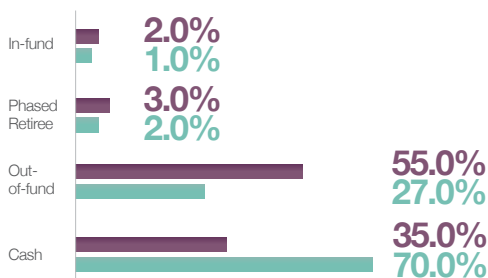
**25.0%**

Retirement Benefit counselling

● Base: All those who have not seen an improvement in member behaviour  
● Stand-alone funds

## 8 Retirement benefits counselling outcomes

Impact of Retirement Benefit Counselling at retirement



● Retirement counselled ● Retirement not counselled

The Sanlam Umbrella Fund data indicates that members that are counselled at withdrawal are twice as likely to preserve

## 9 Impact of Covid-19

### Impact of Covid-19 on cyber security

Increase in the risk of cyber security as a result of staff working remotely.

**46.0%**

**41.0%**



● Stand-alone funds ● Participating employers

### Impact of Covid-19 on Members' Finances



**31.0%**

of participating employers reported retrenchments at the workplace.

For 40 years, the Sanlam Benchmark Survey has been South Africa's most comprehensive retirement industry research. In 2021, 90 stand-alone funds, 10 stand-alone union funds and 100 participating employers in umbrella funds were surveyed.



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