PENSION FUNDS DEFAULT REGULATIONS

Regulation 39

Default annuity and retirement benefits counselling

Retirement Funds must offer the following to its members:

1

A default annuity option into which members can retire. This can be either an "out-of-fund annuity" or an "in-fund annuity". Members do have the option to "opt-out" of the default annuity.

Out-of-fund

The annuity is offered by an entity other than the Retirement Fund, from which the member is retiring.

In-fund

The annuity is offered by the Retirement Fund and its trustees.

2

The fund must provide retirement benefit counselling to its members.

PENSION FUNDS DEFAULT REGULATIONS

Regulation 38

Deferred retirement

Members who retire from their employers can postpone their retirement from the Employer's Pension and/or Provident funds by either remaining a member in the existing fund, but stop contributing, or transferring to a Preservation Fund instead of retiring from the Employer's Pension/Provident fund. This is referred to as the "deferred option".

Regulation 37

Default investment portfolio

Implementation of default investment portfolios on defined contribution funds must be made available to members.

This means that defined contribution funds must have a default investment portfolio which is appropriate, reasonably priced, well communicated to members and offers good value of money.