Power Talk

Eskom
Pension and Provident Fund

December 2022

Invested in our *members*

Contents In This *Issue*

Editor's Note

We've reached the final quarter of 2022, which lends itself to plenty of reflection and celebration. We are so grateful that you have walked the journey with us this year. Although we have always aimed to be a member-centric fund, this year allowed us to dig deeper into the true meaning of member-centricity. The EPPF has made great strides this year by being attentive to our members' needs, and acting accordingly.

We hope that when you look back at the year, you're filled with pride and gratitude, too. This edition of Power Talk is filled with everything you need to know before we say goodbye to '22. Here are some highlights:

Digital Self Service Guide
We launched our digital self service channels in September, with the aim of making our services as easily accessible as possible. Now, you can view frequently asked questions, update your contact information, download documents and forms, and request assistance from our agents through WhatsApp or the EPPF mobile app. Read the guide on how to get started on these, as well as our USSD channel and online member portal.

Trailblazing SAICA Trainees
The hardworking students in our SAICA training programme are in the throes of exam season. The final SAICA board exam is called the Assessment of Professional Competence (APC), and is a critical part of journey of attaining the CA(SA) qualification. We chatted to them about staying afloat during exam season and how they'll wind down when it's all over.

Preserving Your Pension Fund
No matter how far you are from retirement, preserving your pension fund should be a priority. Our Executive of Human Capital, Shyless Shai, speaks about the benefits of this preservation.

Integrated Annual Report
Our integrated annual report is out and ready for your reading. Don't forget to read the quick guide for a snapshot.

We wish you and your loved ones a peaceful holiday season. Happy reading!

Rori

Meet our new Chief Investment Officer

Sonja Saunderson

Sonja Saunderson began her tenure as the EPPF's Chief Investment Officer (CIO) on 1 November 2022. She smiles when she explains that the first few days at the Fund have introduced her to an intimate yet bustling culture. "The EPPF is such a professionally run fund. It is revered and respected in the industry, so I'm excited to be a part of that," she says.

Leaving Momentum, where she worked for 22 years, was not an easy decision. In the modern working world, staying at a company for two decades isn't particularly common. In Sonja's case, it is indicative of her values. "When you're surrounded by the right people, and when your work positively impacts the lives of others, staying for 22 years comes naturally," she says.

Her work was rewarding and meaningful in that it became an extension of her passion for people. Regardless, life is full of opportunities to learn and grow. Despite her already impressive and extensive career history, Sonja continues to seek out ways to be impactful and leave a strong legacy. She is motivated by two simple words: What's next? This time around, the Eskom Pension and Provident Fund was the answer.

Alongside her passion to create an impact through her work, Sonja's move to the Fund was inspired by the desire to expand her own experience in the pensions space. "I always ask myself, 'Are you doing the best that you can and are you making a real impact?'" she shares. Even after more than two decades in investment, Sonja's drive to learn can be compared to one who just started their career.

When she began hers, however, the intention was not necessarily to land up in the investment space. She had always excelled at mathematics and statistics, which led her to study Actuarial Science at the North-West University. As a young student, Sonja also studied geology and strongly believed her career would remain in that area. She recalls her fascination with the subject, where exams entailed studying the composition of unique rocks. It was only when the university offered her an Actuarial Statistics lecturing role that she was introduced to professionals in the investment space. In this capacity, she jointly developed the university's actuarial training programme. Thus, her talents and dedication sparked an unexpected interest.

Throughout her career, Sonja has been a lecturer, Quantitative Analyst, Head of Research and Development, Deputy CIO and CIO. Having been responsible for leadership, investment advice, risk management, product development, strategic planning and a host of other investment functions, there is no doubt about her suitability as the EPPF's CIO. In her new role, she is responsible for driving the strategic agenda that seeks to deliver investment returns for EPPF members amongst key focus areas.

After decades of fine-tuning her craft, Sonja can't help but be humbled by her achievements. Over the years, she's picked up lessons that continue to guide her relationships in the workplace along with her work ethic. Sonja has built an investment philosophy that revolves around what the member wants. This is yet another demonstration of her 'people passion'. "It has always been important for me to understand what people need, want and expect, both as members and colleagues," she explains. Above and beyond caring about people, Sonja's the key career lessons are:

- Don't be afraid to make mistakes
- Stay willing to learn and grow
- Stay grounded and humble.

With these 'navigation tools', her leadership style has blossomed into what she calls "honest, authentic and loyal". Earlier in her career, there was a pressure was on to always "always have the answers". She explains that this kind of pressure is often a result of insecurity in the workplace. The more mature and comfortable you become, the more you realise that you can't possibly know everything, and that's why you need others. "This pressure is not necessary and you don't have to be the person that knows it all," she says.

"Once you come to this realisation, you get comfortable with the idea of surrounding yourself with the people who balance out your weaknesses".

When she isn't wearing her work hat, Sonja is still relationship focussed. With a demanding job and the volatile, unpredictable nature of the investment industry, it's important to be able to retreat to those you love. Community is an integral part of all facets of life, so her work doesn't come at the expense of her personal relationships. "We all need to be able to switch off sometimes, and for me, that involves community and doing the things that love. Spending time in nature, cooking wholesome meals and reading as a form of relaxation – these are some of the ways I recharge," she shares.

The EPPF team is delighted to welcome such a balanced, headstrong and experienced Chief Investment Officer on board. We wish Sonja fulfilment and success as she navigates her role at the Fund.

Stay in the Loop: A) Rule Amendment

The Financial Sector Conduct Authority (FSCA) has registered Rule Amendment 1, which is a change to the consolidated rules that apply to the EPPF.

Rule Amendment 1 has implications for two categories of the EPPF's members:

- Deferred members
- In-service members

DEFERRED MEMBERS

1. Who are deferred members?

Deferred members are also referred to as deferred pensioners.

Deferred members are those who elected to leave their benefit in the Fund when they left the employment of Eskom or the EPPF. They left their benefit with the understanding that they'll receive a retirement benefit from the Fund when they reach 65, or upon early retirement at age 55.

2. How are deferred members impacted by Rule Amendment 1?

Rule Amendment 1 has made it possible for all deferred members to take a withdrawal benefit from the Fund before reaching the age of 65.

Prior to Rule Amendment 1, deferred members could only receive a withdrawal benefit from the Fund before reaching the age of 55. At age 55 and older, deferred members had to retire and receive a retirement benefit from the Fund.

IN-SERVICE MEMBERS

1. Who are in-service members?

In-service members are people who are currently permanently employed by the EPPF or Eskom.

2. How are in-service members impacted by Rule Amendment 1?

It is important to understand that Rule Amendment 1 has impact for those in-service members who have not yet reached normal retirement age. This means those in-service members who have not yet reached the age of 65.

- In-service members who are 55 or older

In-service members who are 55 or older are now allowed to receive a withdrawal benefit from the Fund when they leave the employer, without having to prove that they have other employment.

Before Rule Amendment 1, in-service members who resigned or were dismissed at age 55 or older could not receive a withdrawal benefit as a lump sum

(cash) without proving that they had other employment, including self-employment. Rule Amendment I has removed the need to prove alternative employment where the member is 55 or older. Any member may elect to receive a withdrawal benefit as a lump sum (cash) if they wish to do so.

- In-service members whose employment changes from being permanent employees to being on a fixed-term contract.

