



Political Office-Bearers  
Pension Fund

## **POLITICAL OFFICE-BEARERS PENSION FUND**

### **NOTE OF ISSUES DISCUSSED AT TRUSTEE MEETING, 19 JULY 2024**

*To be used by Trustees in briefing their colleagues in Parliament or their Legislatures, and to be posted on the Fund's website. This is not a full report on all issues discussed at the meeting (which are covered by the draft Minutes of the meeting), but deals with issues that will be of interest to members of the Fund.*

**When providing feedback to members, Trustees are again asked to remind members to complete nomination forms for the funeral benefit and Fund death benefit.**

1. The process for electing new member Trustees and alternate Trustees following the National Election on 29 May is ongoing. The Minister of Finance has provided the names of the employer Trustees and alternates who will represent him on the Trustee Board. In terms of the Fund Rules, the current Trustee Board will continue in office until the incoming Board convenes (now scheduled for 12 September). A formal handover from the current Board to the incoming Board will take place at this meeting.
2. Presentations were carried out at the various legislatures before the Election, to explain the options available to members who leave office. A round of presentations aimed at new members (to explain the operation of the Fund and the benefits provided) has begun. The Fund is also engaging with HR staff at the legislatures.
3. The Fund still awaits the Financial Sector Conduct Authority's approval of the rule amendment to give effect to the "Two Pots" pensions reforms, which will take effect on 01 September 2024 following recently legislated changes to the Income Tax Act and the Pension Funds Act. This will be a focus of member communication in the coming weeks.
4. The Trustees approved a "practice note" describing the operation of the new option for retiring members to take an in-Fund living annuity (i.e. a pension paid from the Fund itself). Members choosing this option must invest a minimum of R 2 million in the in-Fund living annuity – further information is included in the Leavers' Pack available on the Fund website ( [www.pobpf.co.za/home/member-guides](http://www.pobpf.co.za/home/member-guides) ).
5. The net investment return credited to members for first quarter of the new financial year, i.e. the 3 months to 30 June 2024, was +2.4%. (As noted previously, the net return credited to members for the financial year ending 31 March 2024 was +10.0%.) Updated investment returns are posted monthly on the Fund website ( [www.pobpf.co.za/investments/investment-performance](http://www.pobpf.co.za/investments/investment-performance) ).
6. The Fund was holding some R 1 billion of cash and money-market investments (out of the total member investments of R 3.7 billion) at the end of May, to provide funding to pay

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Registration Number : 12/8/35658/1 Website : [www.pobpf.co.za](http://www.pobpf.co.za)

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benefits as needed following the National Election. However, by mid-July almost three quarters of the money-market investments had been paid out or earmarked for pending benefit payments. The Board therefore approved a scheme for proportional disinvestments from the long-term portfolios, once the cash and money-market holdings are depleted, as significant further benefit payments are expected.

7. The Trustees have agreed that the following changes to the insured benefits provided for Fund members will take effect, **as from 01 August 2024**:

- The insured benefit provided on the death of a member while in office (in addition to the member's Fund Credit, i.e. savings balance in the Fund) will increase from 3.5 times the member's yearly pensionable salary, to **4.0 times** the yearly pensionable salary. (Pensionable salary is 60% of the remuneration package.)
- The benefit normally payable on the death of a member's spouse will also increase from 0.5 times the member's yearly pensionable salary, to **0.75 times** the yearly pensionable salary. (Special provisions apply to members with multiple spouses.)

This is also explained in a Newsflash posted on the Fund website ([www.pobpf.co.za/home/newsflashes](http://www.pobpf.co.za/home/newsflashes)).

8. On a recommendation by the Fund's actuary, the Fund Credits (savings balances) of members as at 31 March 2024 will be increased by 0.70%, being a special distribution from the Fund's reserves. This will apply to all members who had a Fund Credit on 31 March – if the member has subsequently taken a benefit from the Fund, the 0.70% enhancement will be paid out as an additional amount.

Trustees and members are reminded that full details of the Fund's benefits and investment returns are provided on the Fund's website at [www.pobpf.co.za](http://www.pobpf.co.za). Newsletters and other useful information are also posted on the website.

Members leaving office and wishing to take benefits are again directed to the website [www.pobpf.co.za](http://www.pobpf.co.za) for the **Leavers' Pack** (under Member Guides on the home page) and the **forms** for claiming benefits (under Forms on the home page), and also to the **Newsflash** "*Election 2024 – important things to know!*" which can also be accessed via the home page.

Hon. M G Boroto  
Chairperson  
August 2024

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