

ASISA STANDARD: RETIREMENT SAVINGS COST (RSC) DISCLOSURE (THE “RSC DISCLOSURE STANDARD”)

22 May 2020

[Note to ASISA Members: Please note that the RSC Disclosure Standard has been updated as of 22 May 2020 with a new formula in clause 4.11 that only takes effect 1 September 2021. However, if ASISA members so wish, they may implement and use the new formula whenever ready to do so. Any RSC disclosures provided to clients must therefore contain a clear note expressly indicating which formula is being used until such time as all ASISA Members have implemented the new method. For example: “This RSC disclosure references the calculation method as set out in the RSC Disclosure Standard dated [1 March 2019/22 May 2020]”.]

1. Introduction

ASISA members are committed to operating within the Treating Customers Fairly (TCF) principles framework. Outcome three has relevance requiring customers to be provided with clear information and be appropriately informed. To this end ASISA members have developed a standardised savings cost disclosure methodology to assist potential and existing participating employers and/or boards of trustees (hereinafter referred to as “clients”) when comparing quotations from different ASISA members of product solutions to retirement funds. The RSC Disclosure Standard is for use by clients only; it is not a fund member level cost disclosure standard and is not designed for disclosure to individual fund members. It should therefore not be confused with the ASISA Retail Standard: Effective Annual Cost (EAC).

2. Scope

This RSC Disclosure Standard sets out the minimum cost disclosure requirements for ASISA Members in addition to the disclosures required in terms of relevant legislation. The RSC Disclosure Standard applies to the savings element only in this context unless otherwise specified in regard to a specific calculation methodology. Whilst risk benefit costs are not included in the RSC calculations; clear and complete disclosure of such costs to clients is required (as set out in Annexure A).

This RSC Disclosure Standard applies to ASISA members as sponsors of commercial retirement fund products including but not limited to umbrella funds and unclaimed benefit funds (hereinafter referred to as “Financial Products” for purposes of this RSC Disclosure Standard). The RSC Disclosure Standard does not apply to Retirement Annuity Funds (including Group RA funds), Preservation Funds, Beneficiary Funds, Compulsory Annuities and other Retail Products provided that they are included in the scope of the ASISA Retail Standard: EAC.

Clients will be provided with a sample disclosure template as an indication of costs that will be incurred by their individual members as set out in Annexures B and C (in respect of unclaimed benefit funds) but it must be noted that this is still at scheme level and not indicative of each member’s individual circumstances.

3. General principles and governance

3.1 General principles

3.1.1 In the application of this RSC Disclosure Standard, an ASISA member shall ensure that disclosures:

- are timely;
- are relevant and comprehensive;
- promote product understanding;
- promote product comparisons;
- highlight important information; and

- have regard to consumer needs.
- 3.1.2 Where an ASISA member is required to exercise its discretion in applying this RSC Disclosure Standard, its discretion will be exercised reasonably, with due regard to the objectives of this RSC Disclosure Standard as set out in the Introduction and Scope sections above, and with due regard to the above disclosure principles.
- 3.1.3 All charges and costs incurred or that will be incurred over the relevant period in respect of the retirement fund or “sub-fund” as applicable, whether explicitly or implicitly charged, are to be included in the said cost disclosure to the client. Sub-Fund for the purposes of this RSC Disclosure Standard refers to participating employers in an umbrella fund and means the component of the umbrella fund representing the exclusive interests of the fund members/employees of a particular employer or group of employers. Where a charge or cost is not available, a reasonable best-estimate must be used and explained in the free text notes. Where a charge or cost is paid for by any other party, such as an employer, this should be disclosed and explained in the free text notes.
- 3.1.4 Where this RSC Disclosure Standard specifies the component to which a charge must be assigned, the charge must be assigned to that component. Where no component has been specified for a charge, and the charge does not appear to align exactly with a component, an ASISA member must exercise its reasonable discretion to assign the charge to the component to which it most closely aligns and must explain the reasons for its decision in the free-text notes.
- 3.1.5 An ASISA member must ensure that all values used in calculations are accurate and comprehensive, and that its calculations are accurate. Where any value is not available, an ASISA member shall use a reasonable and best estimate of the value and shall state that it has done so in the free text notes.
- 3.1.6 An ASISA member shall not manipulate any values or calculations, or use any wording in free text notes which purports to:
- inflate the projected or anticipated performance at any point in time of a Financial Product/Service;
 - make a Financial Product/Service appear less expensive than it is; or
 - present any other skewed, inaccurate, untrue, biased, misleading or incomplete view of a Financial Product/Service.
- 3.1.7 Where prescribed, the exact form and wording of mandatory disclosures must be utilised.
- 3.1.8 In all free text notes, an ASISA member must use plain language and ensure that the disclosure or explanation therein adheres to the rules, principles and objectives set out

in this RSC Disclosure Standard. The free text notes must appear directly beneath the table referred to in Annexure A in an easily legible font size.

