













March 2026

smart member news

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Welcome message

Welcome to the first edition of the Smart newsletter for March 2026.

Retirement planning remains one of the most important and often underestimated aspects of **long-term financial wellbeing**. In a constantly evolving economic and regulatory environment, it is encouraging to see positive developments that support improved retirement outcomes, including the recent increase in the annual tax-deductible contribution cap announced in the 2026 **National Budget Speech**.

This change provides members with a meaningful opportunity to strengthen their retirement provision. We encourage you to take the time to review your current contribution levels and consider whether you are making the most of the **available tax incentives**. **Small, consistent increases can have a significant impact over the long term**. We wish you a rewarding year ahead.

We encourage you to **stay engaged with your Funds** and to **use the available communication resources**, especially the **Member online portal**:



**WhatsApp “Hi” to
078 248 0529**



You don't have **to be great** to start,
but **you have to start** to be great.

- Zig Ziglar

Financial Statements submitted

In terms of the Pension Funds Act, the Funds must be audited annually, with the annual financial statements being submitted to the Financial Sector Conduct Authority (FSCA). The Funds submitted the 31 March 2025 unqualified financial statements to the FSCA and are therefore up to date with their financial statement submissions.



Risk Management

The Board of Trustees reviews and approves the Funds' Risk Management Policy annually. Risk factors which might prejudice the Funds and the potential severity of such prejudice are identified and rated in a risk matrix. The governance procedures and administration of the Funds are constantly reviewed, considering the identified risks.

In this context, the Funds have always had and will continue to have protection through its own fidelity insurance against loss caused by negligence and fraud. In addition, the Funds have data protection in place, given the increased risk of cyber security in the financial sector.

The Funds implemented a **Cybersecurity Policy** to align the Funds to the Joint Standard 2 (Cybersecurity & Cyber Resilience) guidelines that were issued by the FSCA. This needed to be in place by 1 June 2025. Cybersecurity risks have also been included in the Funds' Risk matrix, and these are monitored by the Funds on a quarterly basis.

The Funds require their service providers to hold similar adequate cover in their own names. In addition, many of the Funds' service providers are members of professional bodies and, as such, are required to comply with codes of conduct overseen by professional bodies.

Board of Trustees

The Rules of the Funds allow for a Board of four Trustees of whom **50% must be Independent Trustees**. The Board is pleased to announce the appointment of Mr Tim Rutherford as a new Independent Board member with effect from 23 February 2026. This comes after Adv Johan Esterhuizen's term of office came to an end at the end of 2025.

The Board consists of the following Trustees

Ms Karen Quinlan - Independent Trustee and Chairperson

Mr Tim Rutherford - Independent Trustee

Ms Nazlie Seegers - Sponsor Trustee

Mr Malesela Molefe - Sponsor Trustee

Mr Wayne Muller - Alternate Trustee

Ms Estie van Coller - Independent Principal Officer.

Tim is an auditor who has 38 years of experience in the retirement fund industry, having worked for large audit firms and later retirement fund administrators across sub-Saharan Africa and in the UK. As CEO of a retirement fund administration company in later years, Tim was responsible for company strategy and operations, focusing on sustainable growth and enhancing operational efficiency and developing human resources. **The Board welcomes Tim and looks forward to his valuable input in the management of the Funds.**



Employers are now subject to enforcement under both labour legislation as well as the Pension Funds Act

The Good news for members is that **Employers are now subject to enforcement under both labour legislation and the Pension Funds Act, reinforcing accountability and improving the protection of members of funds.**

Employers need to comply with the provisions of Section 13A of the Act and Conduct Standard 1 of 2022 (CS 1 of 2022) and deduct and pay over any contributions in terms of the Rules of the Fund governing your participation in the Fund as well as provide certain minimum personal information of their employees to the Fund's Administrator, Salt Employee Benefits.

Section 13A of the Act makes it a statutory obligation for an Employer to pay over any contributions which, in terms of the Rules of the Fund, are to be deducted from the member's salary or for which the employer is liable.

Good news is that the Department of Employment and Labour withdrew a 2003 variation notice that had long exempted employers from Section 34A of the Basic Conditions of Employment Act (BCEA) regarding the payment of employee benefit fund contributions.

According to the Department's 22 January 2026 statement, labour inspectors are now legally empowered to verify whether employers have paid pension, provident fund, retirement and medical aid contributions, deducted from workers' salaries, into the correct funds. They can also request proof of payment and contribution schedules and take enforcement action if they come across non-compliance.

What are the consequences of not being compliant?

Employers need to understand that failure to comply with the Funds Rules, Section 13A of the Act and related legislation is in fact a criminal offence with serious consequences. It is therefore critically important that Employers ensure strict compliance.

