

Steady Horizons



Fund Newsletter

Special Edition

[Click here](#) to take our member survey and enter the lucky draw!



The power of AF Connect to stay financially fit

Visit mymoneymatters.alexforbes.com or scan the QR code to register. Once you have registered, you can find the Retirement Projection tool under the Tools and Calculators menu.

Use this powerful tool to:



Estimate how much you could have saved by retirement



Track Your Progress toward your retirement goals



Test Different Scenarios by adjusting your contributions



Visualise how your investments could grow over time



Make confident, informed decisions for a more secure retirement



Saving for retirement: Why starting early matters

According to numerous surveys, around 85% of Gen Xers (those born from 1965–1980) and Baby Boomers (those born from 1946–1964) say their biggest financial regret is not saving for retirement earlier.

*Not choosing
the wrong
investment.*

*Not taking a
financial risk.*

*Simply
waiting too
long to start.*

The problem is that saving too little is very difficult and costly to fix later.

Someone who saves just **R200** a month from age **25** could accumulate around **R500 000** by age **65**. If that same person waits until age **40** to start, that amount could reduce to as little as **R150 000**.

That's the cost of waiting.

Are you saving enough?

A useful way to check whether your retirement savings are on track is to look at your replacement ratio. Your replacement ratio shows the percentage of your salary that you are expected to replace with retirement income when you retire.

See your Fund balance and your progress on your annual benefit statement and projection statement – you should be targeting at least 70% as your net replacement ratio:

An example of an annual benefit statement summary is illustrated below - look for these values on your statement:

**Retirement
fund credit**

R1,911,162.25

**Investment
returns for period**

R 342,259.29

Your progress

64.60%

expected net replacement
ratio at normal retirement
date (September 2041):

Your Benefits

Death benefit:

R4,395,561.85

Monthly disability
benefit:

R31,054.99

Research shows that, to reach the 70% replacement level, most people need to save at least 15% of their income over a working life of 35 years or more.

As 16% of your contributions to the Fund go towards your retirement savings each month (18.5% for some former Vista members), you are in a good position to reach this goal, as long as you have the **discipline, patience** and **long-term commitment** to leave your retirement savings alone to grow throughout your career.

The golden rules for reaching your retirement goals are: Start early, contribute enough, and stay invested.

Regular contributions made consistently over time can have a powerful impact and significantly improve your financial peace of mind when you retire.

One of the biggest advantages of starting early is the power of compound interest. Compound interest means you earn returns not only on the money you save, but also on the returns already earned on that money.

Let's look at an example.

- At 27, Daniel starts investing R2 500 each month towards his retirement, with a 6% per annum assumed growth rate.
- 35 years later at age 62, Daniel will have contributed a total of R1 050 000. But thanks to the power of compound interest, the investment will be worth over R3.5 million!
- If Daniel had only started investing at age 37 (10 years later), his starting monthly contribution would have had to be roughly R5 130 to get to the same outcome.

That's **more than double** the original R2 500: a powerful illustration of how valuable those first 10 years of compound growth are.

It really isn't rocket science: Every rand you trim from your monthly salary and add to your retirement fund contributions is actually worth double or even triple in the long term. There are also tax benefits of those contributions in lowering your taxes. There is an example below to illustrate this.

A simple way to picture this is a snowball rolling downhill. It starts small, but as it rolls, it gathers more snow and grows bigger and faster. Your savings work the same way over time – but the biggest impact only becomes visible later in your career.

What makes the University of South Africa Retirement Fund a great place to save?

1

Employer contributions are taxed as fringe benefits in your hands, as the employee.

2

However, contributions up to 27.5% of the greater of your remuneration or taxable income, will be allowed as a deduction for tax purposes.

3

These contributions are subject to an annual maximum of R430,000. Amounts that you cannot deduct this year, you can deduct next year at retirement, or at withdrawal.



For example:

Olivia receives **R20 000** taxable income in total per month; making her annual taxable income before retirement savings: **R20 000 x 12 = R240 000**

But... she contributes **R3 200** to the Fund every month; making her annual retirement contributions: **R3 200 x 12 = R38 400**
Her taxable income will be reduced by **R38 400** each year, so she will only pay tax on **R 201 600** and not the full **R240 000**.
However, she can contribute a total of **R66 000** per year (R240 000 x 27,5%) to her retirement fund and be taxed even less.

Are you ready to contribute a little more? You can make additional voluntary contributions to your retirement fund benefit by completing the form below and enjoy even more tax benefits.



Additional Voluntary Contribution Form

Download



Cybersecurity Awareness:

Protecting Your Retirement Savings

In today's digital world, cybercriminals are constantly looking for opportunities to access your personal and financial information. While technology makes it easier to manage your retirement savings and financial affairs, it is important to remain vigilant and take steps to protect yourself from fraud and cyberattacks.

Why cybersecurity matters:

Your retirement savings are one of your most valuable financial assets. Fraudsters may attempt to gain access to your personal information through phishing emails, fake websites, phone scams, or malicious links. Once they obtain your information, they could try to access your accounts, change your banking details, or commit identity theft.

Common cyber threats to watch out for:



Phishing emails and SMSs

Cybercriminals often send messages that appear to come from trusted organisations. These messages may ask you to click on a link, download an attachment, or provide personal information.



Fake websites

Fraudsters may create websites that look legitimate to trick you into entering your login details.

Always check:

- ✓ The website address carefully.
- ✓ That the site begins with "https://".
- ✓ That you are accessing official websites through trusted sources.



Password theft

Weak or reused passwords make it easier for criminals to gain access to your accounts.

Best practice:

- Use strong, unique passwords, aim for at least 14–16 characters.
- Avoid using personal information such as birthdays.
- Change passwords regularly.
- Enable multi-factor authentication where available.

Five simple ways to stay cyber-safe

- > Think before you click on links or attachments.
- > Never share your passwords, PINs, or OTPs with anyone.
- > Keep your devices and software updated.
- > Use strong passwords and enable additional security features.
- > Report suspicious emails, calls, or messages immediately.

Before sharing personal information, ask yourself:

- Do I know who is requesting this information?
- Was I expecting this communication?
- Can I verify the request through an official channel?
- Does the message create urgency or pressure me to act immediately?

If in doubt, do not respond. Contact the organisation directly using its official contact details.

Your role in protecting your retirement savings

Cybersecurity is everyone's responsibility. By staying alert and following basic online safety practices, you can significantly reduce the risk of fraud and help protect your retirement savings and personal information.

Stay safe. Stay informed. Stay secure.

A few moments of caution today can help protect your financial future tomorrow.

Fund Contact Information

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Retirement Fund

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