



WHEN **ONE DAY** BECOMES  
**DAY ONE**

RETIREMENT | DISABILITY | RETRENCHMENT | EMPLOYMENT

BENCHMARK | SYMPOSIUM | 2013

PENSIONER DATABOOK

 **Sanlam**

Employee Benefits

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We are pleased to provide you with the results of our 33rd Annual BENCHMARK Survey.

South Africa has the largest domestic market in Africa and our substantial natural resources enable us to continually attract foreign investors. Ernst & Young has identified South Africa as one of fourteen attractive investment destinations in Africa. Since 2008 the relevance of emerging markets has increasingly gained confidence, over some developed nations, with South Africa included in the consideration set, as an emerging market investment geography.

Our institutional environment is relatively conducive to business with the financial sector being the most sophisticated on the continent. The Johannesburg Securities Exchange boasts world-class technology, surveillance and world-class settlement in an emerging market and offers investors a truly first world trading environment. Despite all these positives and South Africa commonly referred to as an “asset rich” country, we still face extreme income inequality with many people remaining in poverty. Our economy still struggles with infrastructural inefficiencies, and as a result of slow economic growth, unemployment hovers at 25.2% according to Statistics South Africa’s Labour Force Quarterly Survey for the first quarter of 2013.

# FOREWORD

by Dawie de Villiers, Chief Executive Officer, Sanlam Employee Benefits

At first glance Gross National household savings as a percentage of Gross Domestic Product (GDP), for 2012 is about 1.7% and one might be forgiven to think that this is a positive savings statistic. For a real indication on households’ financial stability, a key indicator is savings

to disposable income. According to the South African Reserve Bank, for the period 2008 to 2012 households have experienced consistent year-on-year negative savings in the range of -1.1% to -0.1% with only slight improvements. At the core of households' vulnerability is consumers' indebtedness.

SA's household's debt to disposable income ratios have been on the rise since the beginning of 2011 and currently sit at around 76%.

In response to our economic conundrum, in November 2011 the National Planning Committee formulated a vision statement and development plan for the country with the objective of alleviating poverty and the reduction of inequality by 2030. This paper has become the spat of many public debates between Labour and Government, and the future of the plan may hang in the balance.

On the subject of poverty it is indeed a sad reality that many South Africans are heading for and experiencing poverty in retirement. In this regard the Sanlam BENCHMARK Survey has researched and provided data over the last five years on how the low levels of savings is supported by fund members not making adequate retirement provision. Our survey is widely regarded as the definitive guide to retirement provision in South Africa. It delivers valuable information to the industry to enable those responsible for decision-making to make informed decisions around retirement planning, benefit provision and fund management.

A word of gratitude is extended to the Sanlam BENCHMARK team for effortlessly working around the clock to bring you detailed analysis on the four in-depth quantitative studies. I invite you, the retirement fund representative, to engage with us on the research content. We welcome any suggestions and improvements to ensure that our research enables value adding decision-making.

In retaining our commitment to the environment I am proud to share with you that this report has been printed on Triple Green paper. This is a double coated wood free art paper offering excellent printability. It has been manufactured using sugar cane pulp, making this paper environmentally friendly. It is not only farmed from an annually renewable resource but is also sourced from local suppliers, many of whom are previously disadvantaged tree growers.

I trust that we have once again met the research objectives which we have set. I hope that you continue to find the research results, together with Sanlam's insights, of value when assisting employers construct and design optimal benefit structures which enable all retirement fund members to retire with sufficient capital to sustain them in their retirement years.

## RESEARCH OBJECTIVES



It is against this backdrop that we have set the following research objectives:

- Provide key industry stakeholders with a definitive view on the state of the retirement fund landscape.
- Ascertain how employers are preparing for the impact of changes in the retirement reform process.
- Present the industry with Sanlam Employee Benefit's response to the retirement reform papers.
- Unpack the member's circle of influence at the point of retirement.
- Have a clear understanding of the post retirement process.

# METHODOLOGY AND SAMPLE



**by Wagieda Suliman,**

Sanlam Investments:  
Business Intelligence



**and Linda Findlay,**

BDRC: Managing Director

The 2013 BENCHMARK Pensioner Survey was conducted among 251 pensioners.

The sample has remained broadly consistent year-on-year, which allows us to conduct trend analysis. Participation in the survey was based on individuals' already in retirement and currently in receipt of a monthly annuity income via an employer sponsored scheme or a retirement annuity fund. The average pensioner in this year's survey retired 7.6 years ago. Pensioners only in receipt of a pension from the Government Social Assistance Pension have not been included in this sample. However, 6.4% respondents in the sample indicated that their retirement income is supplemented with an "old age pension" from Government.

The survey was conducted by an independent market research agency BDRC, through face-to-face interviews. The research was conducted during February this year.

The research was conducted under the South African Marketing Research Association (SAMRA) Code of Conduct and all the information gathered is held in strict confidence. All respondents remain anonymous and only the aggregated results are reported on. Since we did not conduct a Quantitative Study in 2012, the data represented are for years 2010, 2011 and 2013. To keep the results current, any questions from the previous two years' study not included in the 2013 survey, have not been tabulated. However, the historical data is available on the BENCHMARK research web application on the following link at [www.sanlambenchmark.co.za](http://www.sanlambenchmark.co.za)

## Sample size

The tables and graphs in this report are based on responses by 251 pensioners, but in some instances the total number of responses is  $n \neq 251$ , namely:

- $n < 251$  where the question was not applicable to all respondents.
- $n > 251$  where the question allowed for multiple responses.

Caution: Data should be used with care, particularly where the number of responses are  $< 30$ , as this is considered statistically insufficient to draw any significant industry conclusions.

## Numbering

We have tracked responses to certain questions, which allow us to determine trends for a specific period. As a result, in an attempt to retain original questions, question numbering may not be sequential.

Should you require any further details or assistance in using the contents of this report please feel free to contact any of the BENCHMARK team members, whose details are listed at the end of this report.

# SECTION A: DEMOGRAPHICS

## QA.1 Are you retired?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Yes	251	252	250
	100.0%	100.0%	100.0%
Table Size	251	252	250
	100.0%	100.0%	100.0%

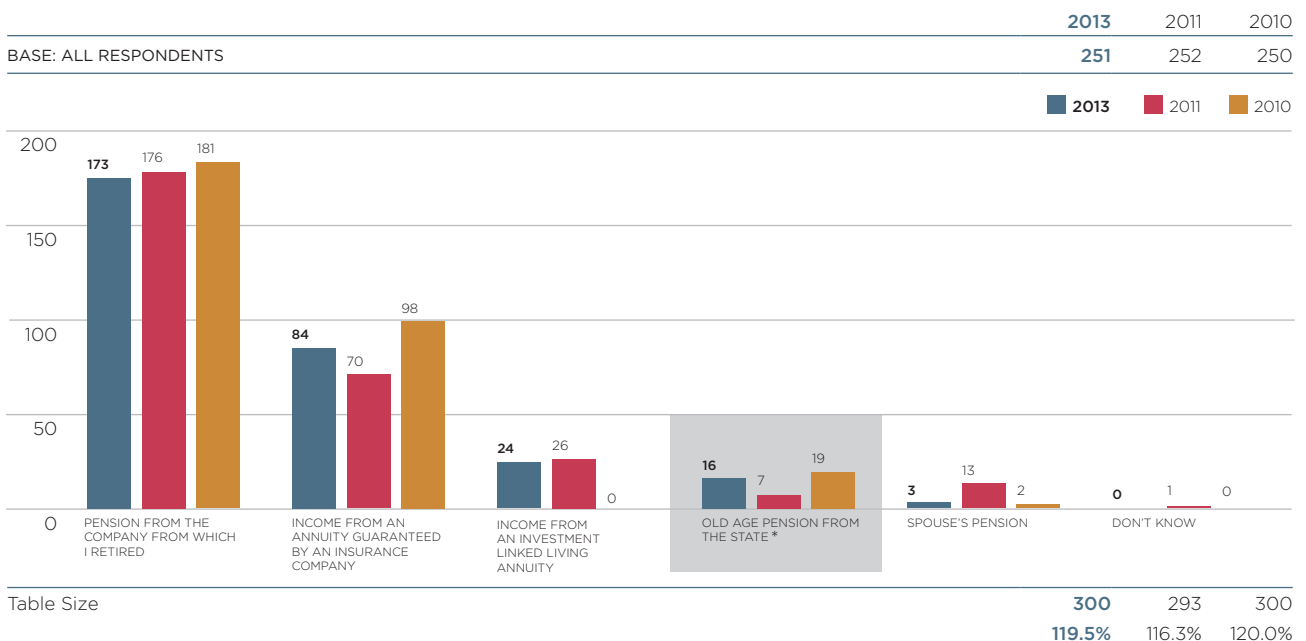
## QA.2 How did you earn an income before retirement?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Employed full time	195	191	212
	77.7%	75.8%	84.8%
Employed part time	0	0	1
	0.0%	0.0%	0.4%
Self employed (registered business)	54	56	37
	21.5%	22.2%	14.8%
Working as an independent consultant/freelancer (not a registered business)	2	5	0
	0.8%	2.0%	0.0%
Summary			
Any employed	195	191	213
	77.7%	75.8%	85.2%
Any self employed	56	61	37
	22.3%	24.2%	14.8%
Table Size	251	252	250
	100.0%	100.0%	100.0%

## QA.3 Which of the following retirement funds or products did you contribute to during your working years just before retirement?

