



ASISA

ACADEMY

AND



ASISA

FOUNDATION

PRESENT

FOUNDATIONS FOR RETIREMENT FUND TRUSTEES

1. WHAT IS THE ASISA ACADEMY?

The ASISA Academy, in partnership with the ASISA Foundation, makes available online a full series of Retirement Fund Trustee Education (RFTE) workshops at no cost to South African retirement funds and their trustees. The Academy is the preferred service provider for the ASISA Foundation which receives grant funding from sponsors for trustee education, thus allowing the workshops to be made available in this way. This pooled initiative ensures the independence of the education programme from the individual sponsors of the ASISA Foundation. Our workshops are aimed primarily at trustees and principal officers of retirement funds and are ideally run with individual funds but can also be delivered as multi-fund courses. Since inception we have delivered more than 400 workshops to in excess of 4,800 trustees and principal officers in South Africa, Botswana and Namibia, with highly favourable feedback. The Academy has a Level 1 B-BBEE rating.

In the wake of South Africa (and the world) experiencing its first lockdown during the Coronavirus pandemic, the team at the ASISA Academy reflected on how we could offer our Retirement Fund Trustee Education workshops online in live sessions using videoconference and for practical time periods instead of our traditional 1-day and ½-day face-to face workshops. We have therefore, adapted our content and composition of the RFTE programme into an online offering using either MS Teams or Zoom depending on your preference. Our preference is to use Zoom with its new enhanced security features.

2. PURPOSE OF THE WORKSHOP

The purpose of this course is to provide South African Retirement Fund Trustees with the basic knowledge and skills necessary to fulfil their fiduciary and governance duties optimally.

3. ONLINE WORKSHOP LEARNING OUTCOMES

The following table summarises the Learning Areas and Learning Outcomes covered in this workshop:

FOUNDATIONS FOR RETIREMENT FUND TRUSTEES (6 x 3-hour sessions)

LEARNING AREA	LEARNING OUTCOMES By the end of the course, successful delegates will be able to...
The Retirement Fund Industry and savings landscape in South Africa	<ul style="list-style-type: none"> • Discuss the importance of the retirement fund industry by looking at the following: <ul style="list-style-type: none"> ○ The purpose of retirement funds; ○ Size and scale of the industry; ○ Current challenges presented in SA society in respect of retirement savings.
The Retirement Fund Environment	<ul style="list-style-type: none"> • Identify the different industry role players and discuss their function within the retirement fund industry.
Retirement benefits and Fund Types	<ul style="list-style-type: none"> • Discuss the basic structure of a retirement fund. • Explain what is meant by the term “Occupation Fund”. • Distinguish between the different types of retirement funds. • Discuss the difference between a Defined Contribution a Defined Benefit Fund. • Explain the difference between an Umbrella Fund and a Stand Alone Fund.
Legal and Regulatory and Complaints resolution Environment	<ul style="list-style-type: none"> • Discuss how a fund is regulated by referring to the applicable retirement fund legislation and regulatory context including: <ul style="list-style-type: none"> ○ The Pension Funds Act; ○ Directives; ○ Circulars; ○ Conduct Standards; ○ Regulation 28; ○ Fund Rules; ○ Pension Funds Adjudicator and ○ Financial Services Tribunal • Demonstrate an awareness of the latest developments relating to legislation and regulatory environment.
Fund registration and rules and Rules construction	<ul style="list-style-type: none"> • Discuss the application process of registering a Pension Fund. • Distinguish between provisional and final registration. • Discuss the manner in which the application of rule amendments should be submitted. • Distinguish between consolidated and revised rules. • Discuss the binding nature of the rules of the Fund.
The Role, Responsibilities and Duties of trustees	<ul style="list-style-type: none"> • Discuss what a trustee needs to know and understand before accepting an appointment. • Discuss characteristic traits of a suitable trustee. • Identify the different types of trustees. • Discuss the different functions and responsibilities of fund trustees as set out in Section 7D PFA including: <ul style="list-style-type: none"> ○ Accounting, records and operations; ○ Contribution payments; ○ Investments; ○ Member Communication; ○ Appointing and Monitoring function and ○ Application of fund rules and amendments.
Trustee ethics and Governance of Retirement Funds	<ul style="list-style-type: none"> • Explain what the term “fiduciary duty” means.

