



# OLD MUTUAL

## EMPLOYEE GROUP IN SUPERFUND



**Dear Member,**

### **THE BENEFITS OF BEING A RETIREMENT FUND MEMBER IN TIMES LIKE THESE**

The current global health emergency caused by the COVID-19 outbreak has led to widespread losses across global financial markets. The pandemic has affected aspects of society in different ways, and the reality is that it will not be “business as usual” in the near future. However, one of the intrinsic qualities of humans is that we are adaptable – some more naturally than others. In light of the uncertainty, it is essential to re-evaluate the various aspects of our lives, including our financial plans.

Membership of an employer’s retirement fund is often an underrated benefit. Yet it is a valuable perk that employees should utilise to the maximum extent to reap the full rewards. In a recent article Old Mutual Corporate Consultants (OMCC) listed some of the benefits of being a member of a well-run retirement fund:

1. Your **contributions are automatically deducted** from your salary before your salary reflects in your bank account. This ensures that the money you receive is what you are able to spend, without worrying about still contributing to your retirement fund. In this way, you continue to save without being tempted to spend the money.
2. Saving extra in a retirement fund is **generally cost-effective because you do not pay additional fees** on the extra contributions. This is beneficial over the long run, thanks to compound interest.
3. There are **tax advantages to saving in a retirement fund**. The more you contribute the less tax you pay! [Read more](#)
4. The bulk-buying power of a retirement fund means that you **pay lower fees on your savings than if you invested in a similar portfolio** in your private capacity. The larger the Fund, the greater the potential benefit.
5. **Lower premiums** are generally the case where your employer offers risk benefits (like in OMEGS), e.g. life cover or disability cover, and members with health issues benefit the most. Premiums are generally higher if you are paying in your personal capacity.
6. Retirement funds and the trustees who oversee them have access to financial and **investment experts, thus enabling them to build solutions** that have the best chance of delivering sound retirement and other benefits for members. To access similar experts in your private capacity would either not be possible or would be too expensive.

**The key is in not spending time, but investing in it – Stephen R. Covey**

**Successful investors are those who are able to remain calm during times of stress such as what we are currently experiencing now. As an OMEGS member, the best thing you can do is:**

1. Ensure that you maximise how you use the available benefits - if you are still on Core life Cover and you have not done the FREE medical testing – do so!! [Read more.](#)

2. Keep saving diligently every month – as an OMEGS member you can choose a **contribution rate** that suits your circumstances and at the same time take advantage of the tax breaks and the power of compound interest.
3. Trust in the expertise of the asset managers, and sit tight and ride out the up and down periods – if you are going to make investment changes we encourage you to consult with a financial adviser. If you do not have an adviser you can always, access the list of **OMEGS accredited advisers** on the Fund website.
4. If you change jobs, make sure that you **consider your options** carefully and always try to preserve your retirement savings.

**Stay safe and healthy!**

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DO GREAT THINGS EVERY DAY