MEDIA STATEMENT

IMPACT OF THE RETIREMENT REFORMS ON THE PRIVATE SECURITY SECTOR PROVIDENT FUND MEMBERS

The Private Security Sector Provident Fund (PSSPF) is extremely concerned by its members' current misinterpretation of the National Treasury's plans to address the country's retirement savings culture.

The PSSPF recognises that Government wishes to deal with one of the challenges faced by most funds in respect of its members saving towards retirement. Most members elect to cash in their retirement benefits upon resignation from employment. Every time an employee changes employment, they cash in their accumulated retirement savings and are left with insufficient retirement savings.

The Fund however, believes that Treasury should have broadly consulted with all stakeholders to minimise the confusion and challenges that are arising from the perceptions that Government will nationalise provident funds and prevent people from accessing their funds.

It is imperative to note that the new developments will have a nominal effect on PSSPF members. Some members will not be required to annuitise their retirement benefit as it will be less than the R 150 000 threshold stipulated by the National Treasury when they reach retirement. In addition, all contributions made by members up to 28 February 2015, will be able to be accessed in cash and members who are at the age of 55 and older will not be impacted by the proposed reforms as their current and future contributions may be accessed in full.

The panic caused by false rumours is resulting in most members' discontent and threats of resignations and withdrawals from the provident fund. The PSSPF calls on its members not to panic as their monies are safe and that their current savings will not be affected by the changes. The Fund will keep its members abreast with the developments on this issue.

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