	<ul style="list-style-type: none"> • Discuss the fiduciary objects and duties of the Board of Trustees by referring to Section 7C and 7D of the Pension Funds Act. • Demonstrate an understanding of how fiduciary duty is fulfilled in practice. • Demonstrate the importance of identifying perceived, actual and potential conflict of interest and how it is best managed or avoided. • Explain how gifts and favours should be dealt with in a fund. • Discuss the importance of minimum skills and expertise of trustees, requiring comprehensive training of new trustees and continuous professional learning. • Discuss Board composition as set out in Section 7A and 7B of the Pension Funds Act and how it should be incorporated in the rules of the fund. • Explain the usefulness of independent trustees and expert advisors, as well as the use and establishment of sub-committees to advise the Board. • Explain the process of appointing and removing trustees under Section 26 of the PFA. • Discuss the role and function of the Principal Officer by looking at the following: <ul style="list-style-type: none"> ○ Appointment of a Principal Officer; ○ Fit and proper requirements; ○ Whistle-blowing function and ○ Removal of a Principal Officer. • Discuss the appraisal systems for The Board, Principal Officer and Sub-Committees. • Explain how a Fund should deal with breaches of the Code of Conduct. Discuss reporting obligations to the FSCA.
<p>Contributions</p>	<ul style="list-style-type: none"> • Discuss the requirement related to the payment of pension fund contributions as set out in Section 13A of the Pension Funds Act and Conduct Standard 1 of 2022 by referring to the following: <ul style="list-style-type: none"> ○ Minimum information that the employer has to provide to the fund; ○ Time frames in which contributions need to be paid; ○ Reporting responsibilities and non-compliance; ○ Late-payment interest and penalties and ○ Who can be held liable. • Define contribution holidays.
<p>Risk Management</p>	<ul style="list-style-type: none"> • Explain the importance of risk management of a fund. • Indicate how a fund could practically identify, analyse and manage their risk. • Address the concepts of underfunding and arrears contributions when it comes to the Financial Soundness of a fund.
<p>Investments</p>	<ul style="list-style-type: none"> • Define the term "Investment" in a pension fund context. • Discuss the importance of investment performance for retirement fund members. • Identify the different traditional asset classes and contrast the risk and returns of these asset classes over time. • Identify alternative asset classes and discuss the returns of these asset classes over time. • Explain why it is important for Trustees to consider ESG issues when it comes to investment decisions. • Provide practical steps on how ESG considerations can be implemented within the investment decision making process. • Distinguish between active and passive portfolio management. • Explain what is meant by asset allocation.