- 3.1.9 Where rebate arrangements exist but the rebate is not passed on to the retirement fund, the relevant cost disclosure component from which the rebate has been deducted must be shown net of the rebate, and the relevant cost disclosure component to which the rebate is added must be shown as including the rebate, and this must be explained in the free text notes.
- 3.1.10 Where rebate arrangements exist and the rebate is passed on to the retirement fund, the relevant cost disclosure components from which the rebate was deducted must be shown net of the rebate, and this must be explained in the free text notes.
- 3.1.11 Where an ASISA member applies a charge which relates to one Financial Product, to another product (whether or not a Financial Product as defined in this RSC Disclosure Standard) or person or entity (a practice known colloquially as "charge-shifting"), the amount of the charge as it would or should have applied to the Financial Product in question must be clearly disclosed in the free text notes.
- 3.1.12 Where an ASISA member shifts charges within a Financial Product by applying a charge which would ordinarily have been allocated to a particular component (for example, advice or risk cover premiums) to another component (for example, administration), this must be clearly explained in the free text notes.
- 3.1.13 Any voluntary fee or benefit payments received outside of the Financial Product structure (for example, under loyalty programmes) should be excluded from the calculation component and must be explained in the free text notes. Where there are compulsory fee or benefit payments that form part of the Financial Product structure, these must be included in the calculation component and explained in the free text notes.
- 3.1.14 Other disclosures and communications directed at existing or prospective fund members, trustees and employers must not undermine, obscure or contradict these cost disclosures.

3.2 Governance

Compliance certificates

- 3.2.1 Every ASISA member shall submit a certificate to ASISA, annually, within 3 months of 31 December, which certificate shall:
- be signed by the ASISA member's CEO and either the ASISA member's auditor, statutory actuary, or chief compliance officer; and

- certify that the signatories are satisfied that all the ASISA member's calculations and disclosures comply in all respects with the letter and spirit of this RSC Disclosure Standard.

Complaints and/or Disputes

- 3.2.2 Any third party may request in writing, an ASISA member to provide confirmation that its calculations and/or disclosures in this regard are correct and comply in all respects with the letter and spirit of this RSC Disclosure Standard (the third party shall be referred to in the Standard as the "Complainant").
- 3.2.3 An ASISA member shall respond in writing to such Complainant's request within 15 business days of receipt of the request.
- 3.2.4 Where the 15 business day period in 3.2.3 is not adhered to or alternatively, the ASISA member's response fails to resolve the request to the satisfaction of the Complainant, the Complainant may elect to notify ASISA by setting out a concise description of the complaint in writing. ASISA may in turn refer the matter to an ASISA-nominated third party for verification.
- 3.2.5 All ASISA members shall co-operate fully with ASISA and provide all such data and information to ASISA as may be requested by ASISA or the ASISA-nominated third party for purposes of verification of the ASISA member's calculations and disclosures. All correspondence received is treated confidentially (maintaining anonymity of the Complainant) and shared only between the Complainant, the ASISA member, ASISA and/or the ASISA-nominated third party.
- 3.2.6 Following investigation of the complaint, ASISA or the ASISA-nominated third party will first provide a provisional determination. If either the Complainant or the ASISA member is not satisfied with the determination, that party has 15 business days following receipt of the determination to respond with their concerns, which response shall then be sent to the other party for their right of response within 15 business days of receipt thereof. Upon receipt of all responses by ASISA or the ASISA-nominated third party, the matter will be re-assessed, and a final, binding determination provided.
- 3.2.7 Where ASISA and/or the ASISA-nominated third party's determination finds that the ASISA member's calculations and/or disclosures do not comply with this RSC Disclosure Standard, the ASISA member shall, to the fullest extent possible, withdraw all erroneous disclosures from the public domain, advise all existing affected Clients and rectify the erroneous disclosure in the manner specified by ASISA and/or the ASISA-nominated third party within three calendar months of receipt of ASISA's notification; or such other period as agreed with ASISA and/or the ASISA-nominated third party. The ASISA member shall furthermore rectify any systemic causes for an erroneous disclosure, in order to ensure that such errors are not repeated.

