



Individual Member Support

A key enabler of the Default Regulations that came into effect on 1 March 2019, is Retirement Benefits Counselling. The aim is to improve the outcomes for members of retirement funds by giving them access to information on the options they have available when withdrawing or retiring from a fund.

However, the Default Regulations does not prescribe the manner in which this information should be provided. Sanlam Employee Benefits' 2019 Benchmark Survey of 100 standalone funds indicated that the following channels are being used to provide Retirement Benefits Counselling:

- Written: 51%
- Human Resources: 20%
- Administrator: 47%
- EB Consultant: 25%
- Independent Financial Advisor: 22%

As can be seen from the above, many funds chose to implement more than one channel of Retirement Benefits Counselling. Sanlam Employee Benefits has decided to offer the services of Retirement Benefits Counsellors as part of our administration offering, through our Individual Member Support team.

Another interesting finding from the survey was around the hesitance of funds to consider human interaction as part of their Retirement Benefits Counselling offering. Below is the reasons for funds not considering human interaction, along with our response to some of these concerns:

- *69% of funds are wary of cost* – We provide our Basic Counselling service for free, which entails members calling our counsellors to enquire about their options at withdrawal or retirement. We also offer Pro Counselling, where counsellors will pro-actively call members, at an additional fee.
- *13% believe setting up own infrastructure is too cumbersome* – Funds we administer can simply complete a checklist and our Individual Member Support team will work with the fund to ensure a seamless implementation.
- *31% of the funds are unaware of what it entails* – We can provide any fund with a brochure, detailing exactly what our various Retirement Benefits Counselling services entail.
- *4% funds ran out of time* – Some funds failed to meet the deadline set by the regulator. It is never too late to do the right thing and there is still opportunity to put effective solutions in place.

An encouraging finding from our research was that 88% of independent EB consultants surveyed believe that Retirement Benefits Counselling will assist in improving retirement outcomes for members. Initial indications seems to be confirming this belief. Based on experience from funds that already had Retirement Benefits Counselling solutions in place with Sanlam Employee Benefits from 1 January 2019 up to 30 April 2019, the number of members that took cash when leaving their fund was only 72% when counselled, as opposed to 90% of members taking cash when they were not counselled.

If you would like more information on our Retirement Benefits Counselling offering, you can get in touch with your Client Relations Manager.