



AND



PRESENT

# TWO-POT SYSTEM WORKSHOP

## 1. WHAT IS THE ASISA ACADEMY?

The ASISA Academy, in partnership with the ASISA Foundation, makes available online a full series of Retirement Fund Trustee Education (RFTE) workshops at no cost to South African retirement funds and their trustees. The Academy is the preferred service provider for the ASISA Foundation which receives grant funding from sponsors for trustee education, thus allowing the workshops to be made available in this way. This pooled initiative ensures the independence of the education programme from the individual sponsors of the ASISA Foundation. Our workshops are aimed primarily at trustees and principal officers of retirement funds and are ideally run with individual funds but can also be delivered as multi-fund courses. Since inception we have delivered more than 400 workshops to more than 4,800 trustees and principal officers in South Africa, Botswana and Namibia, with highly favourable feedback.

In the wake of South Africa (and the world) experiencing its first lockdown during the Coronavirus pandemic, the team at the ASISA Academy reflected on how we could offer our Retirement Fund Trustee Education workshops online in live sessions using videoconference and for practical time periods instead of our traditional 1-day and ½-day face-to face workshops. We have therefore, adapted our content and composition of the RFTE programme into an online offering using either MS Teams or Zoom depending on your preference. Our preference is to use Zoom with its new enhanced security features.

## 2. PURPOSE OF THE WORKSHOP

This workshop is designed to assist South African retirement fund trustees in gaining a better understanding of the intricacies, challenges, and benefits of the Two-Pot Retirement Fund System.

### 3. ONLINE WORKSHOP LEARNING OUTCOMES

The following tables summarise the Learning Areas and Learning Outcomes covered in this workshop:

#### TWO-POT SYSTEM (3 hours)

Learning Area	Learning Outcomes By the end of the workshop, delegates will be able to...
<b>Background</b>	<ul style="list-style-type: none"> <li>• Explain the dilemma and challenges of SA's low savings behaviour.</li> <li>• Reason how poor saving for retirement affects all SA taxpayers.</li> <li>• Assess the implications of failing to halt members' withdrawals from their funds before retirement.</li> <li>• Describe National Treasury's reasoning and purpose behind the Two-Pot proposals.</li> </ul>
<b>The first phase of levelling the playing fields</b>	<ul style="list-style-type: none"> <li>• Explain the historical differences between how retiring provident fund members' access their retirement savings compared with members of other retirement fund types.</li> <li>• Analyse what a retirement annuity is and how it works in theory.</li> <li>• Discuss the design and workings of the "T-Day" reforms affecting provident fund members.</li> <li>• Describe how after T-Day, the differences between retiring members of provident funds and other funds will reduce.</li> <li>• Explain how T-Day started the establishment of the first Pot.</li> </ul>
<b>Preservation and Access</b>	<ul style="list-style-type: none"> <li>• Explain the principle and importance of preservation of retirement savings as well as participation, during members' working lifetimes.</li> <li>• Describe how access to lumpsum withdrawals only at retirement does not address members' needs to manage financial hardship or emergencies during their working lives.</li> <li>• Assess the use by members of resignation or otherwise terminating employment in order to access their retirement savings.</li> </ul>
<b>Two Pots (or Three Components)</b>	<ul style="list-style-type: none"> <li>• Describe the design of the three components and the intended purpose and use of each.</li> <li>• Explain the build-up and contents of the "Vested" / First Component as at 31 August 2024.</li> <li>• Explain how the "Savings" Pot / Second Component comes into being on 1 September 2024 using "seeding" and how it may be used thereafter.</li> <li>• Assess how the "Retirement" Pot / Third Component is created on 1 September 2024 and the limits of its use until retirement.</li> </ul>
<b>Splitting of contributions</b>	<ul style="list-style-type: none"> <li>• Describe how members' contributions will have to be split after 1 September 2024 into 1/3<sup>rd</sup> Savings Pot &amp; 2/3<sup>rd</sup>s Retirement Pot.</li> <li>• Explain how this split over a member's working lifetime should largely achieve National Treasury's objectives.</li> </ul>
<b>Savings Pot withdrawal limits and tax treatment</b>	<ul style="list-style-type: none"> <li>• Describe how members may make a withdrawal from their Savings Pot on 1 September 2024 or make transfers to their Retirement Pot thereafter.</li> <li>• Set out the frequency, minimum amount and tax implications of members' subsequent withdrawals from their Savings Pot.</li> </ul>
<b>Use and limits of Retirement Pot</b>	<ul style="list-style-type: none"> <li>• Explain the build-up and limited use for annuitisation of the Retirement Pot.</li> <li>• Discuss the implications of the "de minimis" principle.</li> </ul>
<b>Member education &amp; communication</b>	<ul style="list-style-type: none"> <li>• Explain the critical need for clear, timeous and understandable communication to members of the Two-Pot system, including their rights and obligations.</li> <li>• Stress the relevance of member benefit counselling before retirement.</li> </ul>

## 4. OUR PRESENTERS



### **Tony Remas**

Tony has been practising as a retirement funds compliance consultant since 2002. Prior to that he worked in legal services for various investment advisors. He is a highly regarded practitioner in the pension fund statutory and regulatory environment, specialising in trustee education and in particular death benefit. Tony is deputy chair of the IRFA Trustee Training and Education Committee, a member of the IRFA legal and Technical Committee, and a member of the Pension Lawyers Association.