4. Calculation principles and methodology

- 4.1 The cost disclosure measure comprises four separate components into which various charges are allocated. The components are:
- investment management charges (IMC);
 - advice and/or consultant charges;
 - administration charges; and
 - other charges.
- 4.2 The value for each of the components, as well as the total, is displayed in a table at four mandatory disclosure periods which are based on a summary of certain inputs. The charges table as well as a description of the summary of inputs is set out in Annexure A below. A template questionnaire for use in compiling the information contained in the summary of inputs is available in Annexure D. Please note that this template is not compulsory but is merely a guideline setting out the minimum disclosure requirements. Providers may request additional information or utilise a different format.
- 4.3 In order to calculate the cost measure the ASISA member must first project on a month-by-month basis (showing whether calculated in arrears or up front and which is used to charge for the cost in question) the anticipated build-up of the fund or sub fund over a ten year period (120 months).
- 4.4 The following standard assumptions must be used in this build-up:
- 4.4.1 Gross investment returns of 6% per annum compound,
- 4.4.2 Salary escalation at 6% per annum with the first such increase taking place 12 months after commencement date, and every 12 months thereafter,
- 4.4.3 Price inflation of 6% per annum with the first such increase taking place 12 months after commencement date, and every 12 months thereafter,
- 4.4.4 Any existing assets from a current retirement fund to be transferred in terms of Section 14 of the Pension Funds Act coincident with the commencement date,
- 4.4.5 Group Risk Insurance premiums and related costs/commissions to be excluded from the build-up, (where a portion of costs/commission is excluded from the build-up because they are deemed to be in respect of risk benefits, this must be clearly explained in the free text notes),
- 4.4.6 No member movements (exits or new entrants) during the entire 10 year period. (Any costs or charges levied on the fund (for example activity based fees) not included in the calculation, must be disclosed prominently in the free text notes).

- 4.5 The month-by-month build-up must reflect the ASISA members' best estimate view of all charges and costs over the entire 10 year period, and must include all charges and costs that will flow through the Fund or Sub-Fund whether levied explicitly or implicitly.
- 4.6 The calculations must reflect the actual method by which charges are recovered (e.g. % salary, % assets, % contributions, rand per member per month etc.).
- 4.7 All charges and costs must be specified inclusive of VAT where applicable. This must be explained in the free text notes.
- 4.8 The actual charges and costs as per the quotation must be used for the entire 10 year build-up calculation. No allowance can be made for possible future increases or decreases in these charge levels unless such changes are clearly specified and contracted as such within the quotation.
- 4.9 The build-up must categorise every charge and cost into one of four components being the Investment Management Charge, the Advice Charge, the Administration Charge and Other Charges.
- 4.10 The cost disclosure measure must then be calculated per charge component for each of the 10 years by summing all rand charges and costs for each of the 12 months for each of the 10 years.

Asset build-up:

$$NAV(t) = NAV(t - 1) \times (1 + g^*) + CF(t)$$

Where:

The asset build-up is done on a monthly basis, where the period between (t) and (t-1) is one month. It is therefore assumed that: (i) the transfer value is that on the first day of the month of the build-up period; and (ii) cash flows occur at the end of a month.

NAV(t) = The Net Asset Value at time t.

g = The assumed effective annual growth rate, i.e. 6% pa.

g* = The assumed effective monthly growth rate.

CF(t) = The cash flow that incurs at time t.

$$CF(t) = P(t) - Inv(t) - Adv(t) - Adm(t) - Oth(t)$$

P(t) = Sum of all retirement saving contributions, nett of risk benefit premiums at time t.

Inv(t) = Sum of all charges/fees that are categorised as an Investment Management Charge component, that incur at time t.

Adv(t) = Sum of all charges/fees that are categorised as an Advice Charge component, that incur at time t.

Adm(t) = Sum of all charges/fees that are categorised as an Administration Charge component, that incur at time t.

Oth(t) = Sum of all charges/fees that are categorised as an Other Charges component, that incur at time t.

- 4.11 The year-by-year disclosure figures must then be summarised for each category as: Year 1, Years 1 to 3, Years 1 to 5, Years 1 to 10, by dividing the rand amount of fees incurred over the given period by the average assets over that period.