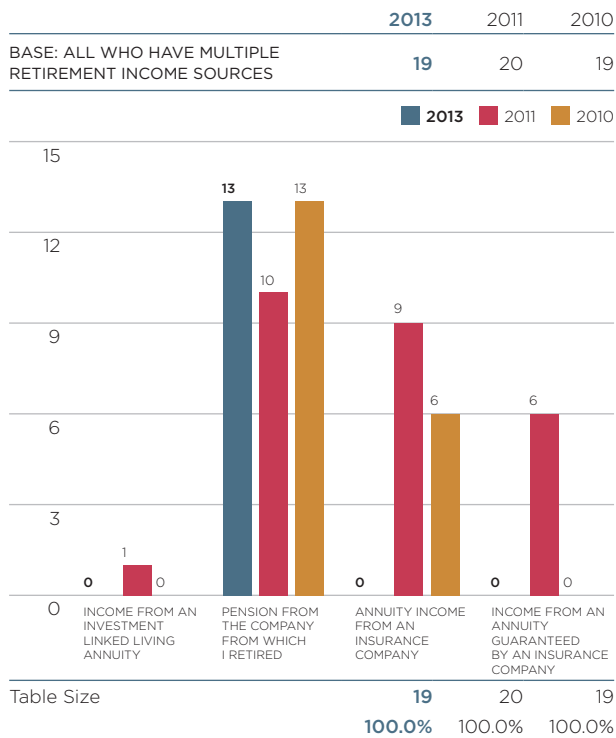
	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Company sponsored pension fund	168	154	-
	66.9%	61.1%	-
Company sponsored provident fund	35	34	-
	13.9%	13.5%	-
Company sponsored retirement fund	-	-	182
	-	-	72.8%
Union fund	4	2	15
	1.6%	0.8%	6.0%
Umbrella fund	0	3	6
	0.0%	1.2%	2.4%
Retirement Annuity (RA)	83	80	68
	33.1%	31.7%	27.2%
Other	0	2	0
	0.0%	0.8%	0.0%
Summary			
Any company sponsored fund	197	187	182
	78.5%	74.2%	72.8%
Table Size	290	275	271
	115.5%	109.1%	108.4%

## QA.4 Which of the following types of retirement income do you currently receive?



\*Note: The 16 respondents who receive a Social Assistance Pension, this is not their main income source.

## QA.5 From which source do you receive most of your retirement income?



Note: Caution low base where n<30.

## QA.7 What sources of income do you have in retirement apart from your pension / retirement annuity?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	134
Savings	93	123	61
	37.1%	48.8%	45.5%
Investments	98	103	83
	39.0%	40.9%	61.9%
Inheritance capital	7	9	6
	2.8%	3.6%	4.5%
Property investments	18	38	29
	7.2%	15.1%	21.6%
Other	8	36	10
	3.2%	14.3%	7.5%
Not applicable	78	29	0
	31.1%	11.5%	0.0%
Don't know	0	0	1
	0.0%	0.0%	0.7%
Table Size	302	338	190
	120.3%	134.1%	141.8%

## QA.8

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Male	166	171	178
	66.1%	67.9%	71.2%
Female	85	81	72
	33.9%	32.1%	28.8%
Table Size	251	252	250
	100.0%	100.0%	100.0%

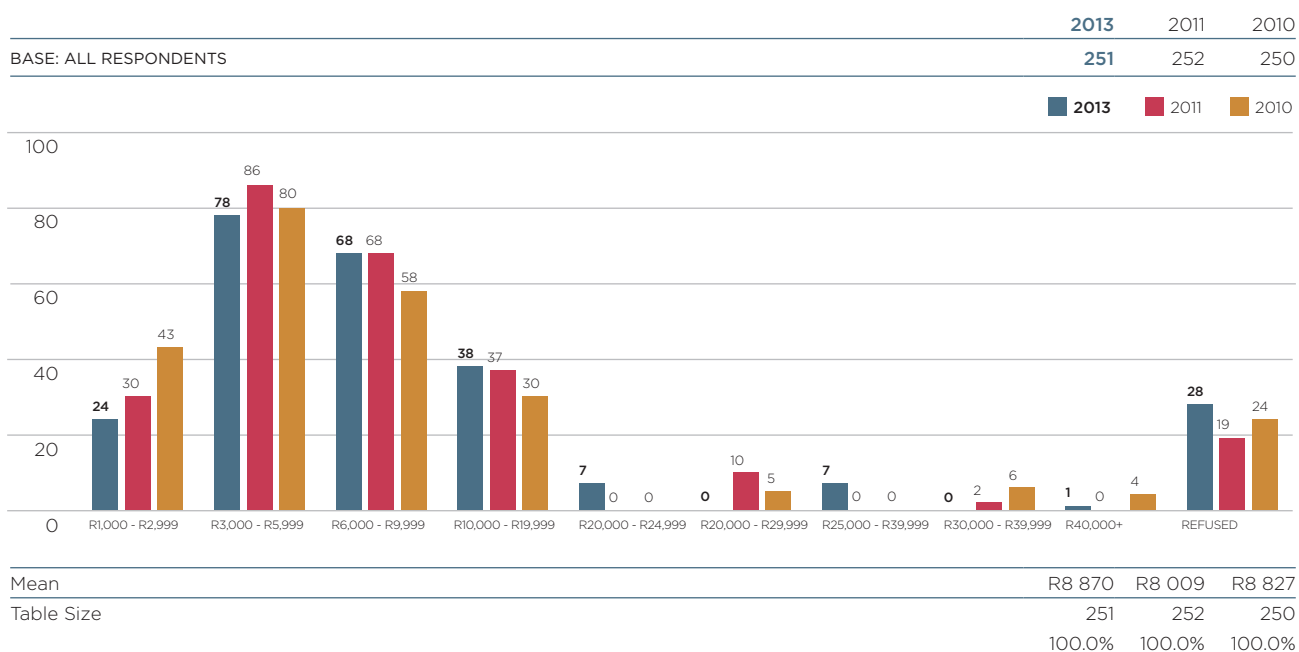
## QA.9

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Black	80	80	79
	31.9%	31.7%	31.6%
Coloured	23	20	20
	9.2%	7.9%	8.0%
Indian	17	20	21
	6.8%	7.9%	8.4%
White	131	132	130
	52.2%	52.4%	52.0%
Table Size	251	252	250
	100.0%	100.0%	100.0%

## QA.10 Which of the following best describes your age category?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
46 - 50	4	10	0
	1.6%	4.0%	0.0%
51 - 55	8	8	10
	3.2%	3.2%	4.0%
56 - 60	30	42	21
	12.0%	16.7%	8.4%
61 - 65	84	69	58
	33.5%	27.4%	23.2%
66 - 70	63	63	109
	25.1%	25.0%	43.6%
71 - 75	28	31	31
	11.2%	12.3%	12.4%
76 - 80	19	17	16
	7.6%	6.7%	6.4%
81 - 85	12	10	5
	4.8%	4.0%	2.0%
86 - 90	2	2	0
	0.8%	0.8%	0.0%
91-95	1	-	-
	0.4%	-	-
Mean	66.63	65.74	66.96
Table Size	251	252	250
	100.0%	100.0%	100.0%

## QA.11 Which of the following best describes your monthly retirement income before taxes?



## QA.12 What is your marital status?

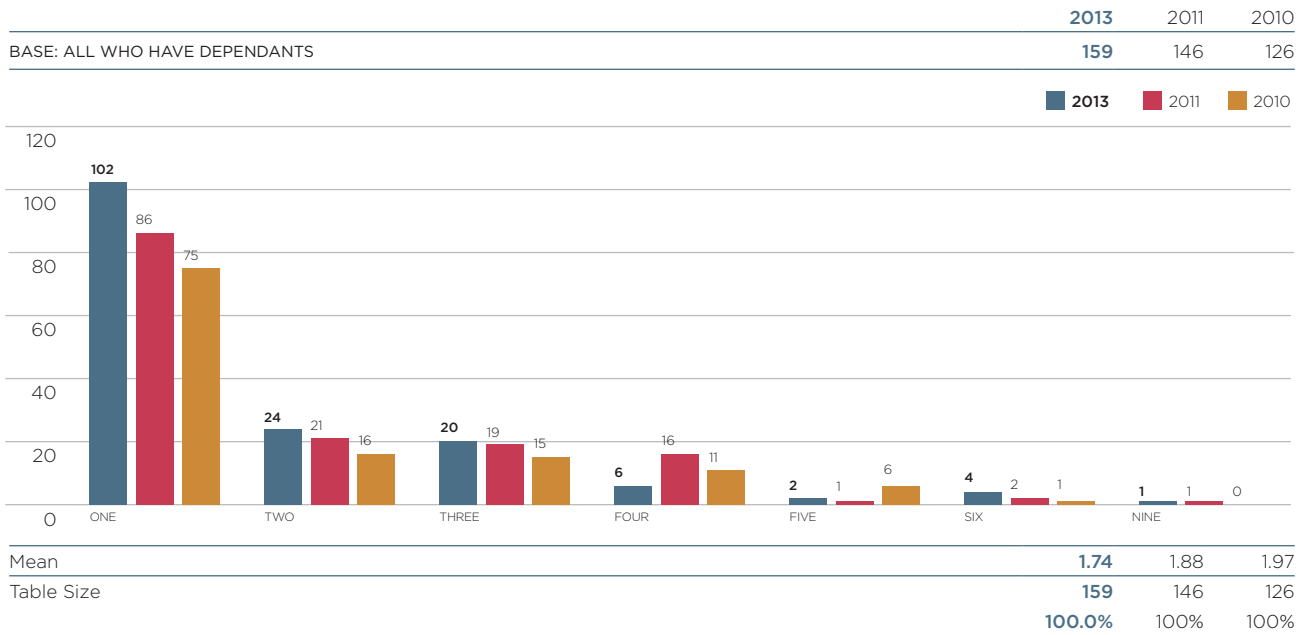
	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Single	12 4.8%	12 4.8%	10 4.0%
Unmarried but cohabiting / living together	5 2.0%	3 1.2%	3 1.2%
Married	144 57.4%	149 59.1%	158 63.2%
Widowed	65 25.9%	59 23.4%	52 20.8%
Divorced	24 9.6%	26 10.3%	27 10.8%
Separated	1 0.4%	1 0.4%	0 0.0%
Refused	0 0.0%	2 0.8%	0 0.0%
Table Size	251 100.0%	252 100.0%	250 100.0%

## QA.13a Do you still have other persons, e.g. a spouse or children, that are financially dependant on you?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Yes, a spouse / spouses	132 52.6%	106 42.1%	99 39.6%
Yes, a child / children	56 22.3%	50 19.8%	51 20.4%
Yes, other dependants	10 4.0%	23 9.1%	16 6.4%
No	92 36.7%	106 42.1%	124 49.6%
Summary			
Any yes	159 63.3%	146 57.9%	126 50.4%
Table Size	251 100.0%	285 113.1%	290 116.0%



**QA.13b** How many dependants do you have, including spouse (s) (if applicable), child (ren) and any others who are financially dependent on you?



