

# THE FUTURE OF EMPLOYEE BENEFITS

## *Part 3: What are my rights?*

**Few** financial decisions you make in your lifetime are as important as the decisions surrounding retirement. As this series has shown, simply having a retirement vehicle is not good enough, you must be sure your vehicle is on the right track.

Many people are happy just to be on some sort of pension plan but their plans may be insufficient or not performing as they should. If this is the case, you can do plenty to change the course of the investment, which is why your retirement savings should be reviewed at regular intervals.

"In your review you should first look at growth and whether or not the investment

growth is market-related and second, whether or not the costs are market-related. These two factors will have a major impact on the final amount you will get at retirement date. If you are not satisfied, you are free to move to another product," says Pieter Cronjé, director at the Financial Intermediaries Association of Southern Africa.

If you receive employee benefits from an employer fund, it is advisable for the fund to provide a financial adviser to ensure you are contributing to the correct benefit package. If you make retirement contributions in your personal capacity, the broker provides the function of adviser.

"IF THE GROWTH OF YOUR  
INVESTMENT IS NOT MARKET-  
RELATED, YOU CAN MOVE"

Even with financial advice, there is always an outside danger that the fund manager may get the mix in the investment portfolio wrong. However, you should be wary of simply changing funds or investment portfolios if performance over the short term has been less than stellar.

"Bear in mind, a retirement fund is an investment over a long period. So, the portfolios need to be structured by knowledgeable people, taking into account the principles you want to achieve from that fund, namely the long-term growth of capital for the best interest of you as a member. It is a long-term view and obviously the investment advisers create a mix of products to achieve the fund's goal.

A second draft of Regulation 28 of the Pensions Fund Act, dealing with the investments of funds, was published in December 2010. It stipulates every fund must have an investment policy.



Pieter Cronjé