Calculation of Cost Disclosure for time Years 1 to n:

$$RSC_{Inv}(n) = \frac{\sum_{t=1}^{12n} Inv(t)}{\frac{1}{12} \sum_{t=1}^{12n} NAV(t-1)}$$

$$RSC_{Adv}(n) = \frac{\sum_{t=1}^{12n} Adv(t)}{\frac{1}{12} \sum_{t=1}^{12n} NAV(t-1)}$$

$$RSC_{Adm}(n) = \frac{\sum_{t=1}^{12n} Adm(t)}{\frac{1}{12} \sum_{t=1}^{12n} NAV(t-1)}$$

$$RSC_{Oth}(n) = \frac{\sum_{t=1}^{12n} Oth(t)}{\frac{1}{12} \sum_{t=1}^{12n} NAV(t-1)}$$

$$RSC_{Total}(n) = RSC_{Inv}(n) + RSC_{Adv}(n) + RSC_{Adm}(n) + RSC_{Oth}(n)$$

[Note to ASISA Members: Please note that the formula in this clause 4.11 has been updated as of 22 May 2020 and only takes effect 1 September 2021. However, if ASISA members so wish, they may implement and use the new formula whenever ready to do so. Any RSC disclosures provided to clients must therefore contain a clear note expressly indicating which calculation method is being used until such time as all ASISA Members have implemented the new method. For example: "This RSC disclosure references the calculation method as set out in the RSC Disclosure Standard dated [1 March 2019/22 May 2020]".]

Charges	1 Year	1 to 3 Years	1 to 5 Years	1 to 10 years.
Investment management	RSC _{Inv} (1)	RSC _{Inv} (3)	RSC _{Inv} (5)	RSC _{Inv} (10)
Advice	RSC _{Adv} (1)	RSC _{Adv} (3)	RSC _{Adv} (5)	RSC _{Adv} (10)
Administration	RSC _{Adm} (1)	RSC _{Adm} (3)	RSC _{Adm} (5)	RSC _{Adm} (10)
Other	RSC _{Oth} (1)	RSC _{Oth} (3)	RSC _{Oth} (5)	RSC _{Oth} (10)
Retirement Savings Cost	RSC_{Total}(1)	RSC_{Total}(3)	RSC_{Total}(5)	RSC_{Total}(10)

- 4.12 All values are to be shown in percentages to either one or two decimal places, at the discretion of a Provider (rounded up from 5 and above and rounded down from 4 and below - see below examples):

Rounding example:	One decimal place (i.e. look to the nearest hundredth)	Two decimal places (i.e. look to the nearest thousandth)
1.446	= 1.4	= 1.45
1.456	= 1.5	= 1.46

- 4.13 Any costs or charges levied on the fund, for example activity based fees, not included in any of the components of the RSC Disclosure Standard must be fully disclosed in the free text notes in Annexure A.
- 4.14 The sample cost disclosure template in Annexure B for clients as an indication of costs incurred by their individual fund members, will be compiled according to the following general parameters:
- the sample will be based on the Savings Contribution Rate as set out in the 'Summary of Inputs for RSC Output' table in Annexure A;
 - the calculations will be based on the default fund strategy as selected by the clients for their applicable category of fund members;
 - the sample age will be based on a 30 year old;
 - the sample term will be 10 years;
 - the salary bands will be: R60 000 / R240 000 / R600 000; and
 - the fund member shares of fund will be: R0 / R100 000 / R500 000.

5. Cost Disclosure Components

5.1 The Investment Management Charge

The Investment Management Charge includes all costs and charges for all underlying investments, as set out in the "ASISA Standard: Calculation and Disclosure of Total Expense Ratios and Transaction Costs". In the absence of a TER or Transaction Costs, an equivalent charge calculated according to the principles in the "ASISA Standard: Calculation and Disclosure of Total Expense Ratios and Transaction Costs" should be utilised.

The Investment Management Charge must reflect the costs and charges for the underlying investment portfolio(s) / fund(s) that the members will be invested in were the proposal/quotation to be accepted. These investment portfolios/funds must be clearly identified within the proposal/quotation document, along with a percentage weighting per investment portfolio/fund.

The fund's or sub-fund's as appropriate, investment management charge in month one must be calculated as the weighted investment management charge per investment portfolio/fund using the investment portfolio/fund weightings as per the proposal/quotation document. Furthermore it must be assumed that these weightings remain unchanged throughout the entire 10 year build-up.

