



PRINCIPAL OFFICER

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ADMINISTRATORS

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08 July 2024

Dear Member

TRANSNET RETIREMENT FUND- REDUCED COST OF INSURED BENEFITS WITH EFFECT FROM 1 APRIL 2024

This notice is to inform you of changes to the cost of insured benefits provided to in-service members of the Transnet Retirement Fund with effect from **1 April 2024**.

Members will recall that the Fund pays Old Mutual (the Insurer) premiums each month to cover the cost of the insured death and disability benefits. These premiums (and other Fund expenses) are paid from the Fund's Reserve Account.

We are pleased to advise that the Fund has been successful in negotiating a reduction in the risk premium from **4.5% to 3.809%** of pensionable salaries from 1 April 2024, which has been guaranteed for three years. It is important that members note that the guarantee is conditional on the benefit structure and legal construct of the approved cover through the Fund not changing during the guarantee period and the claims experience remaining positive.

There will be no change to the insured death and disability benefits. The 12% contribution by the Employer to the Fund will remain unchanged and the allocation to the Reserve Account will remain at 5%. The percentage of employer contributions that is allocated to retirement savings will remain at 7%.

The reduced risk rates provide the Fund with the opportunity to replenish the Fund Reserve Account which was depleted by the rising risk premium costs as a result of the impact of the Covid-19 epidemic. The Board of Trustees hope that further savings will be possible in the future, to ensure that members retirement savings are protected and enhanced where possible.

Kindly direct any questions you may have with regard to the risk benefits to the administrator by sending an e-mail to MRA.TRFDocs@momentum.co.za.

Yours sincerely

Nazley Sallie
Principal Officer
Transnet Retirement Fund