

PRESS RELEASE

Charges in South African Retirement Funds

The National Treasury today releases the last paper in a series of five technical discussion papers on promoting household savings and reforming the retirement industry. These papers expand on issues raised in the overview document on retirement reform, *Strengthening Retirement Savings: Overview of the 2012 Budget Proposals*, which was released on 14 May 2012. The overview paper contextualised the technical discussion papers which were released for public comment and consultation in 2012 and the one released today. An update of the proposals was released on Budget Day 2013, titled *2013 Retirement reform proposals for further consultation*. All the papers are available on the National Treasury website (www.treasury.gov.za).

The paper released today is entitled *Charges in South African Retirement Funds*. The paper discusses charges and costs in the South African retirement industry, attempts to benchmark charges and costs in South Africa's system to other countries, and proposes various policy interventions which could be considered to remedy some of the identified shortcomings. The paper highlights the importance of retirement savings and therefore the need for them to provide value for money.

It is recognised that key stakeholders be afforded an opportunity to comment and consult with the National Treasury on the data, analysis and research conducted on costs and charges. To facilitate such consultation, draft findings and draft proposals are made in the paper – these findings and proposals will be finalised after the process of consultation and engagement is completed.

In anticipation of the release of this paper, the Minister of Finance met with senior executives of major service providers in the retirement industry on 20 June 2013. The industry committed to working with Government on a number of issues towards enabling retirement reform and improving household savings.

Further details can be found at: http://www.treasury.gov.za/comm_media/press/2013/2013062501.pdf.

Comments on the paper *Charges in South African Retirement Funds* can be submitted by 30 September 2013, to Dr David McCarthy, Retirement Policy Specialist, Private Bag X115, Pretoria, 0001; or fax to (012) 315 5206; or per email to retirement.reform@treasury.gov.za

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