  Rule Amendment I means that if an in-service member's employment changes from being permanent to a fixed-term contract, this member will become a non-contributing member. This is because the employee will no longer meet the requirement of being permanently employed by the employer. They will no longer be able to continue with their membership of the Fund. In this case, no further contributions will be payable to the Fund. The employee's benefit will be held in the Fund until their employment is terminated. The employee will not be allowed to take a withdrawal benefit nor transfer the benefit to another Fund while they are still in the service of the employer on a fixed-term basis.

QUESTIONS AND ANSWERS

1. Where can I read Rule Amendment I?

Rule Amendment I is attached as a PDF on this page. Click on the link below in order to access the full document.

2. Does the date of becoming a deferred member (date of leaving service) affect whether I can take a withdrawal benefit as a deferred member?

The date of becoming a deferred member does not affect whether you may receive a withdrawal benefit. It is important to note that a deferred member can no longer take a withdrawal benefit once they reach 65

3. Can I take a withdrawal benefit as a deferred member at age 64?

Yes, you may. A deferred member may take a withdrawal benefit at any age before 65.

4. Can I take a withdrawal benefit as a deferred member at age 65 if I have not yet received my retirement benefit (pension)?

On the day that a deferred member turns 65 they can no longer receive a withdrawal benefit. The member can only receive a retirement benefit from that date. This means that the member may take up to one-third of the retirement benefit as a lump sum (cash) and the remaining two-third portion of the benefit will be used to provide a pension to the member.

5. Do I still need to prove that I have other employment if I resigned at age 55 or older but before Rule Amendment I came into effect (before 28 July 2022)?

Yes. If you left the service of your employer before 28 July 2022, which is the date that Rule Amendment I came into effect, then the rules as they were on the date of leaving service will apply. This is because rules take effect on the date that they are registered by the Financial Sector Conduct Authority unless if there is a specific effective date set out for the rule. This means that you will have to provide proof of alternative employment if you want to receive a withdrawal benefit as a lump sum (cash).

6. Can I transfer my withdrawal benefit to another retirement fund if I move from permanent employment to a fixed-term contract?

No. After having your employment change from a permanent basis to a fixed-term contract with the same employer, you cannot receive a withdrawal benefit. You also cannot transfer your benefit to another retirement fund while you are still in the service of Eskom or the EPPF. Your benefit will be held in the Fund until you leave the service of the employer. At the point of leaving service of the employer, you may take your withdrawal benefit as a lump sum (cash) or transfer it to another retirement fund if you are below 65.

7. If I cannot receive a withdrawal benefit after changing from permanent employment to fixed-term contract, will I receive interest on my benefit?

Yes. Your benefit will remain in the Fund until you leave the service of your employer. During that time, the benefit will remain invested and continue to earn an investment return.

8. If I transferred my benefit from a provident fund after 1 March 2021, will I receive my full transferred portion as a lump sum when I retire from the Fund?

Deferred members are also referred to as deferred pensioners.

Deferred members are those who elected to leave their benefit in the Fund when they left the employment of Eskom or the EPPF. They left their benefit with the understanding that they'll receive a retirement benefit from the Fund when they reach 65, or upon early retirement at age 55.

9. What forms do I need to fill in order to withdraw my benefit?

- Application for Deferred Benefits Withdrawal
- Application for Retirement Benefits
- Application for Benefits Transfer Withdrawal

Click on the links to download the forms. Please fill them in completely and provide the supporting documents. You will also read on the form how to submit them for processing.

10. How long will it take for me to get my benefit once I submit my completed forms?

Once you submit your completed forms and supporting documents, your benefit will be processed within five working weeks after receiving your last contribution.

Stay in the Loop: B) Actuarial Factors Review

Many of the EPPF's benefits, being a defined benefit in nature, rely on actuarial factors in the calculation of the benefit. The Fund's Actuary provides the actuarial factors to the Fund, and these are loaded onto the administration system and used whenever a benefit is calculated for a member. The actuarial factors are based on a set of financial and demographic assumptions, called an actuarial basis, recommended by the actuary. This actuarial basis comes from the actuarial valuation of the Fund. In the normal course of events, the actuarial factors are reviewed every three years. The last such review was following the 30 June 2018 valuation. Since the 30 June 2021 actuarial valuation has been completed, it is time to review the actuarial factors once again and this exercise has recently been completed.

Here is more information about the changes, which affect the calculations of benefits after 1 October 2022.

More detail on what is being changed and why

The only change being made is to adjust the factors to reflect the long-term changes in the financial and economic conditions that are contained in the 2021 actuarial valuation basis.

The value of each type of factor depends on what assumptions we make about long-term future investment returns and pensioner life expectancy. By 'assumptions' we mean reasonable expectations about future events based on actual experience and statistics. The assumptions must reflect the experience of the EPPF membership and its investments, so that the factors result in fair value for money for members, and the EPPF remains financially sound and sustainable. After a comprehensive review, the financial assumptions are being changed to reflect our expectation of slightly higher investment returns in the future compared to the past.

The following factors are being changed:

1. Commutation factors

Commutation factors are used to convert the required portion of a pension to a lump sum benefit on retirement of a member. The EPPF factors are single-life annuities which allow for long-term future pension increases which are in line with inflation. They are also gender specific, which means that the factors allow for the statistically significant difference in life expectancies of women and men.

2. Money purchase conversion factors

The money purchase conversion factors are used to convert the money purchase balance at the date of calculation to an immediate monthly pension for life from the Fund, to calculate the cost of waiving the early retirement reduction factor for a member, or to calculate the cost of generating additional service to a retiring member. The EPPF factors are gender specific and are either single-life annuities, in the case of members who are unmarried, or joint-life annuities, in the case of members who have a spouse at the date of calculation. For the latter, these factors take into account the exact age difference between the member and their spouse.

Important note: The Fund also has a table of same-sex joint-life money purchase conversion factors for members who are in same-sex partnerships. If you and your spouse are in a same sex partnership it is important that you notify the Fund so that any future benefit which involves the conversion of your money purchase balance into a pension takes account of the correct gender of your partner.

3. Actuarial Reserve Value (ARV) factors

The ARV factors are used to calculate the equivalent capital value of the accrued pension benefit for the purpose of preservation of the capital value in the deferred pension (money purchase) scheme for an 'exiting' member until retirement age. These are complex factors which take into account all possible modes of exit from the Fund. The EPPF factors are not gender specific and are derived from the results of the latest actuarial valuation.

4. Minimum Individual Reserve (MIR) annuities

The MIR is the fair value equivalent of the present value of the member's accrued deferred pension. This benefit is payable as cash, or as a transfer value to another approved fund, when a member resigns, is dismissed, or is retrenched. The benefit is based on the pension formula as set out in the Rules of the Fund, the MIR annuity factor which capitalises the accrued annual pension into a lump sum and a discounting factor, based on 40% of the Earnings Yield of the JSE All Share Index. The EPPF MIR annuities are gender specific..

How do the changes affect you?

All the factors have decreased in value due to the increase in the long term expected investment return assumption. For each factor above, the effect is as follows:

- Commutation factors: each Rand of pension will now be worth less than it was before, so when commuting your pension, you will get less cash

- Money purchase conversion factors: when using your money purchase balance to buy a pension it will cost you less, i.e., you will get a higher pension; this makes sense because a higher expected future investment return means that less money must be invested now to provide the same annual pension income as before

- ARV factors: the lower ARV factors translate into lower ARVs being calculated at the date of deferment

- MIR annuities: the lower MIR annuities translate into lower MIR's being calculated at the date of deferment

Written examples to help you understand

Once you submit your completed forms and supporting documents, your benefit will be processed within five working weeks after receiving your last contribution.

