

Optimising Retirement Outcomes for your Members

New regulations in terms of the Pension Funds Act, commonly known as the Default Regulations, were issued in August 2017 and all retirement funds must comply by March 2019.

Planning for a secure retirement is essential. However Sanlam Employee Benefits research indicates that most members are very poorly informed regarding their retirement planning generally and their choices and options at retirement specifically.

The Default Regulations introduce new responsibilities for trustees in an effort to address this and ultimately improve retirement outcomes for members.

The regulations provide for the concept of retirement benefit counselling, which must be made available to members before they receive a withdrawal or retirement benefit.

Sanlam Employee Benefits has established Retirement Optimisation Services (ROS) - an innovative member support platform which provides retirement funds administered by Sanlam Employee Benefits with a convenient way to meet the counselling requirements of the default regulations.

ROS also provides trustees with flexible options to improve levels of member awareness of and engagement with their retirement fund, improve quality of decision making and ultimately improve retirement outcomes.

ROS – Customised, Comprehensive Member Support

Individuals have very different retirement needs and requirements. Retirement funds also have unique circumstances and approaches.

The Sanlam Employee Benefits Retirement Optimisation Service (ROS) provides a range of configurable, modular support options from which a fund can select to suit its unique requirements and according to its budget.

Members can access support through different channels according to their preference, including digital (online, mobi, email and sms), telephonic or face to face.

The service has been designed according to certain key principles and objectives:

- ④ Cost effective
- ④ Cater to the needs of all members of the fund, from simple to complex
- ④ Transparent and easy for trustees to exercise their governance responsibilities
- ④ Free from conflicts of interest
- ④ Align with fund benefit structure and default strategies

Information

Education

Counselling

Advice



Services



Basic Counselling Package

This cost effective package ensures the fund meets the counselling requirements of the default regulations. It consists of two elements:

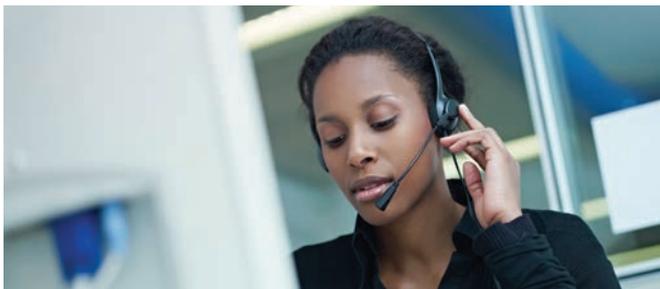


Retiremate: Robo retirement planning

Retiremate provides online, self-help, guided educational content in a structured sequence of steps. The website is comprehensive and content rich and includes a variety of tax calculators and other useful tools.

The content is organised in four streams namely

- ④ Saving for Retirement
- ④ Leaving your job
- ④ Approaching retirement
- ④ Retiring



Access to a Retirement Benefit Counsellor

Members who prefer to talk to someone have telephonic access to a Retirement Benefit Counsellor who will provide information regarding their withdrawal or retirement benefits as required by the default regulations. The counsellors can also provide general fund related information and details of other options available to members.

Retirement Benefit Counsellors do not give advice but rather information about fund related matters in a simple and straightforward language.



Proactive Counselling Services

Retirement Benefit Counsellors conduct a focused, proactive engagement with members most in need of support and where the impact is likely to be greatest. Outbound calls follow a script ensuring transparency and consistency. Resulting member actions are tracked and the impact can be measured.

Member groups are chosen by the trustees, and could be

- ④ New members
- ④ Members leaving employment
- ④ Members five or six years from retirement
- ④ Members about to retire
- ④ Members with very low replacement ratios
- ④ Members invested inappropriately

The effectiveness of the service is enhanced by the availability of member contact details and effective collaboration between employer, fund and ROS.



Advice

In terms of the default regulations counsellors provide information and not advice. However individual advice can be vital in helping to ensure members make good decisions at key moments, where the risk of a bad decision can be significant.

Some members, especially those about to retire, don't have their own advisors and would like advice but are unsure how to go about obtaining it, or how to negotiate terms with an advisor.

Trustees would like peace of mind that advice provided is of a high quality, supports the objectives of the fund and is in the best interests of members.

ROS provides the following options for those members who don't have their own advisor:

- ④ Retirement Fund Advisor employed by Sanlam.
 - This is a low cost, telephonic service provided by a salaried advisor, using a restricted product set focused on the fund default at withdrawal and annuitisation strategy at retirement. There are no product cross-subsidies and together with the remuneration model this avoids conflicts of interest. Standard service levels and fees are agreed with the trustees and the member does not have to worry about those aspects.



Services



Advice *continued*

- Traditional face to face advice with unrestricted product options:
Sanlam Employee Benefits does not itself provide this service, but will refer members to suitably qualified and experienced advisors. Sanlam Employee Benefits will provide the necessary information and assistance to the advisors selected by the trustees. ROS can provide assistance with the identification of a suitable panel of independent financial advisors, and with the oversight and management of the panel.

Via ROS, members and trustees can access professional advice securely and conveniently.



Additional Support Provided by the Fund Administrator

Member Web Portal

The portal provides members with access to fund information such as updated benefit statements, group insurance benefits and useful general educational topics. Members can update beneficiary details and make online investment switches.

My retirement app

With this mobile app members have instant access to:

- Details of current retirement fund savings and benefits
- A breakdown of where money is invested
- Access to fund performance fact sheets
- Planning tools that will help ensure a good retirement outcome
- Updating beneficiaries
- Making new investment choices

Member call centre

Members can call in and ask questions relating to progress with payment of benefits and other administrative queries

Governance, Transparency and Control Built-In

ROS has been set up to facilitate good governance and make it easy for trustees to exercise their fiduciary responsibilities to members.

Interactions on the Retiremate website are tracked.

All telephone calls with Counsellors or Retirement Fund Advisors employed by Sanlam are recorded and monitored for quality control and compliance purposes.

All outgoing calls by Counsellors follow scripts.

Counsellors use standard email and sms templates.

Fund specific brochures and documents can be incorporated as appropriate.

Advice by the Retirement Fund Advisor employed by Sanlam is FAIS compliant and captured in a Record of Advice.

All member facing content and material is summarised in a single convenient pack for trustee approval at the commencement of the service, and managed on an on-going basis thereafter.



Want to know more?

For more information about this service, please contact your Contracted Benefit Consultant or Client Relationship Manager.