



Political Office-Bearers
Pension Fund

POLITICAL OFFICE-BEARERS PENSION FUND

NOTE OF ISSUES DISCUSSED AT TRUSTEE MEETINGS, 10 DEC. 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 asked to remind members to complete nomination forms for the funeral benefit and Fund death benefit, and to register for AF Connect access. Full details are available at www.pobpf.co.za.

1. This was the second meeting of the new Trustee Board.
2. The Independent Commission for the Remuneration of Public Office-Bearers has submitted its "Consolidated Remuneration Review Report 2024", with its recommendations, to the President. While the report recommends no changes to the current pensions regime for political office-bearers (the current Fund members), a key recommendation is that Municipal Councillors should be brought on as members of the Political Office-Bearers Pension Fund. The Trustees have considered this and have some practical questions and concerns. The Trustees will engage further with Government on this issue.
3. The Board agreed that the fee charged to "paid-up" members (members who have left office but have not yet chosen to take benefits from the Fund) should be increased from R 235 to **R 242.50** per month, as from 1 April 2025.
4. The "Two Pots" pensions reforms are in place now – further information is available on the Fund website (see the **Savings Benefit Withdrawals guide** under Member Guides on the home page). At the time of the Trustee meeting, 22 Fund members had made Savings Benefit withdrawals, averaging some R 32 000 each before the deduction of tax.
5. The investment report for Quarter 3 of 2024 was tabled at the meeting. Members have been credited with a net-of-fees return of 6.9% for the first 6 months of the financial year (i.e. the 6 months ending 30 September). Investment returns are updated monthly on the Fund website.
6. The Fund has carried out a review of the costs of the insured benefits provided for members (the premium rates) using data for the new Fund membership post the Election, which shows that the average age of the membership has reduced. This exercise shows that it should be possible to pay lower premiums and also to improve the benefits currently payable on the death of a member or a member's spouse. The Trustees are pursuing this

Registration Number : 12/8/35658/1 Website : www.pobpf.co.za

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with the National Treasury and the insurance companies – further information will be provided in due course.

7. The actuary tabled his valuation report covering the year to 31 March 2024. This showed that the Fund was financially sound as at that date, with sufficient assets to provide for an acceptable level of reserves and also to permit a distribution to members equal to 0.7% of each member's Fund Credit (retirement savings balance) on 31 March 2024.
8. For the current in-service and paid-up members (who had a Fund Credit as at 31 March 2024), the 0.7% enhancement will be added to their Fund Credits. For those who left office after 31 March and have already taken benefits from the Fund, the administrator will pay out the enhancement amount as an additional benefit, in the coming weeks.

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. Newsletters and other useful information are also posted on the website.

Members leaving office and wishing to take benefits are directed to the website 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). For members wishing to take the (limited) cash withdrawals from their retirement savings that are now permitted under the Two Pots regime, there is a **Savings Benefit Withdrawals guide**, also under Member Guides on the home page.

Hon. K A Ramolobeng
Chairperson
January 2025

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