	<ul style="list-style-type: none"> • Explain what portfolio construction means. • Discuss the importance of the investment performance/return of a fund. • Discuss the importance of drafting clearly defined mandates for investment service providers. • Distinguish between the following: <ul style="list-style-type: none"> ◦ Balanced vs Specialist mandate and ◦ Pooled vs Segregated mandate • Describe the core principles underpinning an optimal investment policy statement (IPS). • Discuss the constraints on investment decisions imposed by Regulation 28. • Discuss the requirement of having a Default Investment Portfolio. • Understand the importance of promoting Broad-Based Black Economic Empowerment.
Member Benefits	<ul style="list-style-type: none"> • Discuss the benefits payable at retirement, death, disability and withdrawal. • Define and discuss minimum benefits and minimum pension increase. • Discuss the requirements of default preservation and portability rules and the role of retirement benefit counselling. • Discuss the requirements of default annuity strategies and the role of retirement benefit counselling. • Explain how pension fund benefits are protected by referring to Section 37A,B and D of the Pensions Fund Act. • Explain how member benefits are treated in the case of maintenance orders and divorce.
Information and member communication	<ul style="list-style-type: none"> • Explain the trustee's responsibility with regards to stakeholder (and especially member communication) and providing access to information. • Discuss the content of a good communication policy. • Identify appropriate conduct when it comes to communicating with the members of a fund. • Illustrate how fund benefits are taxed. • Understand the different components to Investment Management fees and cost and how it should be communicated to members.
Death Benefit Distribution	<ul style="list-style-type: none"> • Discuss the role of the following legal text applicable to death benefit distribution: <ul style="list-style-type: none"> ◦ Fund rules and ◦ Nomination form • Discuss the definition of dependant as set out in the Pension Fund Act. • Explain the legal requirements of S37C relative to beneficiaries and dependants. • Describe the process of investigating dependency. • Discuss applicable Pension Fund rulings.
Treating Customers (Members) Fairly	<ul style="list-style-type: none"> • Explain the importance of Treating Customers Fairly by referring to the six TFC outcomes.
Surpluses	<ul style="list-style-type: none"> • Demonstrate an understanding of a pension fund surplus.
Stakeholders	<ul style="list-style-type: none"> • Review the role players within the retirement fund environment by focusing on their roles and functions. • Distinguish between legislated functions and operational functions.
Financial Sector Conduct Authority (FSCA)	<ul style="list-style-type: none"> • Discuss the purpose, mandate and objective of the FSCA. • Explain how the FSCA assist in maintaining financial stability by referring to the relevant legislation and regulations. • Distinguish between prudential standards, conduct standards and joint standards. • Discuss the purpose and use of guidance notes and interpretation rulings.

	<ul style="list-style-type: none"> • Explain how the FSCA uses on-site inspections and investigations as part of their supervisory, fund conduct and monitoring function. • Discuss the ability of the FSCA to investigate matters relating to an offence or contravention of legislation, along with the FSCA's rights of enforcement. • Explain the use and prescriptive nature of directives, enforceable undertakings, court orders, debarments, leniency agreements, exemptions and extensions.
Pension Funds Adjudicator (PFA/Adjudicator)	<ul style="list-style-type: none"> • Discuss the purpose, mandate and the objectives of the PFA. • Explain the PFA's status as a statutory adjudicating ombud. • Explain the jurisdiction of the Adjudicator and the implications of non-compliance with a PFA determination. • Discuss what constitutes a complaint in terms of S30A. of the Pension Funds Act. • List the most common types of complaints and their main causes. • Understand who is eligible to complain and the time frame in which a complaint must be lodged. • Discuss the investigation process and the issuing of determinations by the PFA. • Discuss the power of the Adjudicator to impose interest where a determination consists of an obligation to pay an amount of money. • Discuss the options available for the appeal or reconsiderations of a decision made by the PFA. • Discuss the circumstances under which a party will be guilty of an offence and the penalties attached.
Financial Services Tribunal (FST)	<ul style="list-style-type: none"> • Source and describe Section 219 of the Financial Sector Regulation Act 9 of 2017. • Explain the purpose, objectives, and jurisdiction of the Financial Services Tribunal. • Describe which decisions made by decision-makers are capable of reconsideration. • Discuss the process of selecting the members of the FST and how the panel is constituted. • Discuss who qualifies to make an application for reconsideration, affidavit submissions, and the time periods applicable to applications. • Distinguish between an application for reconsideration and an application for suspension. • Explain the naming conventions of appellants and respondents. • Describe the rights and obligations of parties cited in the FST roll. • Discuss judicial reviews of Tribunal orders.
Statutory Returns	<ul style="list-style-type: none"> • Discuss the role and importance of financial statements and valuation reports within the Retirement Fund industry. • Explain the role of the statutory valuator and how the financial soundness of a fund is measured and described in the valuator's report. • Describe the purpose and use to which the fund's financial statements are put. • Narrate the time frame and submission process for fund financial statements. • Explain the Board's collective responsibility for the compliant presentation of the financial statements. • Provide an overview of the schedules in the financial statements
Housing loans and guarantees	<ul style="list-style-type: none"> • Define a member's direct home loan and a guarantee for a commercial home loan and explain when a fund can provide it. • List the safeguard conditions under which a loan may be made or a guarantee may be issued.