**2013**

**22%** of all respondents have child dependants  
**53%** have adult dependants

**Mean no. of dependants = 1.7**

Mean Child dependants: 1.9  
 Mean Adult dependants: 1.2

## SECTION B: RETIREMENT

**QB.1** At what age did you retire from formal employment / running your own business?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Under 55	38	57	44
	15.1%	22.6%	17.6%
56 - 60	121	94	99
	48.2%	37.3%	39.6%
61 - 63	24	29	20
	9.6%	11.5%	8.0%
64 - 65	51	59	81
	20.3%	23.4%	32.4%
66 - 68	8	9	5
	3.2%	3.6%	2.0%
69 - 70	7	4	1
	2.8%	1.6%	0.4%
71-72	1		
	0.4%	-	-
73-74	1		
	0.4%	-	-
Mean	59.22	58.68	59.24
Table Size	251	252	250
	100.0%	100.0%	100.0%

**QB2a** At what age did you first start contributing towards a retirement fund or RA?

	2013
BASE: ALL RESPONDENTS	251
16-19	21
	8.4%
20-24	60
	23.9%
25-29	59
	23.5%
30-34	50
	19.9%
35-39	35
	13.9%
40+	25
	10.0%
Don't know	1
	0.4%
Mean	28.38
	251
Table Size	100.0%

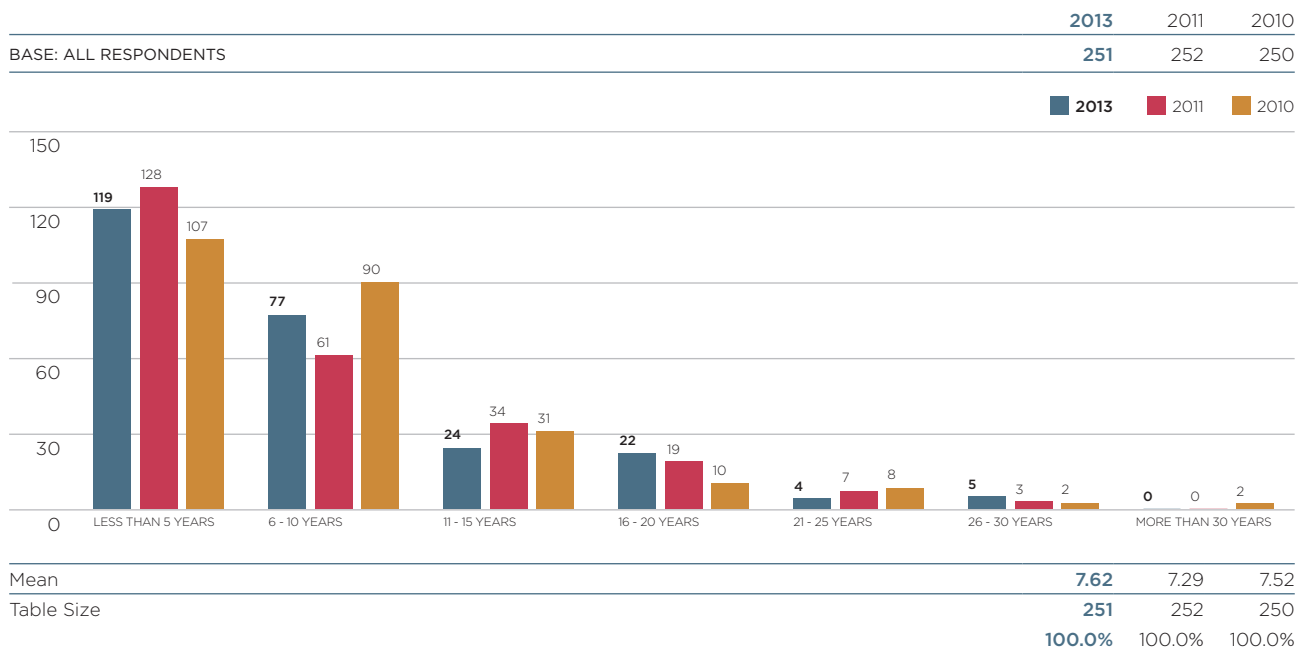
**QB2b** And what percentage of your salary, on average, did you personally allocate towards retirement savings during your working life? Please include only your own contributions and exclude any employer contributions made towards your retirement savings.

	2013
BASE: ALL RESPONDENTS	251
1% - 4.9%	37
	15.0%
5% - 9.9%	154
	61.4%
10% - 14%	39
	15.5%
15% - 19%	5
	2.0%
20%+	4
	1.6%
Don't know	12
	4.8%
Mean	7%
Table Size	251
	100.0%

**QB2c** For how many years, in total, did you make contributions to a retirement fund and/or RA?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Less than 5 years	2	4	3
	0.8%	1.6%	1.2%
6 - 10 years	1	5	7
	0.4%	2.0%	2.8%
11 - 15 years	7	21	15
	2.8%	8.3%	6.0%
16 - 20 years	29	49	33
	11.6%	19.4%	13.2%
21 - 25 years	38	40	34
	15.1%	15.9%	13.6%
26 - 30 years	56	57	62
	22.3%	22.6%	24.8%
More than 30 years	110	70	91
	43.8%	27.8%	36.4%
Don't know	8	6	5
	3.2%	2.4%	2.0%
Mean	28.47	25.09	26.76
Table Size	251	252	250
	100.0%	100.0%	100.0%

## QB.2d And how long ago did you retire?



## QB.3a During your working life, did you ever withdraw from a retirement fund through resignation or retrenchment from a previous employer?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Yes	43	47	41
	17.1%	18.7%	16.4%
No	208	205	209
	82.9%	81.3%	83.6%
Table Size	251	252	250
	100.0%	100.0%	100.0%

## QB.3b What did you do with your retirement benefit at the time?

	2013	2011	2010
BASE: ALL WHO WITHDREW FROM A RETIREMENT FUND	43	47	41
I withdrew the full benefit in cash	21	22	18
	48.8%	46.8%	43.9%
Preserved part of the benefit and took the rest in cash	13	9	11
	30.2%	19.1%	26.8%
Moved the entire benefit to another employer's fund	2	5	1
	4.7%	10.6%	2.4%
Moved the entire benefit to a preservation fund	0	2	3
	0.0%	4.3%	7.3%
Purchased an annuity with the benefit	5	7	9
	11.6%	14.9%	22.0%
Purchased unit trusts with the benefit	1	2	2
	2.3%	4.3%	4.9%
Other	2	1	0
	4.7%	2.1%	0.0%
Table Size	44	48	44
	102.3%	102.1%	107.3%

## QB.3c What did you spend the cash on?

	2013	2011	2010
BASE: ALL WHO TOOK THE BENEFIT IN CASH	34	31	29
Settled or reduced mortgage bond	12	5	6
	35.3%	16.1%	20.7%
Made home improvements	10	8	8
	29.4%	25.8%	27.6%
Education	1	4	5
	2.9%	12.9%	17.2%
Travel	2	1	2
	5.9%	3.2%	6.9%
Reduced short term debt (e.g. car, credit cards, loans etc.)	9	12	8
	26.5%	38.7%	27.6%
Started own business	2	4	3
	5.9%	12.9%	10.3%
Invested in other 'non-retirement' savings or investment products	7	10	5
	20.6%	32.3%	17.2%
Living expenses	10	7	5
	29.4%	22.6%	17.2%
Other	3	0	3
	8.8%	0.0%	10.3%
Table Size	56	51	45
	164.7%	164.5%	155.2%
Any invested	16	18	13
	47.1%	58.1%	44.8%
Any reduced debt	20	16	12
	58.8%	51.6%	41.4%

Note: Caution low base where n<30.

# SECTION C: RETIREMENT ADVICE

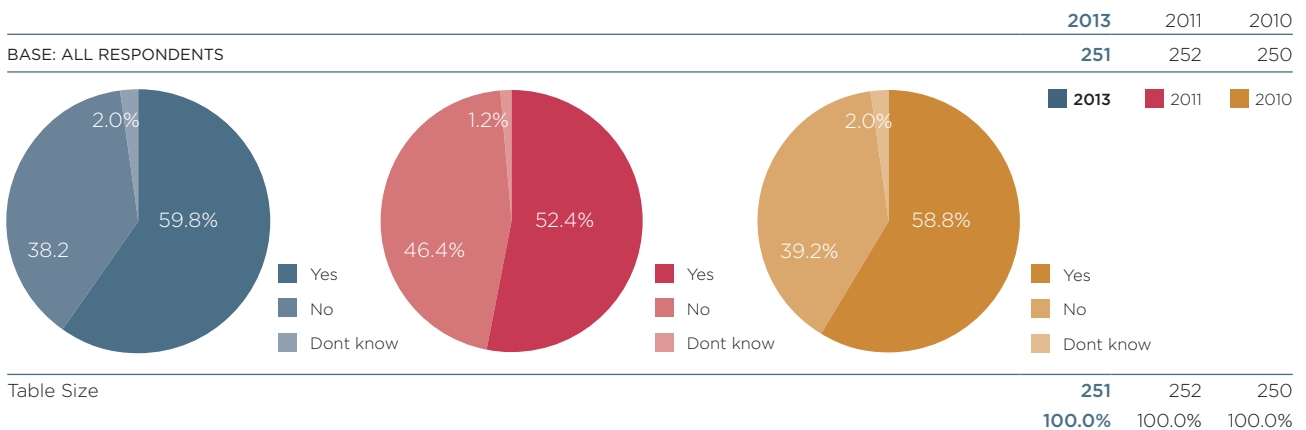
## QC1a Tell me, were you part of a retirement fund where you had investment choices?

