

Thanks for the opportunity presented to me to comment on this subject. I fully support the Retirement Fund reform, particularly taking into account the plight of our people, especially those on Provident Funds when they retire. Lack of support and / or advice during this critical time lead people to make wrong decisions, whilst few err deliberately. Mostly investment is the last thing on their minds. I bear testimony to this due to my role within the field I'm in (Human Resources). Two things I would be happy to see being done would be, amongst others:

- That the Retirement Fund contributions should, at the end of one's career spell, not to be cashed, even if the employee involved is losing his / her job as a result of retirement (old age) or early retirement, retrenchment or voluntary retrenchment, dismissal or better prospects with other employer. Instead such should be carried forward to next employer or placed in a special account managed by Pension Funds Administrators or any Agency entrusted to look after such money, whereby the employee involved will be able to receive a monthly income distributed over a minimum period of two (2) years whilst looking for alternative job (for retrenched or dismissed employee) or an income not more than fifty percent (50%) of employee's salary at the time of losing his / her job, whichever provide better benefits in the long run. For low income earners the state may start making contribution towards their old age pension (government grant) if it's of the opinion that their pension fund contribution would be insufficient to sustain them when they reach that stage. I think this may help as well with the state's budget in the long run. This may be based on a certain scale to know as to how much the individual would need to leave a normal life at the end of his / her career. For example, an employee earning R1800,00 shortly before his retirement, would need at least 75% of his salary to lead a normal life at retirement. Due to his low salary his total pension fund contribution may not be enough to sustain him for simple ten (10) years. This is where the state would be able to do projection as to how much is needed for old age grant.
- One other aspect to play a role would be to re-look at the tax structure. My personal feeling is that if the above suggestion is implemented, one way or another, total abolishment of tax on Retirement Fund contribution to a particular salary group could play a role to help those retiring to sustain themselves in the long run. If this is an option, these people could be able to leave on interest born by way of investment of their retirement money. I know the state need money (by way of tax) to operate, but also need money to provide government grant. Whichever way the state would still be required to contribute towards most of us so that we can live a normal life.

However, I hope any suggestions brought forward will help alleviate problems encountered by those on retirement of facing it in the near future.

Until next time.

Thanks.

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