APPENDIX I

Some examples

We consider four simplified examples to help you understand the changes. Please note that these are for illustration only. The factors are shown in red. The amounts that change have been underlined.

AVC means additional voluntary contributions account, and PB means performance bonus account. The combination of these, with Fund investment returns, are referred to as the Money Purchase Balance.

Formula for Pension = Pension Rate X Final Average Salary X Pensionable Service

Example 1: Early retirement due to ill health

Rule Amendment 1 has made it possible for all deferred members to take a withdrawal benefit from the Fund before reaching the age of 65.

MARRIED MALE RETIREE

Age	55
Normal retirement age	65
Years of service	32
Spouse aged 5 years younger (50)	

MARRIED FEMALE RETIREE

Age	55
Normal retirement age	65
Years of service	32
Spouse aged 5 years younger (60)	

ASSUMPTIONS:

- Early retirement due to ill-health at 55:
- His accrued service is 32 years.
- His future potential service is 10 years.
- His final average pensionable emoluments = R400 000
- His AVC and PB balance = R350 000

Formula pension = 2.17% (Pension accrual rate) x 400 000 x (32 + 75% x 10) = R342 860 per annum

Spouse's pension = 60% x 342 860 = R205 716 per annum
Pension after one-third commutation = 2/3 x 342 860 = R228 573 per annum

One-third commutation on formula pension
Old factors: 1/3 x 342 860 x 10.802 = R1 234 525
New factors: 1/3 x 342 860 x 9.677 = R1 105 952

AVC/PB pension:
One-third commutation = 1/3 x 350 000 = R116 667

Pension - old factors: (2/3 x 350 000) / 15.106 = R15 446 per annum
Spouse's pension (on death of pensioner) = 60% x 15 446 = R9 268 per annum

Pension – new factors: (2/3 x 350 000) / 12.994 = R17 957 per annum
Spouse's pension (on death of pensioner) = 60% x 17 957 = R10 774 per annum

Total
Old factors: pension = R 244 019 p.a. (R228 573 + R15 446) and cash lump sum = R 1 351 192

New factors: pension = R 246 530 p.a. (R228 573 + R17 957) and cash lump sum = R 1 222 619

ASSUMPTIONS:

- Early retirement due to ill-health at 55:
- His accrued service is 32 years.
- His future potential service is 10 years.
- His final average pensionable emoluments = R400 000
- His AVC and PB balance = R350 000

Formula pension = 2.17% (Pension accrual rate) x 400 000 x (32 + 75% x 10) = R342 860 per annum

Spouse's pension = 60% x 342 860 = R205 716 per annum
Pension after one-third commutation = 2/3 x 342 860 = R228 573 per annum

One-third commutation on formula pension
Old factors: 1/3 x 342 860 x 13.674 = R1 562 756
New factors: 1/3 x 342 860 x 11.936 = R1 364 126

AVC/PB pension:
One-third commutation = 1/3 x 350 000 = R116 667

Pension - old factors: (2/3 x 350 000) / 15.611 = R15 446 per annum
Spouse's pension (on death of pensioner) = 60% x 15 446 = R9 268 per annum

Pension – new factors: (2/3 x 350 000) / 13.426 = R17 957 per annum
Spouse's pension (on death of pensioner) = 60% x 17 957 = R10 774 per annum

Total
Old factors: pension = R 244 019 p.a. (R228 573 + R15 446) and cash lump sum = R 1 351 192

New factors: pension = R 246 530 p.a. (R228 573 + R17 957) and cash lump sum = R 1 222 619

Example 2: Normal retirement at age 65 of a married member

MARRIED MALE RETIREE

ASSUMPTIONS:

- Early retirement due to ill-health at 65:
- His accrued service is 32 years.
- His final average pensionable emoluments = R400 000
- His AVC and PB balance = R350 000

Formula pension = 2.17% (Pension accrual rate) x 400 000 x (32 + 75% x 10) = R342 860 per annum

Pension after one-third commutation = 2/3 x 364 560 = R243 040

One-third commutation on formula pension
Old factors: 1/3 x 364 560 x 9.604 = R1 167 078
New factors: 1/3 x 364 560 x 8.711 = R1 058 561

AVC/PB pension:
One-third commutation = 1/3 x 350 000 = R116 667

Pension - old factors: (2/3 x 350 000) / 12.870 = R18 130 per annum
Spouse's pension (on death of pensioner) = 60% x 18 130 = R10 878 per annum

Pension – new factors: (2/3 x 350 000) / 11.341 = R20 574 per annum
Spouse's pension (on death of pensioner) = 60% x 20 574 = R12 345 per annum

Total
Old factors: pension = R 261 170 p.a. (R243 040 + R18 130) and cash lump sum = R 1 283 745

New factors: pension = R 263 614 p.a. (R243 040 + R20 574) and cash lump sum = R 1 175 228

MARRIED FEMALE RETIREE

ASSUMPTIONS:

- Early retirement due to ill-health at 65:
- His accrued service is 32 years.
- His final average pensionable emoluments = R400 000
- His AVC and PB balance = R350 000

Formula pension = 2.17% (Pension accrual rate) x 400 000 x (32 + 75% x 10) = R342 860 per annum

Pension after one-third commutation = 2/3 x 364 560 = R243 040

One-third commutation on formula pension
Old factors: 1/3 x 364 560 x 12 466 = R1 514 868
New factors: 1/3 x 364 560 x 11 027 = R1 340 001

AVC/PB pension:
One-third commutation = 1/3 x 350 000 = R116 667

Pension - old factors: (2/3 x 350 000) / 13.244 = R17 618 per annum
Spouse's pension (on death of pensioner) = 60% x 17 618 = R10 571 per annum

Pension – new factors: (2/3 x 350 000) / 11.696 = R19 950 per annum
Spouse's pension (on death of pensioner) = 60% x 19 950 = R11 970 per annum

Total
Old factors: pension = R 260 658 (R243 040 + R17 618) and cash lump sum = R 1 631 535

New factors: pension = R 262 990 (R243 040 + R19 950) and cash lump sum = R 1 456 668

SINGLE MALE RETIREE

Age 55

Years of service 32

Single member does not provide for a future spouse in respect of the AVC/PB balance.

ASSUMPTIONS:

- He retires at 65
- His accrued service is 42 years.
- His final average pensionable emoluments = R400 000
- His AVC and PB balance = R350 000

Formula pension 2.17% (Pension accrual rate) x 400 000 x 42 = R364 560

Spouse's pension = 60% x 364 560 = R218 736 (if married at future date of death)

Pension after one-third commutation = 2/3 x 364 560 = R243 040

One-third commutation on formula pension

Old factors: 1/3 x 364 560 x 9.604 = R1 167 078

New factors: 1/3 x 364 560 x 8.711 = R1 058 561

AVC/PB pension:

One-third commutation = 1/3 x 350 000 = R116 667

Pension - old factors: (2/3 x 350 000) / 9.700 = R24 055 per annum

Spouse's pension (if married at future date of death) = 0

Pension - new factors: (2/3 x 350 000) / 8.798 = R26 521 per annum

Spouse's pension (if married at future date of death) = 0

SINGLE FEMALE RETIREE

Age 55

Years of service 32

Single member does not provide for a future spouse in respect of the AVC/PB balance.