	2013
BASE: ALL RESPONDENTS	251
Yes	97
	38.6%
No	138
	55.0%
Can't remember	16
	6.4%
Table size	251
	100.0%

## QC1b Did you receive investment advice or guidance on your investment portfolio in relation to your retirement savings?

	2013
BASE: ALL WHO HAD MIC	97
Yes	81
	83.5%
No	16
	16.5%
Table size	97
	100.0%

## QC.2a Did you receive financial advice about your retirement options prior to your retirement?



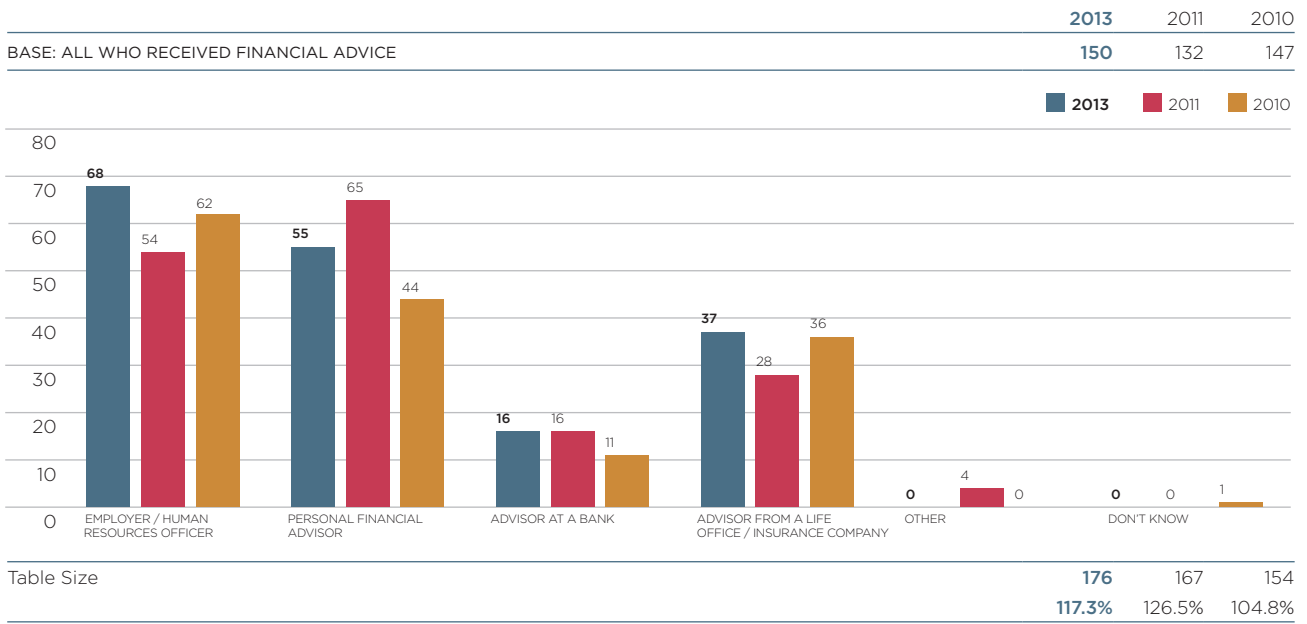
## QC.2b How many years before retirement did you first receive financial advice regarding retirement?

	2013	2011	2010
BASE: ALL WHO RECEIVED FINANCIAL ADVICE	150	132	147
More than 20 years before retirement	20	30	35
	13.3%	22.7%	23.8%
15 - 20 years before retirement	15	16	14
	10.0%	12.1%	9.5%
10 - 14 years before retirement	14	16	11
	9.3%	12.1%	7.5%
5 - 9 years before retirement	20	18	18
	13.3%	13.6%	12.2%
Less than 5 years before retirement	33	24	34
	22.0%	18.2%	23.1%
Only at the time I went on retirement	41	26	31
	27.3%	19.7%	21.1%
Don't know/Can't remember	7	2	4
	4.7%	1.5%	2.7%
Mean	11.07	10.46	9.81
Table Size	150	132	147
	100.0%	100.0%	100.0%

## QC.2c And, thereafter, how often did you receive financial advice about retirement?

	2013	2011	2010
BASE: ALL WHO RECEIVED FINANCIAL ADVICE PRIOR TO RETIREMENT	109	106	116
Every year	49	30	46
	45.0%	28.3%	39.7%
Every 2 years	16	14	20
	14.7%	13.2%	17.2%
Every 3 - 4 years	8	9	5
	7.3%	8.5%	4.3%
Every 5 years	11	16	9
	10.1%	15.1%	7.8%
Less often	12	17	24
	11.0%	16.0%	20.7%
Didn't receive financial advice again	10	19	7
	9.2%	17.9%	6.0%
Other	0	1	1
	0.0%	0.9%	0.9%
Don't know/Can't remember	3	0	4
	2.8%	0.0%	3.4%
Mean	2.34	2.75	2.85
Table Size	109	106	116
	100.0%	100.0%	100.0%

### QC.3 Who provided the financial advice?



### QC.4 Did you have a complete financial needs assessment done prior to retirement?

	2013	2011	2010
BASE: ALL WHO RECEIVED FINANCIAL ADVICE	150	132	147
Yes	97	89	105
	64.7%	67.4%	71.4%
No	48	32	35
	32.0%	24.2%	23.8%
Don't know	5	11	7
	3.3%	8.3%	4.8%
Table Size	150	132	147
	100.0%	100.0%	100.0%

### QC.5 Now that you are retired, do you (still) seek advice from a personal financial advisor / broker to assist you in financial planning?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Yes	78	82	79
	31.1%	32.5%	31.6%
No	173	170	171
	68.9%	67.5%	68.4%
Table Size	251	252	250
	100.0%	100.0%	100.0%

# SECTION D: RETIREMENT LIFESTYLE

**QD.1** Which of the following statements best describes your primary residence?

	2013	2011	2010
<b>BASE: ALL RESPONDENTS</b>	<b>251</b>	252	250
I own my home and it is fully paid	<b>193</b>	187	211
	<b>76.9%</b>	74.2%	84.4%
I own my home but I still have a mortgage / bond	<b>11</b>	15	14
	<b>4.4%</b>	6.0%	5.6%
I live in a rented property	<b>18</b>	13	8
	<b>7.2%</b>	5.2%	3.2%
I live with relatives	<b>12</b>	22	14
	<b>4.8%</b>	8.7%	5.6%
I live in a retirement community / retirement home	<b>17</b>	11	3
	<b>6.8%</b>	4.4%	1.2%
Other	<b>0</b>	4	0
	<b>0.0%</b>	1.6%	0.0%
Table Size	<b>251</b>	252	250
	<b>100.0%</b>	100.0%	100.0%

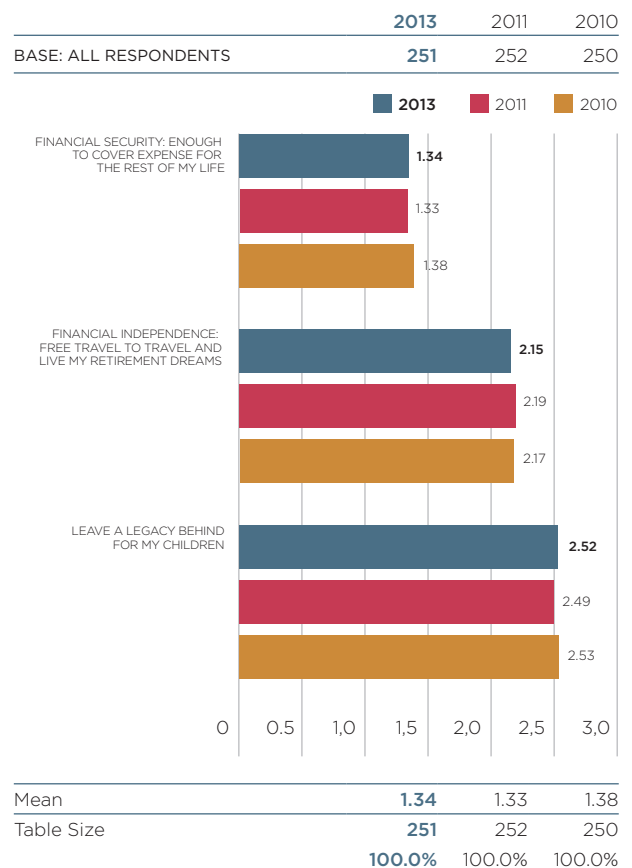
**QD.2** Which of the following forms of debt / credit, if any, are you still paying?