### **David Morris – B Comm, CA (SA)**

David has more than 26 years' experience of working in financial services in South Africa and the UK. After completing his articles with Price Waterhouse he worked as credit analyst and member of Nedbank's structured finance team. As the ASISA Academy Retirement Fund Trustee Education Programme Champion, David engages with stakeholders, develops workshop curricula and presents Trustee Education workshops. He is an independent trustee to the Nedgroup Beneficiary Fund and the Liberty Corporate Selection Suite of Umbrella Funds.



### **Malizole Mdlekeza – FIA, CAIA, CERA**

Malizole is a qualified actuary and chairman of the Actuarial Society of South Africa Alternative Investments committee which focuses on the suitability of infrastructure, private equity and hedge funds for institutions such as pension funds. His areas of specialization and focus within the actuarial profession are pensions and investments. In 2017, he was voted by the Mail & Guardian newspaper as one of South Africa's Top 200 South Africans.

## 5. FEEDBACK FROM PAST DELEGATES



"Today's session meant that I could consolidate everything that I had learnt over the days of the course. It has been very valuable. I am very excited about the knowledge I have gained. Great course!"

"Overall, it was definitely encouraging, and I learnt new things once again. The course would be a great tool for all our staff members."

"What an excellent day! Learnt a tremendous amount from the brilliant speakers today."

"Great lecturers from the industry that has a wealth of knowledge to share. Thoroughly enjoyed it!"

"The program has broadened my perspective in terms of the actual industry - I am learning so much. It has been a great experience so far."

"Programme is fantastic, makes you apply your mind especially to the things you know but are ignorant of."



## 6. WORKSHOP CODE OF CONDUCT

Delegates, presenters and other Academy staff are all expected to engage in the following ways.

1. Delegates commit to learning on the course.
2. Delegates and Academy staff commit to signing in at least 10 minutes prior to the starting time so as not to delay the commencement of the session which puts pressure on the presenter and other delegates. The Zoom/ MS Teams room will open 10 minutes before the workshop is due to start. Please ensure that you have logged in and settled down comfortably by the starting time.
3. Academy staff commit to starting the workshop on time.
4. Delegates are requested to switch on their cameras at the start of the session. After introductions we request delegates to switch off their cameras in order to keep the platform stable and data usage optimised.
5. Delegates must ensure that their audio is muted throughout the session, except when participating in discussions or posing questions.
6. If delegates have questions or comments, they can use the chat platform or click the raised hand icon which can be located on the screen's "floating bar" in Microsoft Teams and by clicking on the "Participants" button in Zoom.
7. The presenter will agree a break time with delegates as part of the introductions.
8. When returning from the breaks, delegates are requested to switch on their microphones on re-entering the session so that the presenter can have an indication of the number of delegates that are back.
9. Delegates must advise the Academy if they are not able to make a session or if, for unavoidable reasons, they are going to be late.

## 7. MONITORING AND EVALUATION

The ASISA Foundation-sponsored Trustee Education workshops are formally monitored and evaluated (M&E) by an independent agency. This M&E process ensures our trustee education programmes are planned and presented in a manner which brings about effective knowledge transfer, with real improved governance and financial literacy amongst delegates for the ultimate benefit of fund members and beneficiaries. The context of our online workshops has required adaptation of the M&E process, as explained below.

### DELEGATE INTAKE FORMS

Each delegate will be asked to complete and submit online intake forms before the commencement of the workshop, including details of their retirement fund, role in the fund board, email address and demographics. We are required by the Financial Sector Code in the context as a BEE Regulator to keep statistics based on demographics and gender, hence we request that all demographic and gender statistics should be completed.

### ASSESSMENT FORMS

Delegates will receive an online link to a workshop assessment form at the end of a workshop on which they are required to score various aspects of the workshop and make compliments or suggestions for improvements. Comments made by delegates may be used in marketing material.

### M&E FEEDBACK FORMS

A first set of online questions is supplied to delegates via an online link before the workshop which delegates are asked to complete before the workshop commences. A second set of the same questions will be supplied via an online link to delegates at the end of the workshop. Answers are completely anonymous.

## ATTENDANCE CERTIFICATES

Delegates who have submitted all of the workshop documentation described above will receive emailed ASISA Academy attendance certificates which reflect 3 Batseta CPD points in respect of the half-day workshop. The fund remains responsible for ensuring that the CPD points awarded are updated on the Batseta database.

## 8. CONTACT INFORMATION

For course dates, venues and other information please contact the ASISA Academy on:

- Email: [LEARN@asisaacademy.org.za](mailto:LEARN@asisaacademy.org.za)
- Landline: +27 21 673 1620
- Website: <https://www.asisa.org.za/academy/programmes/retirement-fund-trustee-education/>