In the event that the client subsequently selects a different investment strategy prior to the commencement date of the fund or sub-fund as appropriate, a new costs disclosure must be supplied to the client as soon as possible, reflecting the costs of that different investment strategy, and making it clear that the previous cost disclosure no longer applies.

Should a client request any additional information underlying the Investment Management Charge, and to the extent that the information requested is reasonable and readily available, it must be provided to the client.

5.2 The Advice Charge

The advice/consultant charge component includes all charges for the provision of advice by intermediaries/consultants, commissions payable to intermediaries/consultants (excluding commission on risk premiums) and investment consulting fees not included within the investment management charge.

Where the adviser/consultant charge is not facilitated by the ASISA member, or the investor has not engaged the services of an adviser, the Advice Charge must be reflected as 0.0%. In such a case, a footnote must be included explaining that as no advice fee has been supplied none could be included in the calculation.

Should a client request any additional information underlying the Advice Charge, and to the extent that the information requested is reasonable and readily available, it must be provided to the client.

5.3 The Administration Charge

The administration charge component includes all retirement fund administration fees/charges, investment administration fees/charges not included within the investment management charge.

Should a client request any additional information underlying the Administration Charge, and to the extent that the information requested is reasonable and readily available, it must be provided to the client.

5.4 The Other Charges

The Other Charges component includes guarantee premiums/charges, contingency reserve account levies, FSCA levies, fidelity insurance and professional indemnity premiums, actuarial fees, audit fees, trustee and fund officials' remuneration and expenses, communication expenses and all other fees and charges not listed above flowing via the fund/sub fund.

Should a client request any additional information underlying the Other Charges, and to the extent that the information requested is reasonable and readily available, it must be provided to the client.

6. Effective date

This RSC Disclosure Standard shall be effective from 1 March 2019, with the final date for implementation by all members being 1 September 2019, from which latter date the cost disclosure measure must be calculated and disclosed in point of sale client documentation, including but not limited to quotations or proposals by all ASISA members. For existing business, the cost disclosure measure must be made available to clients upon request.

Example of Retirement Savings Cost Disclosure

Note to ASISA Members: the values used in the tables are for illustration only. The format of the tables, summary inputs and paragraph above the tables are mandatory. The wording beneath the tables provides an example of the type of explanations which may relate to a particular product as required by the RSC Disclosure Standard.

It is mandatory to use four time periods being 1, 3, 5 and 10 years.

Retirement Savings Cost Disclosure: Company ABC within XYZ Product/Fund (Name of ASISA Member's Umbrella Fund)

This retirement savings cost (RSC) disclosure is a measure which has been introduced to standardise disclosure to clients (as either the employer or board of trustees), of the savings cost incurred in a retirement fund. It is a simplified, practical illustration of the estimated costs, allowing for consistent comparison across the industry. It is not a fund member level cost disclosure standard and was not designed for individual fund members. It should therefore not be confused with the ASISA Retail Standard: EAC. The RSC is expressed as a percentage of the investment amount. The total cost is made up of four charges, which are added together, as shown in the charges table below. Some of the charges may vary, depending on the investment period. The calculation assumes four different investment periods as shown in the charges table and is based on the following summary of inputs:

Summary of Inputs for RSC Output		
Number of Members:	(This number should be the same for all ASISA members.)	
Investment Choice/Investment Default Portfolio:	(Insert Name of the Investment Portfolio. This will differ by ASISA member, the purpose being to highlight the specific nature of the investment portfolio being used for RSC purposes, as this is likely to have the most material impact on the overall RSC where there are differences in the type of investment portfolio being used. This can be a source of discussion between advisor and client as well as an opportunity to request other quotes if a like-for-like comparison is needed.)	
Assets at Commencement:	(This rand value number should be the same for all ASISA members.)	
Total Annual Pensionable Salary:	(This rand value number should be the same for all ASISA members.)	
Gross Total Employer Contributions (Rands per annum in year 1) and Employer Contribution Rate (% of total pensionable salary):	(This rand value number should be the same for all ASISA members. The purpose of this is to allow for the possibility that the employer is paying different contributions for different member categories and ensure that this detail has been used consistently by all ASISA members in RSC calculations.)	(This value as a % of total pensionable salary should be the same for all ASISA members.)