	2013	2011	2010
<b>BASE: ALL RESPONDENTS</b>	<b>251</b>	252	250
Mortgage/ bond	<b>12</b>	16	14
	<b>4.8%</b>	6.3%	5.6%
Credit cards	<b>31</b>	13	19
	<b>15.1%</b>	5.2%	7.6%
Store accounts (e.g. Edgars, Truworths)	<b>38</b>	40	43
	<b>15.1%</b>	15.9%	17.2%
Personal loans	<b>9</b>	6	5
	<b>3.6%</b>	2.4%	2.0%
Vehicle / other movable asset finance	<b>15</b>	10	14
	<b>6.0%</b>	4.0%	5.6%
Other	<b>0</b>	3	0
	<b>0.0%</b>	1.2%	0.0%
None	<b>169</b>	191	177
	<b>67.3%</b>	75.8%	70.8%
Table Size	<b>274</b>	279	272
	<b>109.2%</b>	110.7%	108.8%

**QD.3.1** People have different financial goals for retirement and some of them are listed here. Please take a look at the show card and rank these financial goals in order of their importance to you in your retirement. Financial Independence - free to travel and live my retirement dreams

	2013	2011	2010
<b>BASE: ALL RESPONDENTS</b>	<b>251</b>	252	250
1	<b>41</b>	41	49
	<b>16.3%</b>	16.3%	19.6%
2	<b>132</b>	121	109
	<b>52.6%</b>	48.0%	43.6%
3	<b>78</b>	90	92
	<b>31.1%</b>	35.7%	36.8%
Mean	<b>2.15</b>	2.19	2.17
Table Size	<b>251</b>	252	250
	<b>100.0%</b>	100.0%	100.0%

**QD.3.2** People have different financial goals for retirement and some of them are listed here.



### QD.4 Do you believe that you have saved enough capital to last for the rest of your life?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Yes	76 30.3%	142 56.3%	99 39.6%
No	134 53.4%	78 31.0%	117 46.8%
Don't know	41 16.3%	32 12.7%	34 13.6%
Table Size	251 100.0%	252 100.0%	250 100.0%

### QD.5 In your opinion, how much do you need to retire?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Less than 5 times your final annual salary	21 8.4%	21 8.3%	13 5.2%
About 5 times your final annual salary	57 22.7%	42 16.7%	48 19.2%
About 10 times your final annual salary	49 19.5%	64 25.4%	68 27.2%
About 15 times your final annual salary	29 11.6%	24 9.5%	29 11.6%
More than 15 times your final annual salary	-	-	65 26.0%
About 20 times your final annual salary	29 11.6%	21 8.3%	0 0.0%
More than 20 times your final annual salary	33 13.1%	40 15.9%	0 0.0%
Other (Specify)	0 0.0%	4 1.6%	0 0.0%
Don't know	33 13.1%	36 14.3%	27 10.8%
Mean	10.67	12.75	11.5
Table Size	251 100.0%	252 100.0%	250 100.0%

### QD.6 Which of the following best describes your final personal monthly salary before taxes at the point of retirement?

	2013	2011
BASE: ALL RESPONDENTS	251	252
R1 000-R2 999	11 4.4%	19 7.5%
R3 000-R5 999	43 17.1%	46 18.3%
R6 000- R9 999	43 17.1%	60 23.8%
R10 000-R19 999	59 23.5%	68 27.0%
R20 000-R24 999	32 12.7%	-
R20 000-R29 999	-	17 6.7%
R25 000-R39 999	11 4.4%	-
R30 000-R39 999	-	3 1.2%
R40 000 +	9 3.6%	11 4.4%
Refused	43 17.1%	25 9.9%
Don't know	0 0.0%	3 1.2%
Mean	R14 072	R12 366
Table Size	251 100.0%	252 100.0%

**QD7AA** Thinking about your final salary at the point of retirement, what percentage of your final salary do you consider would have been sufficient to **meet the bare minimum of your income needs?**

	2013
BASE: ALL RESPONDENTS	251
5%-10%	9 3,60%
15%-20%	26 10,20%
25%-30%	19 7,60%
35%-40%	30 12,00%
45%-50%	44 17,50%
55%-60%	23 9,20%
65%-70%	33 12,80%
75%-80%	39 15,60%
85%-90%	13 5,20%
95%-100%	14 5,60%
>100%	0 0%
Don't know	1 0,40%
Refused	1 0,40%
Mean	54,28
	251
Table Size	100,0%

**QD7b** Thinking about your final salary at the point of retirement, what percentage of your final salary do you consider would have been sufficient to **maintain your standard of living pre-retirement?**

	2013
BASE: ALL RESPONDENTS	251
5%-10%	0 0,0%
15%-20%	3 1,00%
25%-30%	11 4,40%
35%-40%	10 4,00%
45%-50%	43 17,20%
55%-60%	31 12,40%
65%-70%	21 8,40%
75%-80%	46 18,40%
85%-90%	41 16,4%
95%-100%	32 12,80%
>100%	11 4,40%
Don't know	1 0,40%
Refused	1 0,40%
Mean	70,68
	251
Table Size	100,0%



**QD8** When you retired, did you want the certainty of having a guaranteed income or were you willing to accept some risk and have an equal chance of a 5% lower or 5% higher income?

	2013
BASE: ALL RESPONDENTS	251
Wanted the certainty of a guaranteed income	205
	81.7%
Willing to accept some risk and have an equal chance of a 5% lower or 5% higher income	45
	18.3%
Table Size	251
	100.0%

**QD.9a** At the point of retirement, did your personal monthly income reduce, increase or stay the same?

	2013	2011
BASE: ALL RESPONDENTS	251	252
Reduced	127	106
	50.6%	42.1%
Increased	21	32
	8.4%	12.7%
Stayed the same	82	88
	32.7%	34.9%
Don't know	21	26
	8.4%	10.3%
Table Size	251	252
	100.0%	100.0%

**QD.9b** By how much did it reduce?

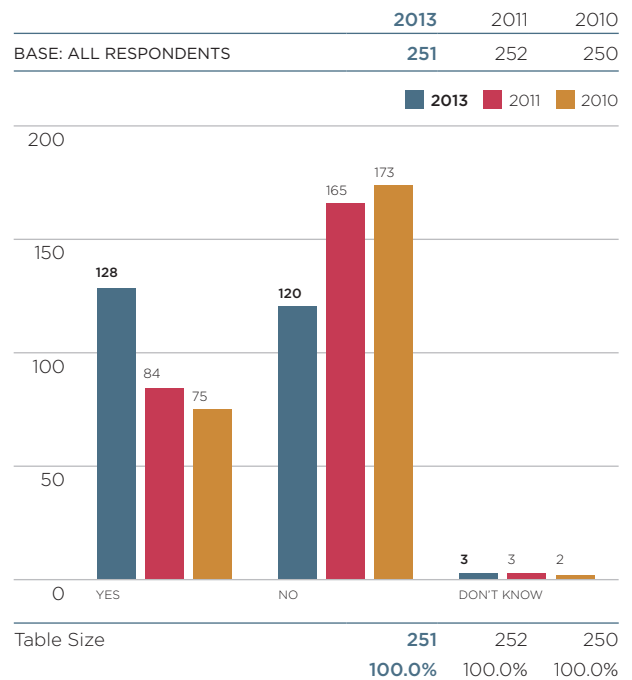
	2013	2011
BASE: ALL WHO EXPERIENCED A REDUCTION	127	106
<10%	15	-
	11.8%	-
10%	6	7
	4.7%	6.6%
20%	14	12
	11.0%	11.3%
30%	13	9
	10.2%	8.5%
40%	15	6
	11.8%	5.7%
50%	19	26
	15.0%	24.50%
60%	8	6
	6.3%	5.7%
70%	2	2
	1.6%	1.9%
80%	1	1
	0.8%	0.79%
Other	34	36
	26.8%	34.0%
Don't know	0	2
	0.0%	1.9%
Mean	31.71	38
Table Size	127	106
	100.0%	100.0%

**QD.9b** By how much did it increase?

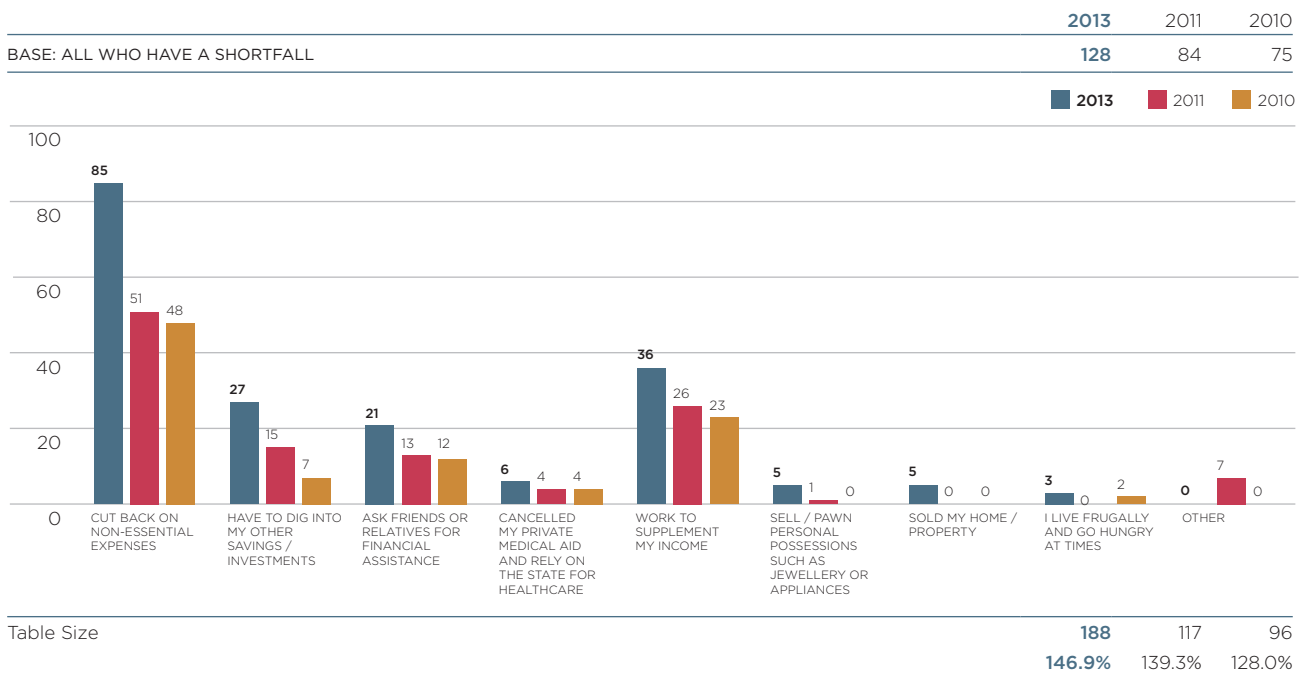
	2013	2011
BASE: ALL WHO EXPERIENCED AN INCREASE	21	32
<10%	16	-
	76.2%	-
10%	3	11
	14.3%	34.4%
20%	1	3
	4.8%	9.4%
30%	0	1
	0.0%	3.1%
40%	0	1
	0.0%	3.1%
50%	0	1
	0.0%	3.1%
Other	1	15
	4.8%	46.9%
Don't know	0	2
	0.0%	6.3%
Mean	5.4	17
Table Size	21	32
	100.0%	100.0%

Note: Caution low base where n<30.