ASSUMPTIONS:

- He retires at 65
- His accrued service is 42 years.
- His final average pensionable emoluments = R400 000
- His AVC and PB balance = R350 000

Formula pension 2.17% (Pension accrual rate) x 400 000 x 42 = R364 560

Spouse's pension = 60% x 364 560 = R218 736 (if married at future date of death)

Pension after one-third commutation = 2/3 x 364 560 = R243 040

One-third commutation on formula pension

Old factors: 1/3 x 364 560 x 12.466 = R1 514 868

New factors: 1/3 x 364 560 x 11.027 = R1 340 001

AVC/PB pension:

One-third commutation = 1/3 x 350 000 = R116 667

Pension - old factors: (2/3 x 350 000) / 12.590 = R18 533 per annum

Spouse's pension (if married at future date of death) = 0

Pension - new factors: (2/3 x 350 000) / 11.137 = R20 951 per annum

Spouse's pension (if married at future date of death) = 0

Total
Old factors: pension = R 267 095 p.a. (R243 040 + R24 055) and cash lump sum = R 1 283 745

New factors: pension = R 269 561 p.a. (R243 040 + R 26 521) and cash lump sum = R 1 175 228

Total
Old factors: pension = R 261 573 p.a. (R243 040 + R18 533) and cash lump sum = R 1 631 535

New factors: pension = R 263 991 p.a. (R243 040 + R20 951) and cash lump sum = R 1 456 668

APPENDIX 2

How do the Fund's new factors compare with the insurance company anuity rates?

The money purchase conversion factors serve a similar function to open market insured life annuity rates. However, care must be taken in comparing insured life annuity rates with the EPPF money purchase conversion factors, because:

- The terms and conditions of the annuity policy under comparison would need to mirror identically the terms and conditions of payment of EPPF pensions, otherwise the comparison is invalid. The EPPF has its own rules, policies and practices on pension increases, annual pensioner bonuses and treatment of spouses' and children's pensions, which are probably not easily replicated in an insurance product.
- The cost structures are different. The EPPF has a lower cost structure than an insurance company.
- Insurance company rates would include profit margin for the insurers, whereas the fund has no such margins.

Based on an assumed AVC / PB balance of R1 000 000 (with no allowance for commutation), the table below compares the monthly pension secured using the EPPF money purchase conversion factors with the indicative monthly pension available from two major insurance companies (as an example) via an insured life annuity policy. In these examples, for both the EPPF rate and the insurance company rates, the pensions shown for a married member assume that the female spouse is 5 years younger than the male spouse and vice versa.

Gender and age at retirement	Monthly pension per R1 000 000 investment (Rand)				
	EPPF (new factors)	Insurer 1		Insurer 2	
		Inflation-linked	With profits (4.5%)	Inflation-linked	With profits (4.5%)
Married Female					
50	5 916	4 076	4 723	4 365	5 626
55	6 207	4 282	5 068	4 727	5 966
60	6 591	4 560	5 537	5 200	6 429
65	7 125	4 941	6 157	5 833	7 066
Single Female					
50	6 198	4 205	4 895	4 647	5 910
55	6 507	4 448	5 291	5 062	6 303
60	6 913	4 776	5 829	5 597	6 826
65	7 483	5 229	6 509	6 306	7 535
Married male					
50	6 079	4 055	4 728	4 382	5 739
55	6 413	4 255	5 060	4 716	6 039
60	6 823	4 519	5 483	5 097	6 409
65	7 348	4 869	6 028	5 629	6 954
Single male					
50	7 165	4 668	5 376	5 325	6 721
55	7 777	5 078	5 929	5 805	7 180
60	8 526	5 627	6 609	6 296	7 661
65	9 472	6 368	7 437	7 050	8 447

These insurance company annuity rates are based on the following:

Commencement date	: 1 August 2022
Commission loading	: Nil
Administration expenses	: Upfront capital deductions; monthly administration, investment management and platform fees
Payment frequency	: Monthly
Spouse's pension	: 60%
Pension increase allowance*	: Inflation-linked (i.e. CPI guaranteed) OR 4% "with profits" purchase category OR 4.5% "with profits" purchase category as indicated.
Other provisions	: No guaranteed payment period, no annual bonus

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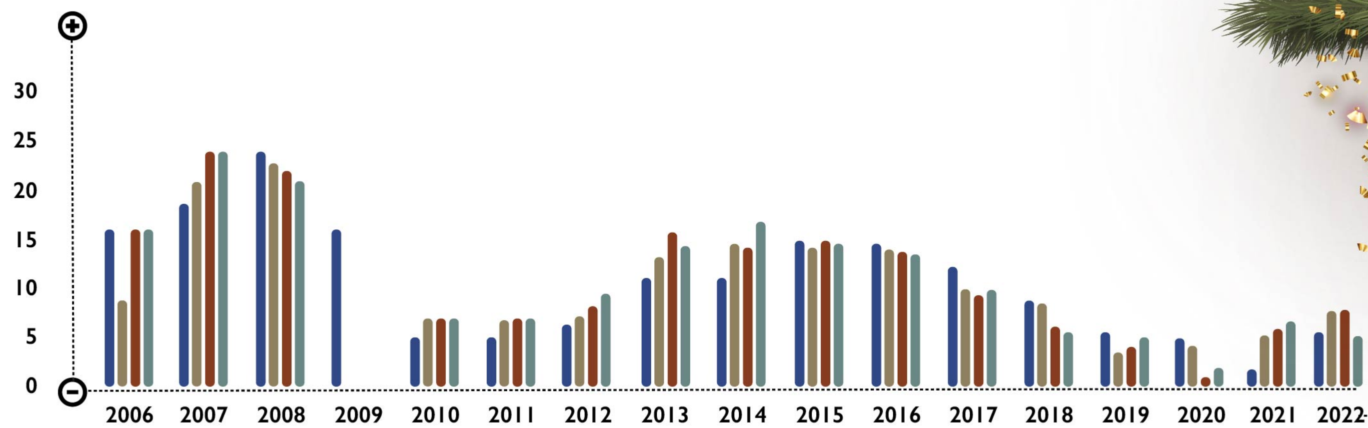
* With-profit pensions are a type of annuity product where the insurer declares pension increases each year which should in part offset the effects of inflation. The with-profit product is available at various "post-retirement rates" or "pri's". The higher the pri the higher the starting pension but the lower the future pension increase expectations and vice versa. The EPPF's current pri is 5.9% and the Fund aims to grant increases in line with inflation, subject to affordability. Ideally, we would have wanted to obtain quotes from the insurers on the same 5.9% pri but this was not possible. The highest pri available from insurer 1 is 4.5% and the highest pri available from insurer 2 is 4.0%. The pension increase target from these insurance products is between 80% and 90% of inflation.

Stay in the Loop: C) Fund Interest Rate



Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4
2006	16%	16%	16%	16%
2007	18.5%	21%	24%	24%
2008	24%	23%	22%	21%
2009	16%	0%	0%	0%
2010	5%	7%	7%	7%
2011	7%	7%	7%	7%
2012	6.5%	7.25%	8.25%	9.5%
2013	11.5%	13.5%	16%	14.7%
2014	14.5%	14.7%	14.63%	17.15%
2015	14.9%	14.5%	15.16%	14.84%
2016	14.93%	14.19%	13.96%	13.87%
2017	12.52%	10.25%	9.64%	10.18%
2018	9.13%	8.40%	6.21%	5.78%
2019	5.92%	4.06%	4.54%	5.09%
2020	5.07%	4.42%	0.24%	3.06%
2021	3.05%	5.34%	6.28%	6.43%
2022	5.88%	7.51%	7.91%	5.74%

The fund interest rate for 1 September to 30 December 2022 is 5.74%

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Stay in the Loop: D) Unclaimed Pension Fund Benefits

Educate members with sufficient knowledge to solve the problem of unclaimed pension fund benefits

Whilst it's necessary to inform the public that there *are billions of rands of unclaimed pension fund benefits, the big question is, is the message reaching the ears, and are those people aware of where to go to enquire and claim, asks Andrew Mothibi, Legal Advisor at the EPPF.