<p>Gross Total Member Contributions (Rands per annum in year 1) and Member Contribution Rate (% of total pensionable salary):</p>	<p>(This rand value number should be the same for all ASISA members. The purpose of this is to allow for the possibility that different member categories are paying different contribution percentages and ensure that this detail has been used consistently by all ASISA members in RSC calculations.)</p>	<p>(This value as a % of total pensionable salary should be the same for all ASISA members.)</p>
<p>Total Premiums Applied to Risk Benefits (Rands per annum in year 1) and Risk Premium Rate (% of total pensionable salary)</p>	<p>(This rand value number should be different for all ASISA members, as the quoted risk benefit rate is likely to differ).</p>	<p>(This value as a % of total pensionable salary is likely to be different for all ASISA members, as the quoted risk benefit rate is likely to differ.)</p>
<p>Total Contributions Applied to Savings (Rands per annum in year 1 net of any risk premiums but before deduction of other charges) and Savings Contribution Rate (% of total pensionable salary):</p>	<p>(Net of risk benefit/gross of other deductions, to show total retirement savings contributions being applied to retirement savings. This rand value number will differ by ASISA member but only if risk benefits are being provided since different levels of risk premiums and advice/commission costs will be deducted. This is the total before deduction of other Admin, Advisory, Investment Management and Other Costs, that the RSC Calculation is illustrating. The purpose of this value is to reflect the impact of risk benefit costs. Some older members may not be eligible for risk benefits and this would also impact this number.)</p>	<p>(This value as a % of total pensionable salary is likely to be different for all ASISA members, due to the quoted risk benefit rate above being different, contributing to the net amount applied to retirement savings, before deduction of other charges, being different.)</p>
<p>Is the Employer paying any other related costs in addition to the costs disclosed here?:</p>	<p>(Insert Yes or No as applicable. This is a simple indicator of whether there are any additional administration, risk benefit, consulting or other retirement fund related expenses that the employer is paying outside of the quoted arrangement, which then would be disclosed in more detail in the footnotes. The purpose of this yes/no indicator is to ensure that the full extent of the savings related costs are being disclosed with the intent being to ensure disclosure of specific , on-going contracted costs e.g. consulting costs paid by the employer. Some ASISA members where consulting costs for example are part of the Admin Fee or another fund deducted fee, will end up</p>	

	including these under RSC Other, while for other ASISA members these costs may be disclosed only in the footnotes. This indicator will help to highlight possible differences in where such costs are presented.)	
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Retirement Savings Cost (RSC) Charges Table				
Charges	1 Year	1 to 3 Years	1 to 5 Years	1 to 10 years.
Investment management	1.1%	1.1%	1.1%	1.1%
Advice	0.5%	0.5%	0.5%	0.5%
Administration	0.9%	0.9%	0.9%	0.9%
Other	0.3%	0.3%	0.3%	0.0%
Total Retirement Savings Cost (RSC)	2.8%	2.8%	2.8%	2.5%

Explanations:

1
2
3
4

Notes:

All calculations include value-added tax (VAT) at the prevailing rate, where applicable.

The following standard assumptions have been used:

- Gross investment returns of 6% per annum compound;
- Salary escalation at 6% per annum with the first such increase taking place 12 months after commencement date, and every 12 months thereafter;
- Price inflation of 6% per annum with the first such increase taking place 12 months after commencement date, and every 12 months thereafter;
- Any existing assets from a current retirement fund to be transferred in terms of Section 14 of the Pension Funds Act coincident with the commencement date;
- Group Risk Insurance premiums and related costs/commissions are excluded from the build-up;
- No member movements (exits or new entrants) during the entire 10 year period.

Potential Retirement Savings Cost (RSC) Ranges
(illustrating how RSC (as a % of assets) could differ for different members)

The RSC table presented in Annexure A shows the overall RSC that the scheme as a whole will incur, over 1-, 3-, 5- and 10-years, using the standard assumptions as set out in the RSC Disclosure Standard and providing a breakdown of the component costs. The RSC Disclosure Standard is for use by clients only; it is not a fund member level cost disclosure standard and is not designed for disclosure to individual fund members. It should therefore not be confused with the ASISA Retail Standard: EAC. The important point to note is that this represents an average RSC for the scheme as a whole, but different members will have different RSC's, depending on their salary and starting level of assets. It is not indicative of each member's individual circumstances. The following table illustrates the total, 10-year RSC for different members, assuming they had the different starting salaries and current member shares shown in this table.

