



# WOOLWORTHS GROUP RETIREMENT FUND

MAKING THE DIFFERENCE TO YOUR RETIREMENT

## MEMBER NEWSLETTER

July • 2014

# CHANGES TO THE AUTOMATIC LIFE STAGE INVESTMENT OPTION WITH EFFECT FROM JULY 2014

A lot has changed (and there is more to come) since we wrote the first newsletter that is in your Retirement Toolkit – the white file that you should have received from your manager.

### RETIREMENT AGE MOVES TO 63

Woolworths has decided to increase the normal retirement age from age 60 to 63 with effect from 1 July 2014.

**This means you have an extra 3 years to save for your retirement.**

This change has an impact on the investment strategy applied in the Woolworths Group Retirement Fund. We currently have two investment options, namely Automatic Life Stage and Life Stage Choice.



The change in retirement age only affects the Automatic Life Stage option and this is explained below.

## THE AUTOMATIC LIFE STAGE INVESTMENT OPTION

Growth			Stable			
HIGH GROWTH	GROWTH	MEDIUM GROWTH	MEDIUM CONSERVATIVE	CONSERVATIVE	STABLE	PRESCIENT PENSIONER LOCAL PORTFOLIO
Up to age 56	At age 57	At age 58	At age 59	At age 60	At age 61	At age 62

### WHAT IS THE AUTOMATIC LIFE STAGE OPTION?

The Automatic Life Stage option invests your Fund Credit – your contributions and those made by Woolworths on your behalf – in a high-growth portfolio and automatically moves your Fund Credit to less volatile conservative portfolios as you get closer to normal retirement age. This movement is called 'de-risking' and it occurs six years before normal retirement age.

**With the increase in normal retirement age to 63, the de-risking will now start at age 56 years.**

### HOW DOES THE CHANGE OF RETIREMENT AGE AFFECT ME?

For now it only affects members who are 54 and older, but it will in time affect all members as they get closer to retirement age.

**All those members who are currently age 54, or older, and who have been de-risked will see their Fund Credit moved into a growth portfolio.**

Refer to your first newsletter in your file to see the previous structure of Automatic Life Stage.

"SAVING TODAY FOR FINANCIAL INDEPENDENCE TOMORROW"

## THIS TABLE WILL HELP YOU TO UNDERSTAND THE DE-RISKING AND HOW IT AFFECTS YOU:

Age now	Old portfolio	New portfolio
54	Growth	High Growth
55	Medium Growth	High Growth
56	Medium Conservative	High Growth
57	Conservative	Growth
58	Stable	Medium Growth
59	Prescient Pensioner Portfolio	Medium Conservative

### EXAMPLE:

If you are age 57, you would have been automatically de-risked into the Conservative portfolio on the old structure. In July you will be automatically be moved back to the Growth portfolio. The de-risking will continue until you reach age 63 and retire.

## THE LIFE STAGE CHOICE INVESTMENT OPTION

Growth			Stable				CASH	SHARIAH
HIGH GROWTH	GROWTH	MEDIUM GROWTH	MEDIUM CONSERVATIVE	CONSERVATIVE	STABLE	CASH	SHARIAH	

The other investment option in the Fund is called Life Stage Choice. In this option you have chosen the investment portfolio.

You will remain in this portfolio until you complete a switch form or you retire.

### SWITCHING YOUR INVESTMENT PORTFOLIO

New switch instruction forms are available on the People site on Imbizo. However, we caution you to first obtain financial planning advice before making any changes.



If you have any queries with regard to the above changes, please e-mail Jenny Wolhuter at [jennywolhuter@woolworths.co.za](mailto:jennywolhuter@woolworths.co.za).

## AN EXTRA THREE YEARS FOR A SMOOTH TAKE-OFF INTO RETIREMENT

- 1. Create a financial plan** – Track, from a financial standpoint, where you are, where you need to go, and if you're on track to get there.
- 2. Get a handle on health care** – Outside of maintaining your good personal health, you should be aware of your Healthcare plan, how it works, if it can be continued into retirement, and if so, at what cost?
- 3. Try to pay off debt before you retire** – When preparing to retire, be mindful of the amount of debt you're carrying. The most common types of debt are credit cards and vehicle loans.



Let us know if you want us to cover particular topics, if you would like to know more about something, or want to raise a concern. We'd like to hear from you!

**Fund queries:** For more information about the Fund or for Fund queries, you can contact us on **021 407 2699**

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