Knowledge gap

Early this year the Financial Sector Conduct Authority (FSCA) issued a report that shows that there are more than R47 billion in unclaimed retirement benefits belonging to SA workers and their dependants.

The reportedly increasing figures are indicative that millions of people don't pay close attention to retirement fund matters.

The Pension Funds Act defines an unclaimed benefit as any benefit payable by a retirement fund that remains unpaid for a period of 24 months.

According to the Retirement Reality Report (RRR21), there is a widespread lack of knowledge by retirement fund members, especially low-income earners, about the scheme they belong to, with only 39% of respondents believing they have a good understanding of their fund.

The report also finds that most respondents who at some time belonged to a corporate retirement savings fund, regrettably know truly little about their investment.

This lack of knowledge is attributed to a low correlation between employer and fund. In addition, the complexity and lack of transparency in some corporate schemes is to blame.
Overall, this affectsmembers (and their beneficiaries) who are not well-informed or educated about the potential benefits that they can claim from retirement funds.

Financial sector's role

If we do not solve the problem of educating members about aspects of the funds that many do not understand, the unclaimed benefit figures will not reduce.

It's of utmost importance for companies to educate workers about what fund they belong to and what they are therefore entitled to and where to claim at a point where benefits become due.

It is, after all, the responsibility of all financial service providers to adequately equip members and the public about unclaimed benefits and benefits of paid-up members on an ongoing basis.

Members should also get educated about complex and intimidating subjects such as members' right to know that, for example, the company they work for does not have its own stand-alone fund but that they participate within an umbrella fund that is administered by a registered fund provider.

What this does is empower the member to someday know where to go should they wish to claim. With that knowledge, they will remember to claim directly from the former employer or directly from the fund administrator.

Who gets to claim?

The distinct categories of people who would become entitled to an unclaimed benefit are former members, dependents (spouses or children), and or an ex-spouse.

It's important to point out that when the retirement fund benefit is classified as unclaimed it cannot be forfeited, which means all retirement funds must preserve that benefit until it is claimed.

In the case of other beneficiaries, a lot of us have/had parents, grandparents, elders, and people who are our next of kin that worked somewhere before. The responsibility now lies with us to check if there was some surplus that was declared long after they had left that employer or after they had withdrawn from that fund.

Where can you check for an unclaimed benefit?

The first place is with the retirement fund to which you (or your next of kin) were a member. Usually, former employers will have some information indicating the previous employees' period of employment at the company.

Alternatively, the Financial Sector Conduct Authority (FSCA) has a user-friendly online platform for anyone who wants to check if they have any unclaimed benefits.

Basic information such as the name, surname, identification number, fund name, and or name of the former employer, is required to process the enquiry.

The regulators and lawmakers have been trying to tackle the issue of unclaimed benefits for many years now, and they have adopted different strategies to deal with this over time.

Going forward, all relevant stakeholders i.e., employers, retirement funds and their administrators, and Government should ensure members are well informed and educated about fund matters. If you solve the problem of knowledge and the how-to, you solve the issue of unclaimed benefits.

For the benefit of their partners and children, continuous and reachable media platforms (community and regional media radio stations, and publications) should be used if the intention is to reach the right ears.

Preserving Your Pension Fund: Shyless Shai, EPPF Human Capital Executive

Why young people should save and preserve their pension funds

When an event like retirement is far in the future, employees think about it more abstractly, only refocusing on the practical aspects as it draws nearer. So how can you use this to motivate workers to save?

According to the South African Retirement Reality Report 2021 (RRR21), the number of young people's (16 to 34) retirement preparedness is worse than before.

76% of these group attribute their lack of saving to varied reasons such as not seeing retirement as a priority at this stage of their life, not affording to save due to nothing left at the end of the month, and others saying they will rely on government or family support. While retirement might be the last thing on young people's minds, the truth is, it's not too early for them to plan for their post-work lives.

"When changing jobs, retirement savers have the option to preserve their savings, either within their current retirement fund or to transfer tax-free to a new employer's fund or to a preservation or retirement annuity fund," says Shyless Nkuna, Executive Head: Human Capital at EPPF.
Yet many members cash out their full benefit and this survey confirms that many South Africans, especially young people just don't consider the dos and don'ts of retirement saving.

What does preserving a pension fund mean?

Preserving simply means keeping your pension or retirement annuity fund when moving from one employer to the next until you retire.

Instead of withdrawing your money, you decide to keep it with its current fund administrator.

Benefits of preserving

The study shows that 71% of respondents indicated they had no retirement savings plan at all, with 39% believing they have a good understanding of their fund, while a quarter admits to having no idea at all.

"This is reason enough to want to educate yourself and consider getting on a saving plan, and most importantly to preserve your pension fund until the day you decide to retire," adds Nkuna.

Tampering with your pension means at the point of joining the other employer you are literally starting from nothing, putting you on a backfoot compared to someone who won't touch their pension fund.

"Young people especially, often think they will make up the saving later in life. That might not be a realistic chance because saving doesn't get easier when one gets older. Whilst your salary might increase but so do your living expenses."

Another big issue is losing out on the whole concept of compound interest over time that you can earn when compared to transferring the full amount into a preservation fund.

By preserving you get to benefit from the compound growth over the years: Compound growth simply means the interest you earn on a balance in a savings or investment account, is reinvested to earn you more interest.

You can also choose to defer your pension fund: A deferred pension is a pension that you delay taking until later in life, thus the longer you wait before accessing your savings, the higher your potential retirement income could be.