**QD.10a** Is there a shortfall between your current monthly retirement income and your monthly living expenses?



## QD.10b How do you deal with this shortfall?



## QD.11 Do you still work to supplement your current retirement income?

	2013	2011	2010
BASE: ALL WHO DID NOT SPECIFY THAT THEY WORK TO SUPPLEMENT THEIR INCOME	215	226	227
Yes	28	35	37
	13.0%	15.5%	16.3%
No	187	191	190
	87.0%	84.5%	83.7%
Table Size	215	226	227
	100.0%	100.0%	100.0%

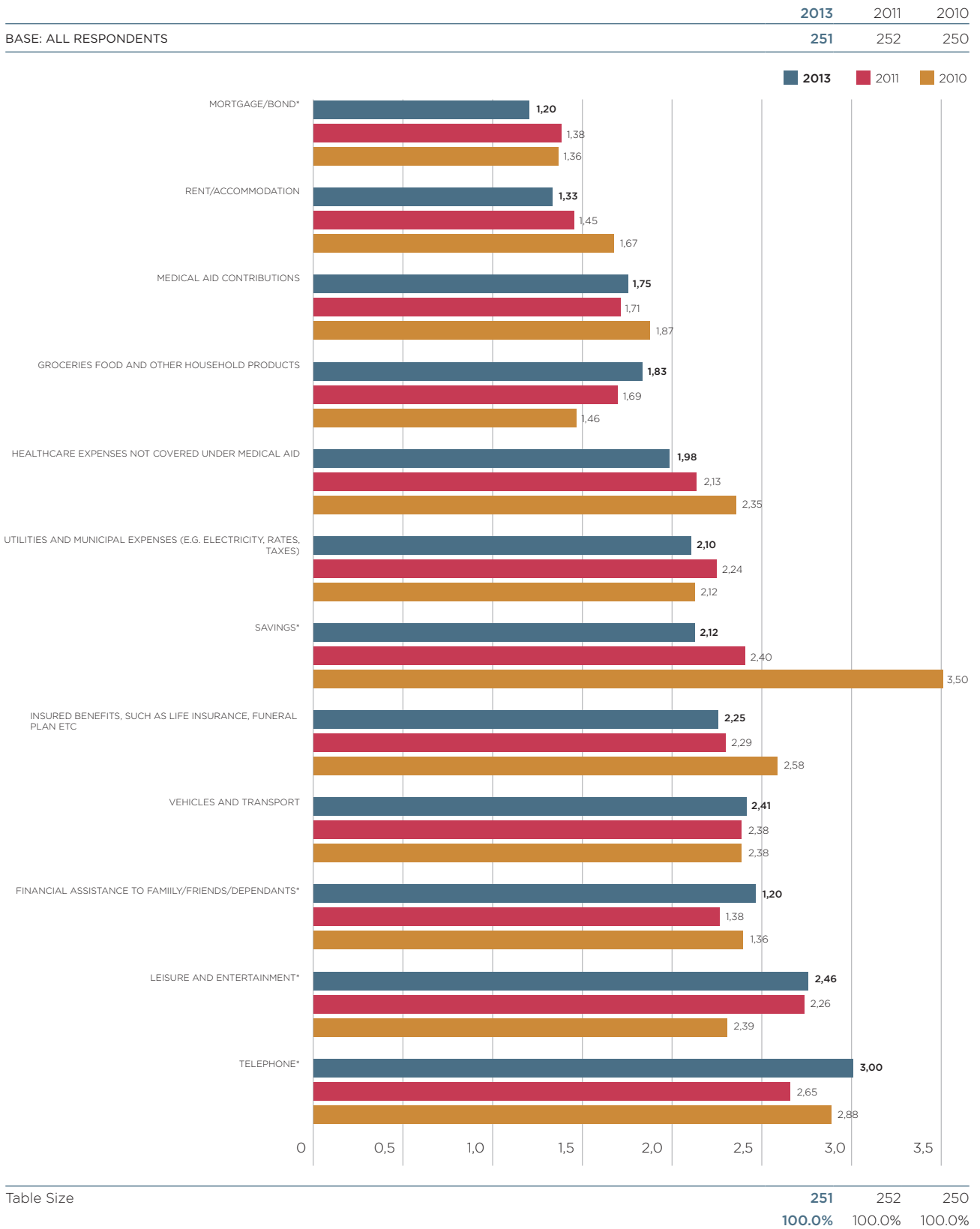
## QD.12a Considering your current monthly retirement income, do you still manage to save any money each month?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Yes, I save every month	51	71	69
	20.3%	28.2%	27.6%
Yes, but only from time to time, not monthly	48	64	72
	19.1%	25.4%	28.8%
No	152	116	109
	60.6%	46.0%	43.6%
Don't know	0	1	0
	0.0%	0.4%	0.0%
Summary			
Any Yes	99	135	141
	39.4%	53.6%	56.4%
Table Size	251	252	250
	100.0%	100.0%	100.0%

## QD.12b How do you invest your savings?

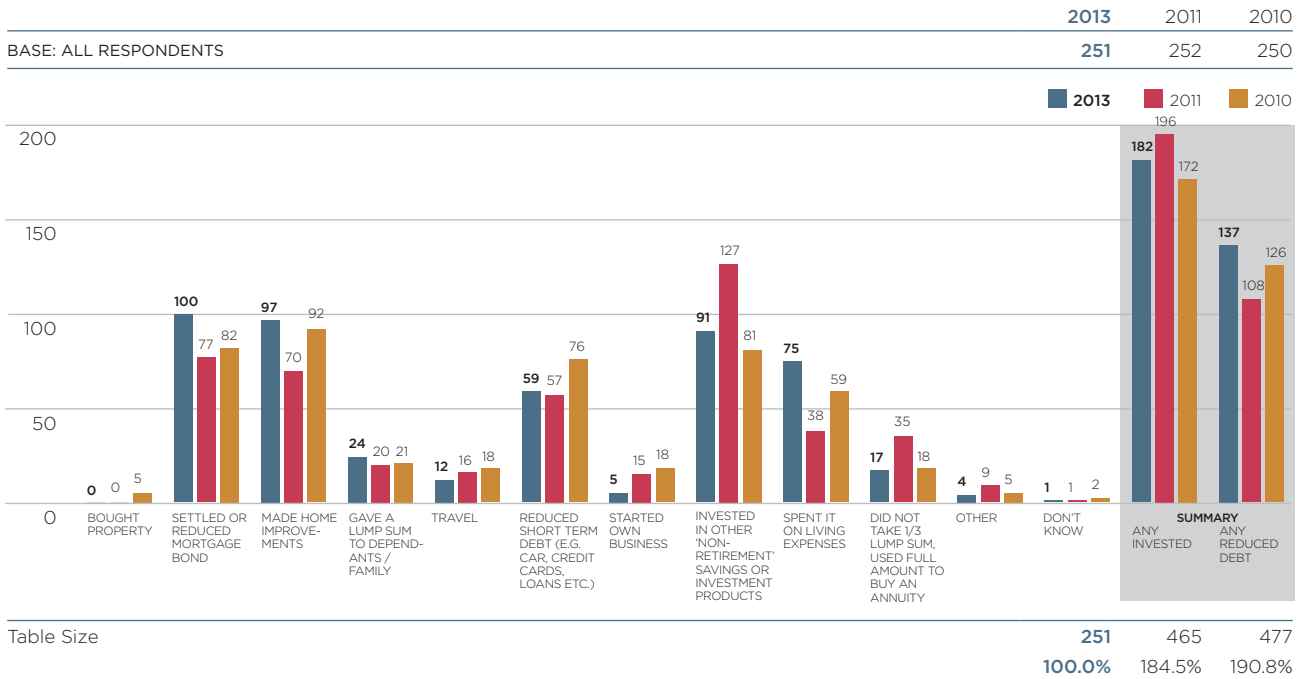
	2013	2011	2010
BASE: ALL WHO ARE ABLE TO SAVE	99	135	141
Savings account	61	91	86
	61.6%	67.4%	61.0%
Fixed deposit account	34	42	36
	34.3%	31.1%	25.5%
Insurance linked investments	15	11	18
	15.2%	8.1%	12.8%
Shares or unit trusts	11	17	22
	11.1%	12.6%	15.6%
Money market account	14	33	31
	14.1%	24.4%	22.0%
Property	3	-	-
	3.0%	-	-
Other	2	7	3
	2.0%	5.2%	2.1%
Table Size	140	201	196
	141.4%	148.9%	139.0%

**QD.13** Which of the items represent your 3 largest items of expenditure each month? On a scale where 1 represents your largest expense.



