



# Smart Counsel

Benefit Counselling for FundsAtWork members

FundsAtWork now offers Smart Counsel – another innovative service designed to encourage choices that improve members' financial wellness.



# Industry-wide realities

An inadequate understanding of their benefits and uninformed decision-making mean employees often make poor choices at critical decision-points. This has a negative impact on their long-term financial wellness and leads to financial vulnerability.

We've seen the headlines. Currently less than 6% of South Africans can expect to retire comfortably. On average, only 10% of members preserve their retirement savings when changing jobs. Many employees face bleak prospects at retirement if behaviour does not change. Employees are also under severe financial pressure, according to the Momentum/Unisa Consumer Financial Vulnerability Index (CFVI). This means day-to-day expenses compete with the need to save for the future. Low levels of financial literacy exacerbate the situation.

Concerns about the future. Worries about the present. These financial stressors inevitably distract employees in the workplace and impact on employee productivity. Momentum's Effective Employee Index™ confirms a strong link between an employee's financial wellness, physical health and their ability to perform optimally in the workplace.

Our latest research reveals that presenteeism, the situation when employees are at work but distracted and not fully engaged in their work, could cost South African companies an additional R89 billion or around 6% of Compensation of Employees (CoE) in lost employee productivity. This is over and above the quantified losses of employee absenteeism, which takes this number to a staggering R122 billion or almost 8% of CoE.

As a leading umbrella fund, Momentum FundsAtWork strives to enhance employees' financial wellness, which leads to improvements in their productivity. One of the many ways we do this is to make sure members have the **right** information, at the **right** time, so that they can make the **right** decision for their personal financial situation. This leads to better informed decision-making and improved financial outcomes.

# Introducing Smart Counsel



“Helping FundsAtWork members to make smart financial choices, during their working lifetime and at retirement.”

Retirement benefit counselling can be instrumental in improving outcomes by empowering members with relevant information at key decision-points. From July 2018, FundsAtWork members have access to a professional telephonic benefit counselling service which will provide the education and information necessary for creating a better understanding of benefits and improving financial literacy. These services are available from 08h00 to 17h00, week days, on the following numbers:

- ShareCall number: 0860 44 43 40
- Direct number: 011 505 1565

The counsellors will help members understand the FundsAtWork:

- Default investment portfolio.
- Default in-fund preservation option for members who move between employers before retirement.
- Default annuity strategy to make sure that members are able to convert their retirement savings into a retirement income.
- Members will receive assistance to select the correct level of cover based on their individual needs.
- Any other benefits and options available to members.

# Introducing Smart Conference

FundsAtWork plans on hosting Smart Conference, a series of conferences for FundsAtWork members. This initiative will enhance the benefit counselling service even further and reinforces our commitment to improving the financial wellness of FundsAtWork employers and their employees.

## Smart Conference topics

The FundsAtWork board of trustees determines conference topics. Content covered will include:

- My retirement fund benefits and options
- My insurance benefits
- Understanding my payslip
- Creating and tracking my budget
- Understanding different types of debt
- How do I spend wisely
- Saving for my future and dreams
- Healthy choices and my financial wellness
- Life after retirement
- And much more....



# Complementary suite of innovative smart solutions

Smart Counsel complements our existing suite of smart solutions designed to empower member decision-making, which include Smart Exits and Smart Retirements.

## Innovation before legislation

Momentum FundsAtWork has been at the forefront of finding innovative ways to help members make informed decisions that lead to better outcomes. Our award-winning Smart Exits was the first in our suite of smart solutions and focusses on helping members make better informed decisions at resignation. Smart Retirements assists members in making smart choices when selecting an annuity at retirement. These solutions were launched long before the default legislation highlighted the importance of benefit counselling.

Another one of our smart solutions, Smart Underwriting, goes well beyond the requirements of the default regulations. This innovative industry-first has transformed the medical underwriting process for members with insurance benefits, who require underwriting to increase their cover, from a time-consuming, cumbersome process to an efficient delight. Participating members also receive personalised health tips and guidance to enhance their physical wellness, which in turn bolsters their financial wellness.