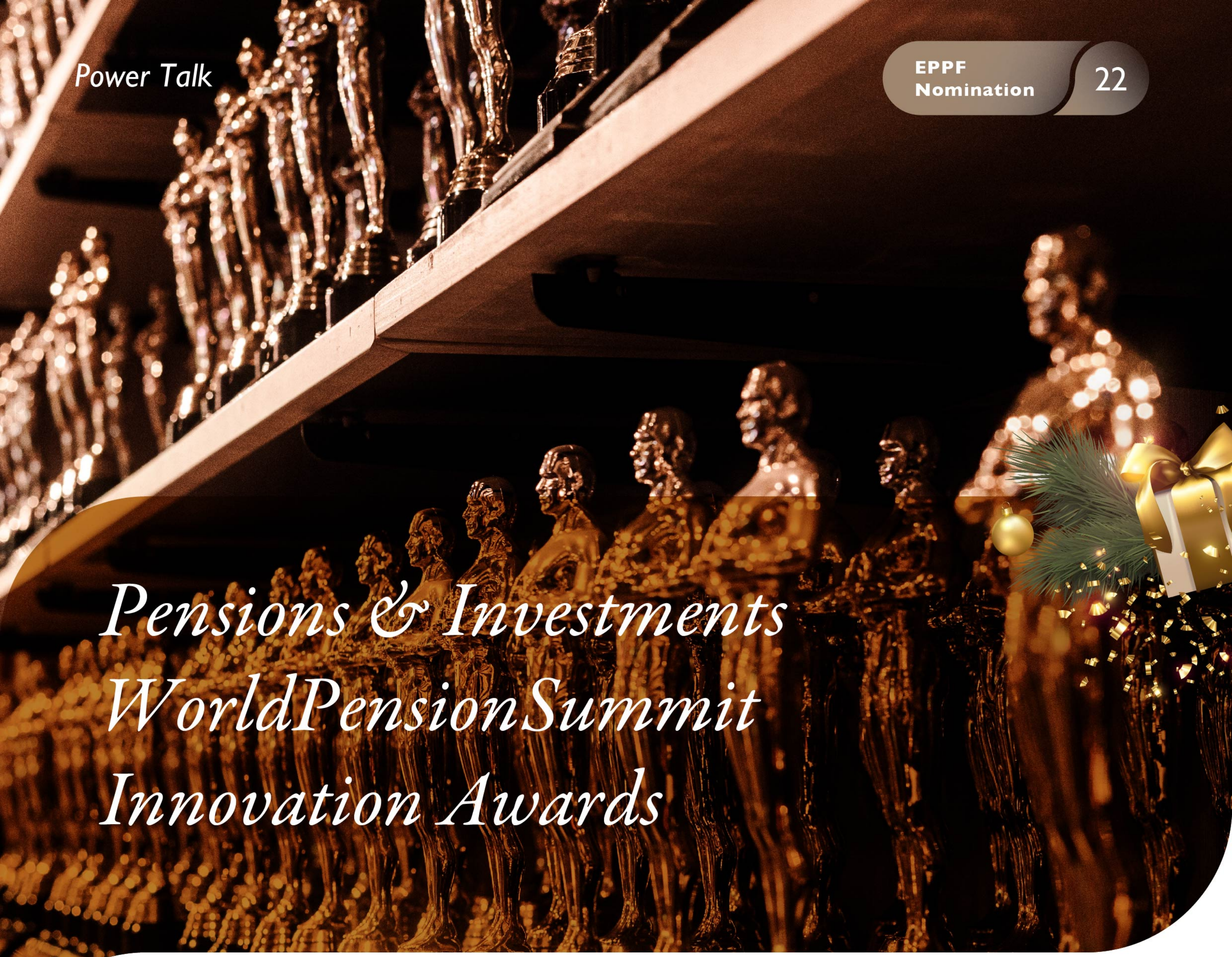
A practical example is when you move from Company A, you can decide to preserve your pension fund with the same fund administrator and start new contributions with company B, earning you more for when you are to retire.

Longer life

There are research findings that indicate chances of one being able to increase their lifespan through modern-day medical technologies.

Considering that more people could potentially live to a 100 is another reason to preserve more to be able to carry you through when you are no longer on top of your A-Game.

"With the above said, it might look like retirement is far, but it's not. Be wise and save before retirement comes knocking and you find that you have nothing or very little to live off when you can't be economically active anymore," says Nkuna.



Pensions & Investments WorldPensionSummit Innovation Awards

We're excited to share news of an incredible recognition: The EPPF was nominated for the annual Pensions & Investments WorldPensionSummit Innovation Awards 2022! We were nominated under the category of Technology Innovations for our digital transformation journey.

We congratulate the Information Technology (IT) team, headed by Yolisa Skwintshi, for their continuous commitment to improving the lives of our members and pensioners through technological innovation. In particular, the launch of the EPPF's digital omnichannel has garnered this recognition. Our digital platforms allow members to self-service in various ways. Whether a member has a smartphone or not, they can virtually access key information about their pension fund from anywhere, using USSD, WhatsApp, the online member portal, or the EPPF App. Members can view frequently asked questions, update contact information, download documents and forms, and request assistance from skilled EPPF agents.

The WorldPensionSummit is a global platform for pension professionals, which connects thought leaders in the field annually. At the conference, the Innovation Awards honour solutions and initiatives that show innovative excellence, from technology and investing, to communications and plan design. Winners in previous years were selected based on their cutting-edge ideas and projects. The conference took place from 2 – 4 November 2022. All finalists were recognised during the awards ceremony on November 4 at the Louwman Museum in The Hague.

How-to Guide: Self-service Channels

Member Portal

Step 1:
Go to www.eppf.co.za

Step 2:
Login to the relevant member portal (in-service members, deferred members or pensioner and beneficiaries) using your unique number.
If not registered, click the register button and follow the prompts.

Step 3:
Explore the portal.

Mobile App

Step 1:
Download the EPPF app on iOs or Android.

Step 2:
Login using your unique number and password.

Step 3:
Explore the App.

WhatsApp

Step 1:
Download or go to your Whatsapp App on your phone.

Step 2:
Text "Hi" to 074 741 7774

Step 3:
Follow the prompts from the chatbot.

USSD

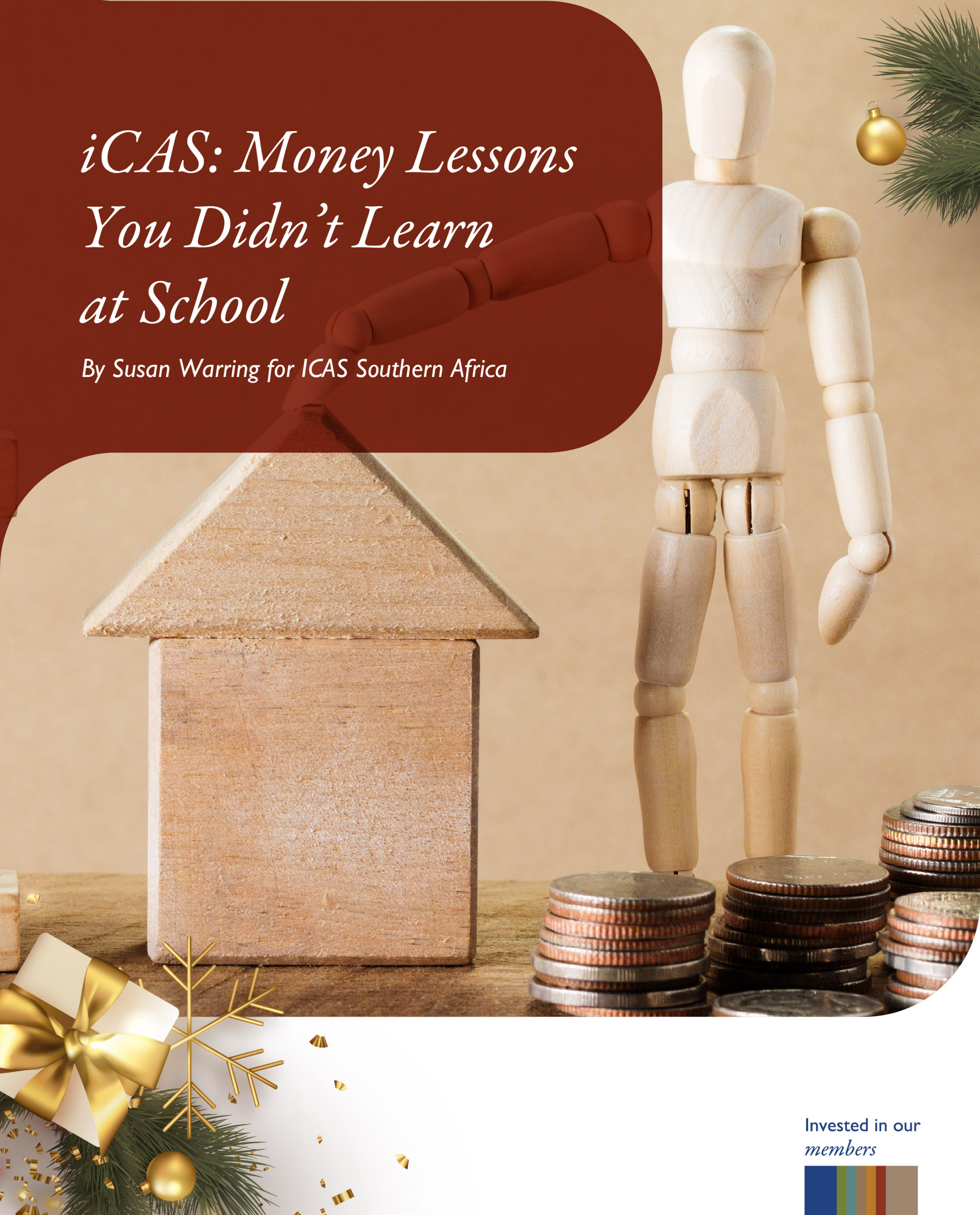
Step 1:
Dial *120*1037#

Step 2:
Follow the prompts for more information.