# SECTION E: LUMP SUM BENEFITS AND ANNUITIES

**QE.1** At retirement you would have received a lump sum. This would have been either one third of the total value of your pension fund or the full value of your provident fund. What have you done with the lump sum value you received?



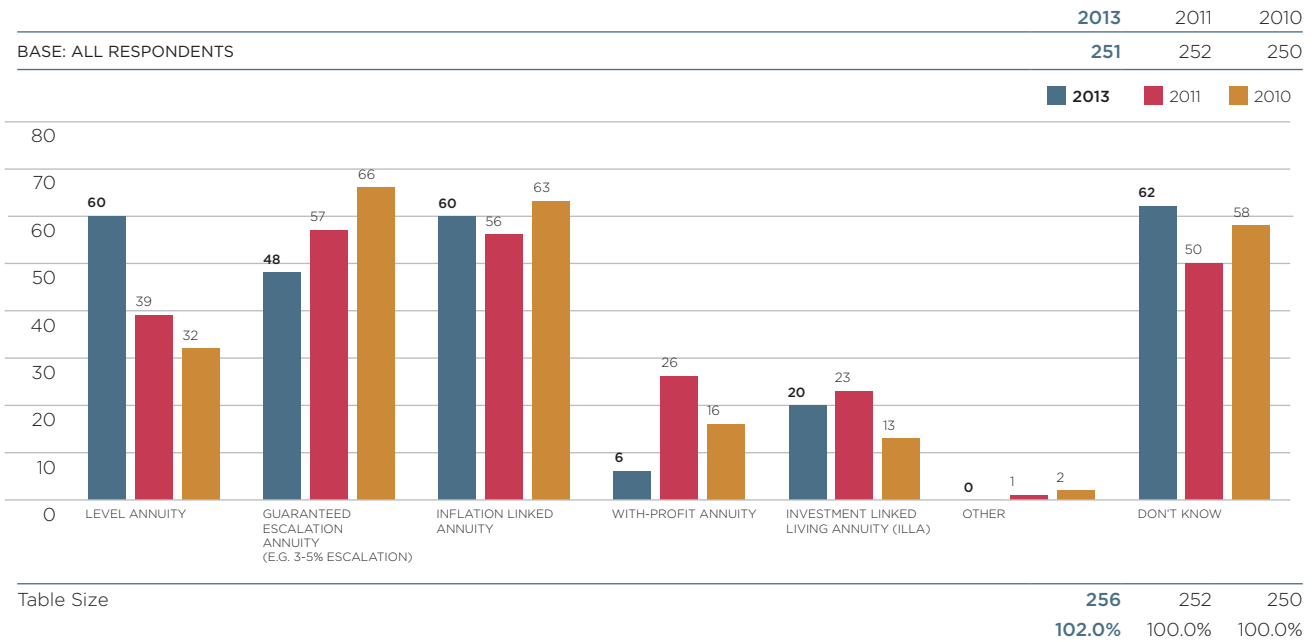
**QE.2a** Have you depleted your lump sum yet?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Yes	86	89	66
	34.3%	35.3%	26.4%
No	165	161	184
	65.7%	63.9%	73.6%
Not applicable	0	2	0
	0.0%	0.8%	0.0%
Table Size	251	252	250
	100.0%	100.0%	100.0%

**QE.2b** How long did it take to deplete your lump sum?

	2013	2011	2010
BASE: ALL WHO DEPLETED THEIR LUMP SUM	86	89	66
Less than 6 months	6	18	12
	7.0%	20.2%	18.2%
6 - 12 months	16	12	15
	18.6%	13.5%	22.7%
1 - 2 years	23	28	14
	26.7%	31.5%	21.2%
3 - 5 years	20	13	10
	23.3%	14.6%	15.2%
6 - 10 years	4	7	7
	4.7%	7.9%	10.6%
11 - 15 years	2	1	0
	2.3%	1.1%	0.0%
16 - 20 years	1	1	0
	1.2%	1.1%	0.0%
More than 20 years	1	0	0
	1.2%	0.0%	0.0%
Don't know	13	9	8
	15.1%	10.1%	12.1%
Mean	3.11	2.43	2.26
Table Size	86	89	66
	100.0%	100.0%	100.0%

### QE.3a What type of annuity (pension) did you choose when you went on retirement?



### QE3b Why did you choose an Investment Linked Living Annuity?

	2013
BASE: ALL WHO CHOSE AN ILLA	20
Not fair that the insurer gets all the money in the event of my death / wanted the bulk of my money to go to my beneficiaries	7 35.0%
Advised to do so	10 50.0%
Wanted flexibility in terms of investment choices and income	6 30.0%
Growth potential better	1 5.0%
Other	0 0.0%
Don't know	0 0.0%
Table Size	24 120.0%

Note: Caution low base where n<30.

### QE3c Do you have one annuity or more than one annuity?

	2013
BASE: ALL RESPONDENTS	251
One	215 85.7%
More than one	36 14.3%
Table Size	251 100.0%

### QE3d Are all of your annuities with one provider or more than one provider?

	2013
BASE: ALL WITH MORE THAN ONE ANNUITY	36
One	13 36.1%
More than one provider	23 63.9%
Table Size	36 100.0%

**QE.4** What was the total amount that you invested in your annuity (pension)?

	2013	2011	2010
<b>BASE: ALL RESPONDENTS</b>	<b>251</b>	252	250
Less than R100,000	40 15.9%	33 13.1%	35 14.0%
Between R100,000 and R250,000	35 13.9%	45 17.9%	36 14.4%
Between R250,001 and R500,000	42 16.7%	44 17.5%	61 24.4%
Between R500,001 and R750,000	29 11.6%	36 14.3%	32 12.8%
Between R750,001 and R1,000,000	20 8.0%	32 12.7%	18 7.2%
Between R1,000,001 and R5,000,000	15 6.0%	24 9.5%	22 8.8%
Greater than R5,000,000	4 1.6%	6 2.4%	3 1.2%
Not applicable	0 0.0%	1 0.4%	0 0.0%
Don't know	66 26.3%	31 12.3%	43 17.2%
Mean	<b>R727 927</b>	R830 568	R749 638
Table Size	<b>251</b>	252	250
	<b>100.0%</b>	100.0%	100.0%

**QE.5a** Are you satisfied with the annuity (pension) that you chose when you retired?

	2013	2011	2010
<b>BASE: ALL RESPONDENTS</b>	<b>251</b>	252	250

	2013	2011	2010
Table Size	<b>251</b>	252	250
	<b>100.0%</b>	100.0%	100.0%

**QE.5b** If not, why are you not satisfied with your current annuity?

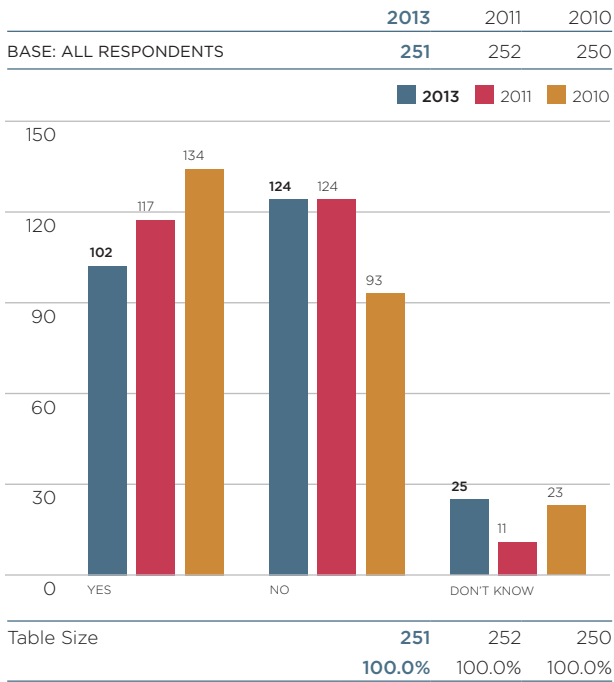
	2013
<b>BASE: ALL DISSATISFIED WITH THEIR ANNUITY</b>	<b>32</b>
Monthly payment out is too little/ not enough to live on/ money is too little - I don't have enough to save/ it's not enough- I'm always short in the month.	25 78.1%
It's not inflation sensitive/ inflation is higher than what you earn.	3 9.4%
Did not invest enough and now I have financial worries/ could have put more into my pension.	2 6.3%
Not profitable because growth is too slow.	2 6.3%
I would have made better choices if I knew what I know now.	1 3.1%
Table Size	<b>33</b>
	<b>103.1%</b>

Note: Caution low base where n<30.

**QE.6** What percentage increase do you expect to receive annually on your pension / annuity payouts?

	2013	2011	2010
<b>BASE: ALL RESPONDENTS</b>	<b>251</b>	252	250
00.01 - 02.50%	13 5.2%	4 1.6%	10 4.0%
02.51 - 05.00%	63 25.1%	52 20.6%	39 15.6%
05.01 - 07.50%	34 13.5%	27 10.7%	33 13.2%
07.51 - 10.00%	47 18.7%	55 21.8%	58 23.2%
10.01 - 15.00%	7 2.8%	22 8.7%	9 3.6%
15.01 - 20.00%	4 1.6%	9 3.6%	5 2.0%
20.01% +	7 2.8%	12 4.8%	1 0.4%
Other	0 0.0%	1 0.4%	0 0.0%
None	0 0.0%	3 1.2%	21 8.4%
Don't know	76 30.3%	67 26.6%	74 29.6%
Mean	<b>7.72</b>	8.6	6.24
Table Size	<b>251</b>	252	250
	<b>100.0%</b>	100.0%	100.0%

### QE.7a Does your pension / chosen annuity product provide a spouse's pension in the event of your death?



### QE.7b What proportion of your pension / annuity income would your spouse receive?

	2013	2011	2010
BASE: ALL WHOSE ANNUITY PRODUCT PROVIDES A SPOUSE'S PENSION	102	117	134
00.01 - 24.99%	11 10.8%	13 11.1%	30 22.4%
25%	2 2.0%	6 5.1%	5 3.7%
25.01 - 49.99%	6 5.9%	11 9.4%	9 6.7%
50%	20 19.6%	18 15.4%	24 17.9%
50.01 - 74.99%	7 6.9%	9 7.7%	8 6.0%
75%	5 4.9%	7 6.0%	7 5.2%
75.01 - 99.99%	2 2.0%	11 9.4%	10 7.5%
Other	7 6.9%	8 6.8%	0 0.0%
Don't know	42 41.2%	34 29.1%	41 30.6%
Mean	51.0	52.9	41.13
Table Size	102	117	134
	100.0%	100.0%	100.0%

## SECTION F: COMMUNICATION

### QF.1 What type of information / communication do you want to receive from your retirement annuity / pension provider?