The following are some of the consequences that Employers may be held liable for in the event of non-compliance:

- ✓ **The Fund is obligated to directly inform members**, in writing, of the Employer's failure to pay over contributions and therefore that contributions are in arrears.
- ✓ **Lodging of a criminal complaint** at the South African Police Services ("SAPS") against the persons personally responsible at the Employer for compliance. A person (or persons) who contravenes or fails to comply with the provisions of Section 13A of the Act is guilty of an offence and is liable, on conviction, to a fine not exceeding R10 million, or imprisonment for a period not exceeding 10 years, or both (such a fine and such imprisonment).
- ✓ **The implication of not receiving contributions** payable by the Employer before the 7th, is that late payment interest (LPI) will be payable on the outstanding contributions from the 1st day of the month following the expiry of the 7th-day period in respect of which the contributions had to be paid, up to the date that the contributions are in fact paid. Interest on late payments will be charged at the prime rate plus 2 percent.
- ✓ **Publishing the name of the Employer** on the Financial Sector Conduct Authorities ("FSCA") website for public notice in terms of FSCA Communication 17 of 2022 (RF) of 9 June 2022.



Good to know

The FSCA CS 1 of 2022 is a prescriptive law which requires all Employers to comply. Trustees must report Employers that do not comply with Sections 13A(2)(b) or 13A(3)(a) of the Act for 90 consecutive days to the SAPS and inform the FSCA.

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The Pension Funds Act and labour law act in harmony to protect members; while the PFA ensures the statutory solvency and fiduciary administration of the fund, labour legislation secures the worker's rights to access, contribution, and fair treatment within that scheme.

Budget Speech

The 2026 Budget has been announced and while there were no dramatic tax rate shocks, there are several important adjustments and improvements for members of retirement funds.

- ✓ **Tax free investment limits** – the annual limit you can pay into a Tax-Free Saving account has been **increased from R36 000 to R46 000**, but the lifetime limit remains unchanged.
- ✓ **The maximum total annual tax-deductible contributions** to all funds has been increased from **R350 000 to R430 000**, allowing members to save more for retirement. Read full article below.
- ✓ **The de minimis amount** above which member must buy an annuity has been **increased from R247 000 to R360 000**. If your Fund credit is below R360 000 at retirement you may now take this in cash.
- ✓ **Living annuity commutation** – refers to the process of **cashing out the remaining capital in a living annuity**, transforming the regular, market-linked income stream into a single lump-sum payment. In the past you could only do this **if the value of your living annuity was below R125 000**. The Budget has now increased this value to **R150 000**.

More room to grow your retirement savings

Members of the Funds have reason to celebrate following the recent Budget Speech announcement, increasing **the annual tax-deductible limit for retirement fund contributions from R350 000 to R430 000**. *This is excellent news for retirement savers.*

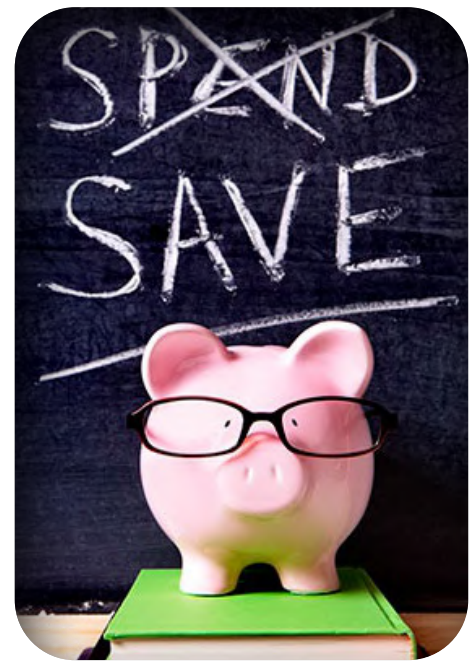
What has changed?

National Treasury has raised the upper limit of tax-deductible retirement contributions by R80 000 per year. While the overall contribution limit remains 27.5% of taxable income (or remuneration), the maximum rand cap has now increased to R430 000 annually.

This means that individuals who are in a position to contribute more toward their retirement savings can now do so and receive additional tax relief in the process.

Why this matters

- ✓ **Immediate Tax Savings**
Contributions to your retirement fund are tax deductible (up to the allowable limits). By increasing your contribution, you reduce your taxable income, meaning you may pay less tax today.
- ✓ **Accelerated Retirement Growth**
Every additional rand invested benefits from compounded growth over time. The earlier and more consistently you increase contributions, the more powerful the long-term effect.
- ✓ **Stronger Retirement Outcomes**
Many South Africans are not on track to replace enough of their income at retirement. The higher cap provides a valuable opportunity to close potential savings gaps.