Enjoy and stay connected!

iCAS: Money Lessons You Didn't Learn at School

By Susan Warring for ICAS Southern Africa



Invested in our *members*

What did you learn about money at school? When you think about it, most of us might not remember much.

"American children and adults routinely fail basic financial literacy questions, and personal finance is not a part of the vast majority of schools' curriculums." This is according to Wilson Muscadin, a financial coach and accredited financial counsellor with nearly 20 years of financial services industry experience. In The Money Speakeasy, he seeks to help us remedy that important gap in our education.

Muscadin is one of a group of passionate financial literacy teachers that includes Robert Kiyosaki, famous for his Rich Dad Poor Dad series of books. Kiyosaki is outspoken on the topic. In a video interview with the motivational channel The Outcome, he says: "A question I ask all over the world, what does school teach you about money? And the answer is nothing, and that's not a mistake, it's not an accident.

I knew that, most people know that. But the way to keep the poor middle class working hard is never teach them what the rich know."

These are strong words! And very concerning. But here's how Muscadin says you can catch up.

Muscadin's most important financial lessons:

Money should not be worshipped but it should be respected. It impacts nearly every aspect of our lives, including our health, according to a meta-analysis in Clinical Psychology Review's findings "that more severe debt is related to worse health; however, causality is hard to establish."

Debt is a pitfall many people are not sufficiently aware of. Nerdwallet explains that some debts – like those that go towards buying something we can't afford and which loses value (like fashion or short-term loans people take to tide them over tough times) – carry very high-interest rates and costs. This means if you fall behind with repayments, the amount you have to repay can quickly escalate.

Think about retirement long before retirement age. As Muscadin says, "You're working for 40 years (ages 25-65) to fund not working for 30 years (ages 65-95). You need to find a way to save 30 years' worth of income in 40 working years. Don't wait until your 40s to start thinking about retirement investing. Also, don't assume you can work into your 70s either; your health may not accommodate it."

Learn to wait. "Personal finance is much more about behavior and mindset than money and math", says Muscadin. "It takes self-awareness and discipline" to walk into a shop and only purchase the one item we went there to buy. "We are not rational when it comes to money, and we must understand ourselves well enough to counteract it."

Debt difficulties do not define you. Mixed Up Money – Alyssa Davies' award-winning Canadian personal finance website that aims to make money conversations comfortable – says, eventually, "you learn that almost everyone has financial challenges at one point in their lives – and likely more than once." Pick yourself up, learn what you need to and keep going, is her message.

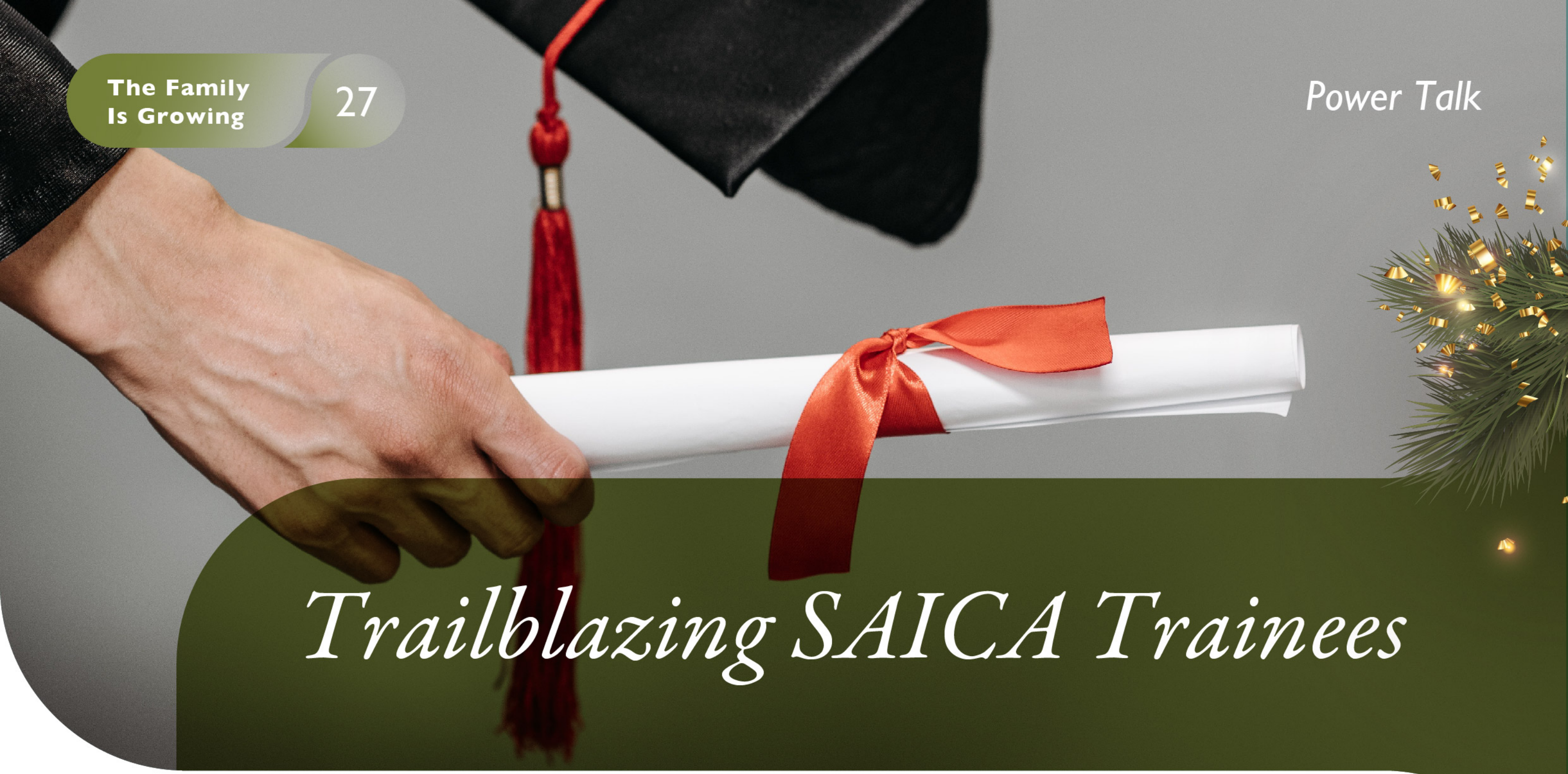
However, if the lessons came too late and you need assistance with debt difficulties, it may be best to consult a registered and qualified debt counsellor (or equivalent professional in your country).