	<ul style="list-style-type: none"> • Discuss under which circumstances a fund can deduct an outstanding loan from the member's benefit. • List the agreements and documentation involved in the process. • Discuss the limitations and abuse of housing loans and guarantees.
Section 14 transfers	<ul style="list-style-type: none"> • Explain what an inter-fund transfer is, the applicable terminology and circumstances permitting a transfer. • Discuss the different types of transfers, their uses and the relevant forms to be completed. • Distinguish between a section 14 transfer and a recognition of transfer (RoT). • Illustrate the application of transfers between valuation exempted funds. • Discuss the process of transfers in terms of section 14 and Conduct Standard 1 of 2019. • Discuss the application to withdraw, extend or amend an approved transfer. • Explain when a section 14 transfer lapses and the related implications. • Indicate member communications requirements and objection rights. • List SARS requirements for a Section 14 transfer. • Discuss the applicable time periods for section 14 transfers to be submitted. • Discuss the implications if a member dies or withdraws before or after the effective date of transfer but before Section 14 transfer application for member is approved by the FSCA. • Unpack the complications of transfers under way when the Two-Pot system commences. • Discuss the implication if a member dies or withdraws after the Section 14 transfer application is approved by the FSCA and the member is not the only member being transferred?
Liquidations and winding-up of a retirement fund	<ul style="list-style-type: none"> • Explain when a fund can be liquidated or wound-up/deregistered. • Distinguish between partial and full liquidation. • Discuss the responsibilities of the board of trustees and the liquidator. • Discuss the process and the time frames applicable to liquidating and winding-up a retirement fund. • Indicate the role of the liquidator relative to the FSCA. • Describe the members' rights and desired outcomes from a fund termination.
Deduction for damages caused to the employer by a member	<ul style="list-style-type: none"> • Discuss the circumstances under which deduction for damages caused to the employer are permitted. • Describe the process of initial withholding of benefits, criminal and civil proceedings, member and employer communications. • Discuss the central principle of "dishonesty" as a prerequisite to a deduction from members' benefits. • Explain the workings and requirements of Admissions of Liability and court orders. • Explain the board's responsibility when deciding to withhold and deduct pension benefits. • Consider the implications of deductions made and subsequently overturned by the OPFA.
Reserve Accounts	<ul style="list-style-type: none"> • Discuss the purpose and uses of reserve accounts. • Discuss the types, disclosure and quantum of reserve accounts.



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4. OUR PRESENTERS



Anel Bodill

Masters in Investment Management, PG Dip Financial Planning,

Anel is an investment professional with 17 years of financial services experience of which 10 years are specifically in the Investment Management and Financial Planning education and training environment. Anel started her career in the financial services industry where she worked for ABSA Consultants and Actuaries, amongst others. Thereafter she became a lecturer at the University of Johannesburg where she was the Programme Manager for the Investment Management study field. Later on, she undertook part-time lecturing, curriculum development and training for various academic institutions and training providers. Anel is currently the ASISA Academy Programme Champion for Retirement Fund Trustee Education.



David Morris

B Comm, CA (SA)

David has more than 26 years' experience of working in financial services in South Africa and the UK. After completing his articles with Price Waterhouse he worked as credit analyst and member of Nedbank's structured finance team. As the ASISA Academy Retirement Fund Trustee Education Programme Champion, David engages with stakeholders, develops workshop curricula and presents Trustee Education workshops. He is an independent trustee to the Nedgroup Beneficiary Fund and the Liberty Corporate Selection Suite of Umbrella Funds.



Tony Remas

Tony has been practising as a retirement funds compliance consultant since 2002. Prior to that he worked in legal services for various investment advisors. He is a highly regarded practitioner in the pension fund statutory and regulatory environment, specialising in trustee education and in particular death benefit. Tony is a member of the Pension Lawyers Association.