Consider increasing your contributions

If your financial situation allows, this is an ideal time to review your retirement contributions. Even a modest increase can make a meaningful difference over time. **Consider the following:**

- **Allocating a portion of** annual bonuses or salary increases to your retirement fund.
- **Using the additional tax saving** to further boost your contribution.
- **Reviewing your retirement plan** with a financial adviser to ensure you remain on track.

Call to Action

The increase in the tax-deductible contribution limit is a clear signal that government continues to encourage long-term retirement savings.

For members of the Funds, this presents **a valuable opportunity to strengthen financial security for the future.**

Retirement planning is a long-term journey and with this increased contribution limit, you now have even more room to build the retirement you envision. If you would like to explore how increasing your contribution could benefit you, **please speak to your HR department or financial adviser.**



Call to Action
In volatile market conditions, maintaining a disciplined, long-term investment strategy remains one of the most effective ways to build and protect retirement savings.

Market volatility and long-term investing

Recent geopolitical tensions, including the ongoing conflict in Iran, have created uncertainty in global markets. Events like these can sometimes lead to short-term market volatility as investors react to rapidly changing political and economic conditions.

For members of a retirement fund, however, it is important to remember that retirement investing is designed with a long-term perspective. Market ups and downs are a normal part of investing, and retirement portfolios are structured to navigate these cycles over time.

The Funds' default investment portfolios are well diversified across different asset classes and regions, which helps reduce risk and manage the impact of short-term market fluctuations. This diversification is specifically designed to protect members' savings over the long term.

Members are therefore encouraged not to make panic-driven investment decisions in response to short-term market movements. For most members who are still several years away from retirement, staying invested and maintaining a long-term view is typically the most appropriate approach.

Members who are close to retirement and who may be concerned about the potential impact of market volatility on their savings are encouraged to speak to their financial adviser before making any changes to their investment portfolios.

Think carefully before making a Savings Component withdrawal

At the start of a new tax year (from 1 March 2026) members can once again make a Savings component withdrawal, provided they have at least R2000 saved in this pot. A cash withdrawal may be attractive with the rise of daily living costs in South Africa but may influence your retirement plans negatively in the future. You basically have **three options available with the money in your Savings component:**

- 1. Avoid withdrawing it until retirement.** At retirement you can choose to receive this as a cash lump sum (subject to tax) or add it to your Retirement component to purchase a pension. If you leave it to grow and add this to your Retirement component, at retirement you can retire with a larger monthly pension.
- 2. Leave it in the Savings component to continue to grow** and use a portion in the future when you have a real financial emergency.
- 3. Withdraw it annually and pay marginal tax (the highest tax possible)** as well as an administration fee. When you get to retirement you will NOT have any money to take in cash (unless you have a Vested benefit in the Fund and then you may still only receive one third of this money as a cash lump sum).

To see **your balance** in the **Savings component** please make sure **you are registered on the Benefit Counsellor Member online portal:**



**WhatsApp "Hi" to
078 248 0529**

Call to Action

Thinking twice before making annual Savings component withdrawals is not just a matter of financial prudence; it's a crucial step toward ensuring your long-term financial security.

By understanding your options and making intentional decisions, you can safeguard your financial future and ensure that you're building a solid foundation for retirement.

Remember, every choice you make today will impact your financial security tomorrow.

Take the time to explore your options, consult with professionals, and make the most of your hard-earned retirement savings.

Your future self will thank you for it!

Update your beneficiaries on the online Member Portal

Complete/update your Beneficiary Nomination Form at least once a year and also at any time your details may change, i.e. birth of a new child, divorce etc. By completing this form, you identify your dependants, and it will help the Board make informed decisions. Follow the step-by-step guide described below to **update your beneficiaries online**:

Step-by-step guide

Log in or Register

Visit <https://salt.benefitcounsellor.com> and log in or create your account.

On your Dashboard

Select “Beneficiary Nomination” from the dashboard menu.

Choose Online Nomination

Click on “Online Beneficiary Nomination” to begin.

Add Beneficiaries

Select “Add item” to include new beneficiaries. Complete the form for each.

Dependant or non-Dependant?

You can nominate both dependant and non-dependant beneficiaries.

Allocate Shares

On the summary page, assign a percentage share to each beneficiary. The total must add up to 100%.

Confirm and Save


Accept the confirmation that this nomination replaces any previous one, then click “Save Share Allocation”.




salt

EMPLOYEE BENEFITS

Contact details

 Head-office call: **011 544 8300**

 Email: umbrella@salteb.co.za

 Fax: **086 644 3369**

 Web: www.salteb.co.za

The Funds Registration numbers:

FSCA Reg no for Salt Umbrella Provident Fund: 12/8/38002

FSCA Reg no for Salt Umbrella Pension Fund: 12/8/38117