Integrated Annual Report

We are proud to share our latest Integrated Annual Report with you. The theme, 'Protecting and advancing the interests of members', speaks to the EPPF's C.A.R.E values (customer-centric focus, accountability, resourcefulness, and excellence). These values drive every bit of work that the team undertakes. The Integrated Annual Report details the Fund's performance and achievements, along with our outlook. In compiling the publication, we considered various touchpoints within our ecosystem to include the financial, legal, risk, human capital, and stakeholder perspectives.

This year, we have also put together an annual report quick guide, with information that is hand-picked for you as a member of the EPPF. This short summary will give you an overview of key aspects of the report, which may be of interest to you.

Go to www.eppf.co.za for the full report.



Trailblazing SAICA Trainees

The EPPF's SAICA trainees are in the throngs of exam season. Learn more about them and what keeps them going as they strive for an impactful future.

Gomolemo Makhalemele

I am writing my final SAICA board exam, which is called the Assessment of Professional Competence (APC). I am feeling extremely motivated and excited to finally be at the finish line. The SAICA APC exam is the last exam I will be writing on my journey to qualifying as a CA(SA). I have been blessed to have an amazing mentor, Makungu Maluleke, who is also on the SAICA Training programme as my mentor for this exam. She has taken me through a rigorous programme to prepare for this exam and I am ever so grateful to her for taking her time to walk this journey with me.

I come from a family of entrepreneurs, and I witnessed my great-grandfather, Mr Mogoasa Stephen More build businesses from the ground up. This motivated me to pursue a career that would give me endless opportunities to gain experience in the world of business and create long-term value for organisations and the communities in which they operate in.

At the end of exam season, I'll wind down with shopping, shopping and some more shopping! I deserve to reward myself for all the hard work I have put in throughout the year. I will also be going on holiday with my family.

My advice to those who will find themselves where I am now is to BE CONSISTENT. As Robert Collier once said, success truly is the sum of small efforts, repeated day-in and day-out. Always strive for nothing less than your absolute best!

Priscilla Raphasha

I'm feeling motivated and determined to pass the SAICA APC exam. Becoming a CA(SA) has been a childhood dream of mine. When I was in Grade 7, I read an article about Nonkululeko Gobodo who made history when she became the first black female charted Accountant in South Africa in 1987, her story and journey motivated me to embark on the journey to become a CA(SA) and to challenge myself to achieve what many might believe is impossible on my journey to become a CA(SA).

At the end of exam season, I just want to get some well-deserved rest and spend time with my family and friends.

My advice to future generations who will find themselves in my position in a few years is to remain focused, work hard and not let disappointments and failure discourage them on their quest to qualify as a CA(SA).

Siyabonga Mabunda

I wrote my final professional programme on the 1st of October 2022. Upon receiving favourable results, I'll be allowed to write the second (final) SAICA board exam (APC) towards qualifying to be a Chartered Accountant. So far, I am a bit excited and cannot wait to complete the board exam, it has taken me the whole year to try to obtain the relevant certificate through a professional board course. This will allow me to sit for the exam in the second week of December 2022.

From a young age, I was heavily involved in running the family spaza shop where I helped my grandmother with sales, maintaining the cash register, stock filling, stock count and restocking (amongst other things). At the time I had no idea that this could be career.

As I grew older, I became fascinated with how businesses run, generate sales and ontribute to the society at large. That's when I was introduced to the principles of Accounting, Auditing, Taxation, and financing by my lifelong mentor (my accounting teacher).

From there on, the wheel never stopped rolling.

My post-exam celebration plans include going out with my friends, traveling home and spending quality time with my family. I'd also like to catch up on my favourite movies/series and continue my involvement in football (to stay in shape).

If you're on the same path as me, you should know that the journey is not meant to be easy. Keep pushing, stay in your own lane, and it will all work out at the end.

Update of Personal Information

It is important for the Fund to have accurate and up-to-date records of your personal information, hence we urge members to update their personal information. This includes ensuring the the Fund has the correct souse's date of birth. Should you got through a divorce and remarry, please ensure that you update the Fund with the details of your new spouse.

Call: 0800 11 45 48
Visit: www.eppf.co.za

POPIA

Protection of Personal Information Act (POPIA)

In 2013, certain sections of the POPIA came into effect. The POPIA seeks to regulate the processing of personal information by responsible parties, in this case, the Fund. The purpose of the POPIA is to ensure that all South African institutions conduct themselves in a responsible manner when they are in possession of another entity or person's personal information. This includes prohibiting the sharing of a member's personal information with third parties without the consent of the member. The Fund complies with the POPIA to ensure that our members' information is secure and protected. Therefore, the EPPF does not provide pension information to third parties (e.g; financial advisers) unless authorised by the member or compelled to do so by law.

POPIA came into effect on 1 July 2020, As an organisation which places its members, and the safeguarding of their personal information high on our priorities list, we embarked on a journey towards POPIA compliance some time ago. The remaining provisions of POPIA came into effect on 1 July 2021.

Contact us

Register on www.eppf.co.za to access your payslip

Please update your personal details before the payroll closing date

Please update your personal details before the payroll closing date

Eskom Pension and Provident Fund Contact Details

Call Centre Toll-free Number: 0800 11 45 48
Website: www.eppf.co.za
Email: info@eppf.co.za
Postal address: Private Bag X50, Bryanston, 2152
Website address: www.eppf.co.za
Fax: 0866 815 449

Head Office and Walk-in Centre

Isivuno House, EPPF Office Park
24 Georgian Crescent East
Bryanston East
Johannesburg, 2191
Tel: 011 709 7400
Mobile: 067 429 0042

Emalahleni Walk-in Centre

House no 27, Eskom Park,
Visagie Street, Emalahleni, 1035
Tel: 013 693 3240 / 013 693 3918
Mobile: 067 429 0035 / 067 429 0030

Cape Town Satellite Office

60 Voortrekker Road, Belville, 7530
Tel: 021 915 2721
Mobile: 067 429 0210

East London Satellite Office

Sunilaws Office Park, Blocl A
Corner Quenera Drive and Bonza Bay Road,
Beacon Bay, East London 5241
Mobile: 067 429 0034

Durban Satellite Office

KwaZulu-Natal Eskom Regional Office,
25 Valley View Road, New Germany 3620
Mobile: 067 429 0114

Limpopo Satellite Office

66 Hans Van Rensburg Street,
Polokwane Central, Polokwane 0700
Mobile: 067 429 0035

WhatsApp 072 741 7774 | USSD *120*1037# | EOS USSD *134*20072# | Web Chat www.eppf.co.za

Third-party contact Details

INDWE
(Car & Home Household Insurance)

Telephone number: 011 912 7300
Email: indwe@indwe.co.za
Claims: newclaims@indwe.co.za

SANLAM SKY
(Voluntary Burial Scheme)

Telephone number: 0860 302 922
Email: Eskomservicing@sanlamsky.co.za
Whatsapp chat: 0860 222 556
Claims: Eskomclaims@sanlamsky.co.za

MEDICAL AID CLAIMS AND AUTHORISATIONS

Bonitas Medical Aid
0860 002 108

Medihelp Medical Aid
0860 100 678

Bestmed Medical Aid
0860 002 378

Discovery Medical Aid
0860 998 877

Sizwe Medical Aid
0860 100 871

MEDICAL AID CONTRIBUTIONS

Email: medicalaidqueries@eppf.co.za

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