Note to ASISA Members: the values used in the table are for illustration purposes only. The format of the table and parameters used are mandatory. The wording beneath the table provides an explanation of what is reflected in the example as required by the RSC Disclosure Standard.

Total 10-year RSC (as a % of assets)		2.5% (See scheme RSC value in Annexure A)		
Sample Member: 30 yrs old RSC Term: 10 years		Annual Salary		
		R 60,000	R 240,000	R 600,000
Current Member Share	R 0	3.0%	2.8%	2.6%
	R 100,000	2.5%	2.4%	2.3%
	R 500,000	2.3%	2.1%	2.0%

Notes:

This table highlights cross-subsidies between members with different salaries and member shares and reflects the annual RSC percentage for the 10-year period as a percentage of assets.

The table is compiled according to the following general parameters:

- The sample is based on the Savings Contribution Rate as set out in the 'Summary of Inputs for RSC Output' table in Annexure A;
- The calculations are based on the default fund strategy as selected by the clients for their applicable category of members;
- The sample age is based on a 30 year old;
- The sample term is 10 years;
- The salary bands are: R60 000 / R240 000 / R600 000; and
- The member shares of fund are: R0 / R100 000 / R500 000.

UNCLAIMED BENEFIT FUNDS

Potential Retirement Savings Cost (RSC) Ranges
(illustrating how RSC (as a % of assets) could differ for different members)

The RSC table presented in Annexure A shows the overall RSC that the scheme as a whole will incur, over 1-, 3-, 5- and 10-years, using the standard assumptions as set out in the RSC Disclosure Standard and providing a breakdown of the component costs. The RSC Disclosure Standard is for use by clients only; it is not a fund member level cost disclosure standard and is not designed for disclosure to individual fund members. It should therefore not be confused with the ASISA Retail Standard: EAC. The important point to note is that this represents an average RSC for the scheme as a whole, but different members will have different RSC's, depending on their starting level of assets. It is not indicative of each member's individual circumstances. The following table illustrates the total, 10-year RSC for different members, assuming they had the different, starting salaries and current member shares as shown in this table.

Note to ASISA Members: the values used in the table are for illustration purposes only. The format of the table and parameters used are mandatory. The wording beneath the table provides an explanation of what is reflected in the example as required by the RSC Disclosure Standard.

Total 10-year RSC (as a % of assets)		2.5% (See scheme RSC value in Annexure A)
Sample Member: 30 yrs old RSC Term: 10 years		RSC%
Current Member Share	R 100,000	2.8%
	R 500,000	2.3%

Notes:

This table highlights cross-subsidies between members with different member shares and reflects the annual RSC percentage for the 10-year period as a percentage of assets.

The table is compiled according to the following general parameters:

- The sample is based on the Savings Contribution Rate as set out in the 'Summary of Inputs for RSC Output' table in Annexure A;
- The calculations are based on the default fund strategy as selected by the clients (or as used by the unclaimed benefits fund) for their applicable category of members;
- The sample age is based on a 30 year old;
- The sample term is 10 years;
- Because this is in respect of unclaimed benefits, there are no salary bands
- The member shares of fund are: R100 000 / R500 000.

INTERMEDIARY QUOTE REQUEST TEMPLATE

(Please note that this template is not compulsory but is merely a guideline setting out the minimum disclosure requirements. Providers may request additional information or utilise a different format.)

Employer Name (specify)	
Number of Members (specify)	
Selected Investment Portfolio (specify)	
Current Assets (incl all section 14 transfers) (Rands)	
Total Pensionable Salary (Rands)	
Employer Contribution as a Percentage of Pensionable Salary (Percentage)	
Employee Contribution as a Percentage of Pensionable Salary (Percentage)	
Total Risk as a Percentage of Pensionable Salary (Percentage)	
Risk provided on inclusive or exclusive basis? (specify)	
Specify all applicable advice costs to be paid within the quoted arrangement Advice linked to LTIA (Insert % of scale): Consulting Fees - Insert Rands: - Insert % of salary: - Insert % of assets:	
Specify any additional administration, risk benefit, consulting or other retirement fund related expenses that the employer is paying outside of the quoted arrangement. These will be disclosed in the footnotes to the Quote.	

HISTORY OF AMENDMENTS

Effective date	Amendments
18 April 2018	Approved by ASISA Board
22 May 2020	Amendments for implementation 1 September 2021 (see clause 4.11)

Responsible Senior Policy Advisor: Taryn Hirsch