



Political Office-Bearers
Pension Fund

June 2025

Letter to members of the Political Office-Bearers Pension Fund

Dear colleagues,

This Newsletter deals with the following issues:

1. Increase in insured benefits – death of a member or a member's spouse
2. Investment performance
3. Benefit statements – year ending 31 March 2025
4. Enhancement to members' benefits as at 31 March 2024 - update
5. Recent rule amendments
6. Reminder – nomination forms
7. Website - where to get further information about the Fund and its benefits

I hope that this provides interesting reading and useful information.

The Board wishes members and their families all the best for the coming year.

SENT ELECTRONICALLY AND THEREFORE NOT SIGNED

(Ms) K A Ramolobeng, MP
Chairperson, Board of Trustees

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1. Increase in insured benefits – death of a member or a member's spouse

As noted in the Newsflash issued in March (available under the Home > Newsflashes page of the Fund's website, www.pobpf.co.za), the insured benefit payable on the death of a serving member was increased to 5.0 times the member's yearly pensionable salary, as from 1 April 2025.

The insured benefit normally payable on the death of a serving member's spouse was increased to 1.0 times the member's yearly pensionable salary, from the same date.

Otherwise, the terms and conditions applying to these benefits remain unchanged. (The insurer changed from Sanlam to Momentum Life, as from 1 April.) As a reminder, the pensionable salary is 60% of the gazetted remuneration package.

For further information, please refer to the Newsflash.

2. Investment performance (investment growth)

The Fund's investment returns are posted on the Investments > Investment Performance page of the Fund's website. The page is updated each month with the latest monthly return credited to members' retirement savings accounts.

The Fund's investment strategy aims to combine the objective of good long-term investment growth (relative to inflation, and after all fees and costs) with a desire to avoid large losses over short-term periods, especially when we get nearer to an Election. The strategy is fairly conservative compared to the strategies favoured by other retirement funds (at least for their younger members).

Even so, there is the possibility of negative returns in particular months, or even over longer periods – although the greater allocation to cash and money-market investments should dampen these down to some extent. Members should however not be panicked by such losses – the reason the Fund has these investments (in shares and bonds) is that they are expected to be the drivers of long-term inflation-beating growth.

The Investment Sub-committee of the Trustee Board is in the process of reviewing the investment strategy that is currently in place, to decide whether any changes are necessary for the current Parliamentary term. This review includes possible changes to the over asset allocation (mix between shares, bonds and other investment types, as well as the mix between local and foreign investments) and also possible changes to the investment managers used by the Fund.

It is pleasing to report that the net return credited to members over the financial year that ended on 31 March 2025) was **+11.6%** - this is the return applicable to those who were members for the full financial year, including the period before the 2024 Election. The net return for the first two months of the new financial year (April and May 2025) was **+4.7%**.

3. Benefit statements – year ending 31 March 2025

Benefit statements as at 31 March 2025 will be issued in June.

The format of the benefit statements and the accompanying notes have been revised to allow for the Two Pots pensions reforms that took effect in September 2024. The statements will show the split of members' retirement savings in the Fund between the so-called Vested Pot, Retirement Pot and Savings Pot, and will show the build-up of these "pots" over the year.

Members who first took office at the 2024 Election will of course have a zero opening balance as at 01 April 2024.

4. Enhancement to members' benefits as at 31 March 2024 - update

In the January newsletter we reported that, on recommendation by the Fund's actuary, the Trustees had resolved that the Fund Credits of all members as at 31 March 2024 (including paid-up members) should be enhanced (increased) by 0.7%.

The extra allocation of 0.7% of each member's Fund Credit as at 31 March 2024 is **included** in the opening balance reflected in the 2025 benefit statement. This means the opening balance will be 0.7% higher than the closing balance on last year's statement. System constraints at Alexforbes mean that it was not possible to show the amount separately.

Also as reported previously, members who exited and took benefits from the Fund after 31 March 2024 (before the enhancements were processed) will receive an additional amount, paid separately. Alexforbes is processing these further payments.

5. Recent rule amendments

No further rule amendments have been made after amendments 6, 7 and 8 as reported in the January Newsletter, but a consolidated set of Rules (including amendments 1 to 8) was approved by the FSCA during May and has been posted on the Fund website, at Home > Fund Documents.

6. Reminder – nomination forms for Funeral Benefits and Fund death benefits

Members who have not yet done so, are kindly asked to complete the "Expression of Wish" (nomination) form for the Fund death benefit, and also the nomination form for the Funeral Benefit payable on your death. (Funeral benefits are also payable on the death of a family member.)

The nomination form for the Funeral Benefit will identify the person to whom the funeral benefit should be paid, in the event of your death (R 100 000 on your own death) – **if there is no valid nomination form, the funeral benefit will have to be paid to your estate**, which means the money will not be available to cover funeral costs.



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The “Expression of Wish” form for the Fund death benefit will help us to understand your wishes in respect of the (possibly large) benefit that the Fund will pay out to your dependants, in the event of your death.

Both forms are available on the Fund’s website, www.pobpf.co.za – see Home > Forms (or else the New Members page).

The nomination form for the **funeral benefit** should be submitted to the **Members’ Affairs department at your legislature**, who have been asked to hold these forms for the Fund.

The “Expression of Wish” form for the **death benefit payable by the Fund** on the death of a member should however be sent to the administrator, at zzpobpen@alexforbes.com .

7. What to do if you have questions about the Fund and its benefits

Please contact the Fund’s administrators, Alexforbes (e-mail zzpobpen@alexforbes.com) – tel. 021 401 9300. There is also detailed information on the Fund and its benefits on the Fund website, www.pobpf.co.za . Summaries of the quarterly Trustee meetings are posted on the Newsletters & Updates page of the website, together with other useful information.

The New Members page of the fund website has an “**Induction Guide**” which gives a brief introduction to the Fund.

Members can also register for access to **Alexforbes’ online system** (AF Connect) for details of your Fund benefits, including your latest available Fund values. Information on how to do this is available on the fund website – see the Member Online Registration page. (Please do **not** try to register via the Fund website – the “Trustee Login” link is for Trustee use only.) You can also use AF Connect to update your nomination for the **death benefit payable by the Fund** (but **not** the funeral benefit nomination – see above).

Cash withdrawals from your “Savings Pot”, as provided under the Two-Pots legislation, must also be made by the Alexforbes online system, AFConnect. There is a How-to guide (Savings Benefit Withdrawals) on the fund website, which members should refer to – on the Member Guides page.

For members leaving office, the Member Guides page of the Fund website has a “**Leavers’ Pack**” with key information, including information on the Living Annuity options suggested by the Trustees for those members who are considering such investments after retirement, together with contact details for the firms providing these pension products. These firms will be able to support members who do not have their own financial advisors. **We encourage members leaving office to read carefully through the “Leavers’ Pack”.**

Withdrawal and retirement forms are also available on the Forms page of the Fund website, together with nomination forms for the Fund death benefits and also the funeral benefit payable if a member dies while in office.