## Smart Exits

Encouraging employees to stay invested when changing jobs is the single biggest leverage point for boosting retirement savings. FundsAtWork members have access to a 'smart exits' process at resignation. The process offers interactive scenario analysis showing alternatives to help them realise the impact of different choices on their retirement outcome as well as the impact of taxation if they take their savings as a lump sum and spend it.

## What the legislation says

The Default Regulations to the Pension Funds Act require retirement funds to offer members benefit counselling on the fund's default investment portfolio, default preservation, annuity strategy and any other options available. 1 March 2019 is the deadline for implementing the regulation requirements.



The Smart Underwriting solution won a silver award in the Service Design category at the 2018 Loeries Awards

“The Smart Exits solution won the gold award in the Service Design category at the 2017 Loeries Awards, which recognises brands that engage with their customers in an innovative way.”

## Smart Exits

- Guides members through their choices at resignation.
- Connects members to a financial adviser for personalised advice where required.



## Smart Retirements

- Starts with the 'future member' to see if they will have enough money to retire.
- Educates members on the different annuity products available.
- Provides easy-to-understand, jargon-free explanations.
- Connects the member to the Smart Counsel team if they have questions or get stuck, or a financial adviser for personalised advice where necessary.
- Helps members to understand the impact of different decisions.

## Smart Retirements

Another critical decision-point for employees arrives when retirement is on the horizon. Choosing an annuity is one of the biggest decisions any employee will ever make. When we make important decisions like buying a new car, we 'test drive' various options. An employee's choice of annuity is a far bigger decision. This is why FundsAtWork members have the opportunity to 'test drive' their different annuity choices.

Smart Retirements is a user-friendly, try-before-you-buy digital platform which educates FundsAtWork members on the different annuity products and gives them the opportunity to look at the impact different decisions will have on their retirement. Working with their financial adviser, they are then able to choose the annuity product that will best suit their unique retirement needs based on the retirement savings they have accumulated.

# Optimising value from the financial adviser

A good umbrella fund needs to assist financial advisers to deliver their 'best advice' solution for each client. Smart Counsel services improve members' understanding of their benefits and their financial literacy. Members also develop a better understanding of the consequences of certain choices. This means financial advisers are free to focus on where they deliver greatest value, which is the provision of personalised advice and delivering a 'best advice' solution for each client. We actively encourage members to engage with their financial adviser.

"Benefit counselling services and personalised financial advice are really two complementary building blocks for empowering members to make better decisions."

## Meaningful engagement

Smart Counsel services are designed to have a real, positive impact on members' behaviour and choices. To achieve this, it's essential that engagement is meaningful and caters for members' different needs and preferences. For this reason, members can choose to access the service through a range of different channels.

All forms of engagement and communication use easy-to-understand, jargon-free language which demystifies often complex information and, in doing so, educates and empowers members to make informed decisions.

An omni-channel approach to give everyone access in a cost effective manner



Telephonic service with qualified benefit counsellors



Annual member conference for members in Gauteng, Durban, Cape Town



Digital engagement

### Let's talk.

If you would like to know more about FundsAtWork Smart Counsel, please call:

0860 44 43 40 (Share Call), or 011 505 1565.

Alternatively you can email [MemberSolutions@momentum.co.za](mailto:MemberSolutions@momentum.co.za)

FundsAtWork. So much more than just a retirement fund.

#### Disclaimer

Copyright reserved © MMI 2018. The document is for illustrative purposes only and does not constitute tax, legal, accounting or financial advice. The user relies on the contents at his sole discretion. A person should not act in terms of the information in this document without discussing it with an authorised financial adviser and should seek personal, legal and tax advice. MMI Holdings Limited, its subsidiaries, including MMI Group Limited, shall not be liable for any loss, damage (whether direct or consequential) or expenses of any nature which may be suffered as a result of or which may be attributable, directly or indirectly, to the use or reliance upon this publication. Terms & Conditions apply. Momentum is part of MMI Group Limited, an authorised financial services (FSP6406) and registered credit provider (NCRCP173).