Jolly Mokorosi

B Comm, MBA, Certificate in Pension Law

As a seasoned independent retirement fund trustee Jolly sits on a number of boards of trustees of SOEs and listed companies' funds. She is the chairperson of two of these funds and has previously worked as the principal officer of the Municipal Councillors Pension Fund. She previously worked at Old Mutual within their Corporate Distribution and Employee benefits divisions. Jolly is also ASISA Academy Principal Officer Professional Qualification (NQF7) Programme Champion.

5. FEEDBACK FROM DELEGATES WHO HAVE ATTENDED OTHER COURSES



"Today's session meant that I could consolidate everything that I had learnt over the days of the course. It has been very valuable. I am very excited about the knowledge I have gained. Great course!"

"Overall, it was definitely encouraging, and I learnt new things once again. The course would be a great tool for all our staff members."

"What an excellent day! Learnt a tremendous amount from the brilliant speakers today."

"Great lecturers from the industry that has a wealth of knowledge to share. Thoroughly enjoyed it!"

"The program has broadened my perspective in terms of the actual industry - I am learning so much. It has been a great experience so far."

"Programme is fantastic, makes you apply your mind especially to the things you know but are ignorant of."



6. WORKSHOP CODE OF CONDUCT

Delegates, presenters and other Academy staff are all expected to engage in the following ways.

1. Delegates commit to learning on the course.
2. Delegates and Academy staff commit to signing in at least 10 minutes prior to the starting time so as not to delay the commencement of the session which puts pressure on the presenter and other delegates. The Zoom/ MS Teams room will open 10 minutes before the workshop is due to start. Please ensure that you have logged in and settled down comfortably by the starting time.
3. Academy staff commit to starting the workshop on time.
4. Delegates are requested to switch on their cameras at the start of the session. After introductions we request delegates to switch off their cameras in order to keep the platform stable and data usage optimised.
5. Delegates must ensure that their audio is muted throughout the session, except when participating in discussions or posing questions.
6. If delegates have questions or comments, they can use the chat platform or click the raised hand icon which can be located on the screen's "floating bar" in Microsoft Teams and by clicking on the "Participants" button in Zoom.
7. The presenter will agree a break time with delegates as part of the introductions.
8. When returning from the breaks, delegates are requested to switch on their microphones on re-entering the session so that the presenter can have an indication of the number of delegates that are back.
9. Delegates must advise the Academy if they are not able to make a session or if, for unavoidable reasons, they are going to be late.

7. MONITORING AND EVALUATION

The ASISA Foundation-sponsored Trustee Education workshops are formally monitored and evaluated (M&E) by an independent agency. This M&E process ensures our trustee education programmes are planned and presented in a manner which brings about effective knowledge transfer, with real improved governance and financial literacy amongst delegates for the ultimate benefit of fund members and beneficiaries. The context of our online workshops has required adaptation of the M&E process, as explained below.

DELEGATE INTAKE FORMS

Each delegate will be asked to complete and submit online intake forms before the commencement of the workshop, including details of their retirement fund, role in the fund board, email address and demographics. We are required by the Financial Sector Code in the context as a BEE Regulator to keep statistics based on demographics and gender, hence we request that all demographic and gender statistics should be completed.

WORKSHOP EVALUATION FORMS

Delegates will receive an online link to a workshop evaluation form at the end of a workshop on which they are required to score various aspects of the workshop and make compliments or suggestions for improvements. Comments made by delegates may be used in marketing material.

M&E FEEDBACK FORMS

A first set of online questions is supplied to delegates via an online link before the workshop which delegates are asked to complete before the workshop commences. A second set of the same questions will be supplied via an online link to delegates at the end of the workshop. Answers are completely anonymous.

ATTENDANCE CERTIFICATES

Delegates who have submitted all of the workshop documentation described above will receive emailed ASISA Academy attendance certificates which reflect 9 Batseta CPD points. The fund remains responsible for ensuring that the CPD points awarded are updated on the Batseta database.

8. CONTACT INFORMATION

For course dates, venues and other information please contact the ASISA Academy on:

- Email: LEARN@asisaacademy.org.za
- Landline: +27 21 673 1620
- Website: <https://www.asisa.org.za/academy/programmes/retirement-fund-trustee-education-rfte/>