



Unclaimed
Pension and
Provident
Preservation
Funds

What is an unclaimed benefit?

In terms of the South African Pensions Funds Act an unclaimed benefit is when retirement fund savings are unpaid or unclaimed two years after a member leaves the fund.

Unclaimed benefits are a big challenge for retirement fund trustees. They are responsible to continuously try and trace members and / or their beneficiaries, while at the same time invest the money securely and help it grow.

Many trustees keep unclaimed benefits in an occupational fund or transfer them to a regular bank account. In the longer term, this could reduce the investment growth of these unclaimed benefits. Keeping the benefit in a bank account could also expose the funds to an increased risk of fraud. Trustees must also make sure that existing fund members are not negatively impacted by the cost to manage unclaimed benefits.

According to the Pension Funds Act, unclaimed benefit funds are specialised preservation funds approved by the Registrar. They are designed to safeguard and grow members' unclaimed benefits until they are claimed.

The unclaimed pension and provident preservation fund are an easy and cost-effective way to:

- Help you fulfil your responsibility to keep members' unclaimed benefits safe without increasing your administrative load.
- Protect the value of unclaimed benefits from inflation and members can have easy access to their benefit at any time.
- Make sure the benefits remain invested in line with the fund's investment strategy until they are paid.
- Reduce the additional administration and governance burden to manage unclaimed benefits. This allows you to focus on running your fund.



Why choose the Momentum Unclaimed Pension and Provident Preservation Funds?

- **Ethical governance and compliance**

The Fund's board of trustees make sure the unclaimed benefits in these Funds comply with all governance and legal requirements. There are two independent and two sponsor trustees, who are employed at Momentum Metropolitan Life Limited. Each trustee brings a wealth of experience and expertise to the Funds. Both Funds are audited by PricewaterhouseCoopers.

- **Service excellence**

The administrator of the funds is **not Momentum Retirement Administrators but Momentum Metropolitan Life Limited**. This is a public document which can be accessed by the FSCA. Change name to Momentum Metropolitan Life Limited to avoid issues. a trusted partner to 40 retirement funds and around 600 000 members. MRA strives to provide excellent service, meaningful engagement and appropriate solutions through their in-house technology platform. It is regularly and independently reviewed and evaluated, to fully align with South Africa's regulatory landscape.

- **Accounting and investment administration**

Our fully integrated accounting package makes sure accounting records are kept up to date, done accurately and on time. The fully automated investment process matches your fund's assets and liabilities daily so that investment returns are accurately accounted for and passed on to members.

- **Ongoing tracing of members and beneficiaries**

As custodians of members' unclaimed benefits, our trustees are committed to successfully tracing members and / or their beneficiaries. We partner with tracing agents to search for members and pay them the money that is due to them.

Where members have been in the funds for over two years and their benefits are in excess of R10 000, the next step is an in-depth search, which can include physical tracing. This is a costly approach though.

- **Capital protection and investment growth**

Members can remain untraced for up to 25 years, but on average they are traced in just less than 3 years. This creates the need for an investment strategy to preserve their benefits over the long term; but allows access to them if a member is traced sooner.

Limited member data is available for unclaimed benefits and it is a challenge to develop an accurate risk profile for the fund. The trustees of the Unclaimed Pension and Provident Funds chose the Momentum Universal Multi-Manager Smooth Growth Fund as the default investment portfolio.

This portfolio allows for **long-term growth**, but also has **suitable liquidity** if members are traced quickly. The portfolio provides members with **capital protection** against market ups and downs and has no downside volatility. It targets returns of inflation + 4% after costs per annum and since its inception, the portfolio has consistently provided inflation-beating returns.

Transferor funds can also choose to transfer their unclaimed benefits to the Momentum Universal Smooth-Edge Fund or the Momentum Money Market portfolio.

Trustee profiles

Teresa Bender

Sponsor trustee and chairperson of the board

Teresa is a Chartered Accountant with more than 23 years' experience in the employee benefits industry. She has held various positions within Metropolitan Employee Benefits, heading up the fund accounting and corporate accounting departments. Since the merger of Metropolitan and Momentum, she took up a business role as the head of Momentum's commercial unit. She's currently the head of client research and insights at Momentum Corporate.

Reinhard Voigt

Independent trustee and deputy chairperson of the board

Reinhard qualified as an actuary in 1993. He holds a Bachelor of Commerce degree and is a Fellow of both the Actuarial Society of South Africa, the Institute of Actuaries and the Society of Actuaries of Namibia. Reinhard also has a qualification in commercial and civil mediation from the University of Stellenbosch. He has been involved in the employee benefits environment as a valuator, actuary, consultant and independent trustee. Reinhard is self-employed and also provides consulting actuarial services to retirement funds in Namibia. He has been a professional trustee to retirement funds since 2008.

Robert Young

Independent trustee

Robert joined the retirement funds and employee benefits industry in 1976 and has held various positions, including that of General Manager: Smoothed Investments Division. He has been a professional independent retirement fund consultant and a director of the independent financial planning company, HO de Villiers & Associates since 2000. He holds a post graduate diploma in Financial Planning and is a Certified Financial Planner (CFP®).

Lynne van Zijl

Sponsor trustee

Lynne joined the employee benefits industry in 1983. She spent 17 years at Commercial Union in various strategic roles, including sales and service consulting and was the branch manager of the Sandton / Randburg sales and administration teams. She then joined Momentum in 2000 and gained experience in all aspects of group insurance and retirement administration. Currently she manages the Cape Town Group Insurance administration team. In addition to Lynne's wealth of operations management skills she holds a diploma in leadership from UCT's School of Business.

Joe Karabus

Alternate trustee

Joe holds a Bachelor of Commerce degree and a Post-Graduate Diploma in Financial Planning. He is also a CFP®. Joe joined the retirement funds industry in 1988 and was the former Head of Retirement Fund Administration at Metropolitan Employee Benefits. Joe is the current Head of Customised Intermediary Sales at Momentum Corporate.

Emile Hugo

Principal officer

Emile was appointed as the principal officer to the Funds in September 2014. Currently he is a consultant at Momentum Corporate. Before that he spent six years at MRA in various roles. Emile is a Chartered Accountant CA (SA), a CFA® Charterholder and a CFP®. Before joining Metropolitan Employee Benefits in 2007, Emile spent two years with Ernst and Young LLP in London where he headed up several audit teams on FTSE 100 audit and assurance engagements.

Contact details

Call: +27 (0)21 917 3081

Email: emile.hugo@momentum.co.za

momentum.co.za

 [Momentum Corporate](https://www.linkedin.com/company/momentum-corporate)

 twitter.com/momentum_za

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