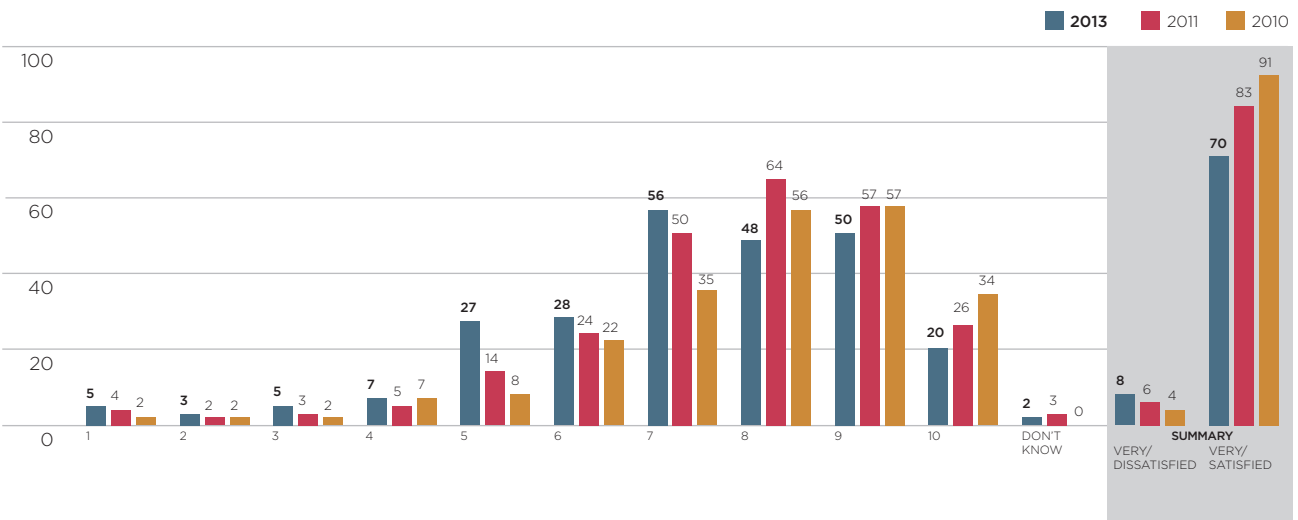
	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	225
Annuity valuation reports	101 40.2%	91 36.1%	85 37.8%
Pension increases	142 56.6%	146 57.9%	96 42.7%
Investment reports	79 31.5%	85 33.7%	78 34.7%
Annual report from Trustees	42 16.7%	69 27.4%	95 42.2%
Explanation of definitions	29 11.6%	53 21.0%	34 15.1%
Special interest / Ad hoc information	35 13.9%	26 10.3%	22 9.8%
Other	0 0.0%	1 0.4%	4 1.8%
Not applicable	1 0.4%	1 0.4%	0 0.0%
Don't know	19 7.6%	10 4.0%	5 2.2%
Table Size	448	482	419
	178.5%	191.3%	186.2%

### QF.2 How do you want to receive information on matters relating to your annuity / pension?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Personal / face to face meetings	82 32.7%	110 43.7%	119 47.6%
Telephone	47 18.7%	91 36.1%	108 43.2%
Email	50 19.9%	40 15.9%	24 9.6%
Fax	7 2.8%	13 5.2%	7 2.8%
SMS	39 15.5%	50 19.8%	21 8.4%
Post / Personal letter	169 67.3%	214 84.9%	223 89.2%
Internet	6 2.4%	17 6.7%	8 3.2%
None	4 1.6%	2 0.8%	3 1.2%
Don't know	2 0.8%	-	-
Table Size	251	537	513
	100.0%	213.1%	205.2%

**QF.3** How satisfied are you with the communication you receive from your annuity / pension provider? Please use a scale from 1 to 10 where 1 is 'very dissatisfied' and 10 is 'very satisfied'.

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	225



Mean	7.16	7.57	7.81
Table Size	251	252	225
	100.0%	100.0%	100.0%

**QF.4** Who would you contact with any queries related to your retirement annuity / pension?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250

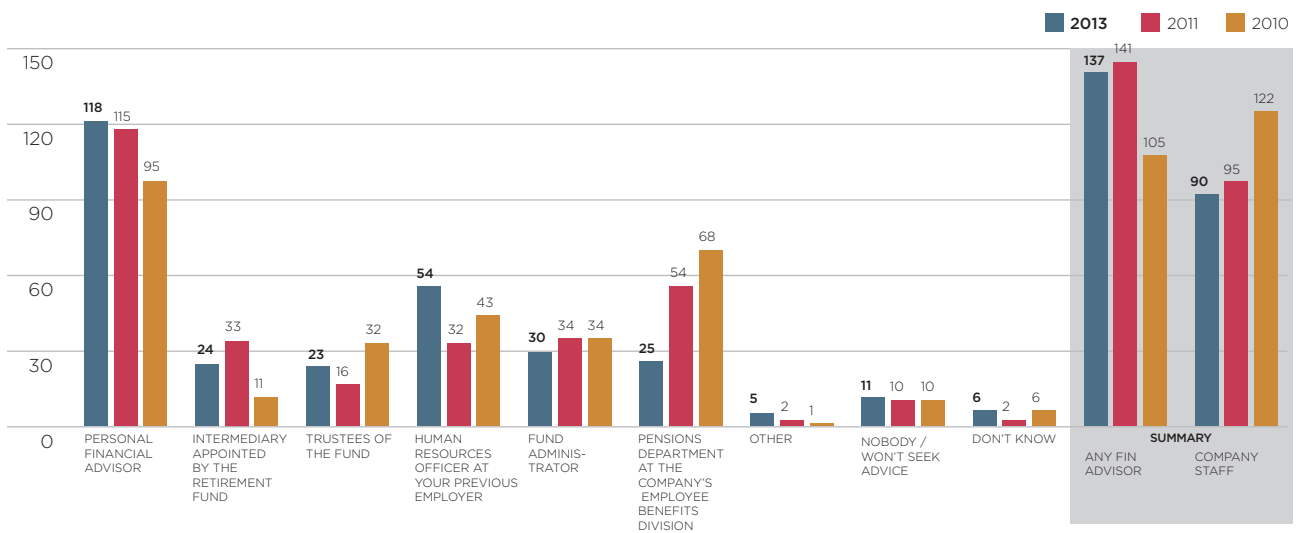


Table Size	296	298	300
	117.9%	118.3%	120.0%



## SECTION G: MEDICAL AID EXPENSES

**QG.1** Prior to retirement, did you contribute to a medical aid scheme, either in your private capacity or through your employer?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Yes, in my private capacity	59	72	64
	23.5%	28.6%	25.6%
Yes, through my employer	139	121	97
	55.4%	48.0%	38.8%
No	53	59	89
	21.1%	23.4%	35.6%
Summary			
	198	193	161
Any yes	78.9%	76.6%	64.4%
Table Size	251	252	250
	100.0%	100.0%	100.0%

**QG.2** Do you currently contribute to a medical aid scheme?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
Yes	130	140	120
	51.8%	55.6%	48.0%
No	121	112	130
	48.2%	44.4%	52.0%
Table Size	251	252	250
	100.0%	100.0%	100.0%

**QG.3** Did you consider your medical aid contribution and the fact that this would increase by 10% - 15% per annum on average when you were planning for your retirement?

	2013	2011	2010
BASE: ALL WHO CONTRIBUTE OR USED TO CONTRIBUTE TO A MEDICAL AID	199	198	164

Response	2013	2011	2010
YES	94	104	99
NO	87	83	58
DON'T KNOW	18	11	7

Table Size	199	198	164
	100.0%	100.0%	100.0%

**QG.4** Does your previous employer continue to contribute to your medical aid scheme now that you are retired?

	2013	2011	2010
BASE: ALL WHO HAVE MEDICAL AID AND WHO CONTRIBUTED THROUGH THEIR EMPLOYER	79	78	60
Yes	58	55	45
	73.4%	70.5%	75.0%
No	21	22	15
	26.6%	28.2%	25.0%
Don't know	0	1	0
	0.0%	1.3%	0.0%
Table Size	79	78	60
	100.0%	100.0%	100.0%

**QG.5A** To what extent does your monthly retirement income cover your medical and healthcare expenses?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	250
All expenses are covered by pension income	124	134	97
	49.4%	53.2%	38.8%
Only medical aid contributions are covered, not additional expenses	39	25	42
	15.5%	9.9%	16.8%
Only ad-hoc expenses are covered, not the cost of your medical aid contributions	6	10	5
	2.4%	4.0%	2.0%
Your retirement income is not enough to cover any medical expenses	72	66	90
	28.7%	26.2%	36.0%
Don't know	10	17	16
	4.0%	6.7%	6.4%
Table Size	251	252	250
	100.0%	100.0%	100.0%

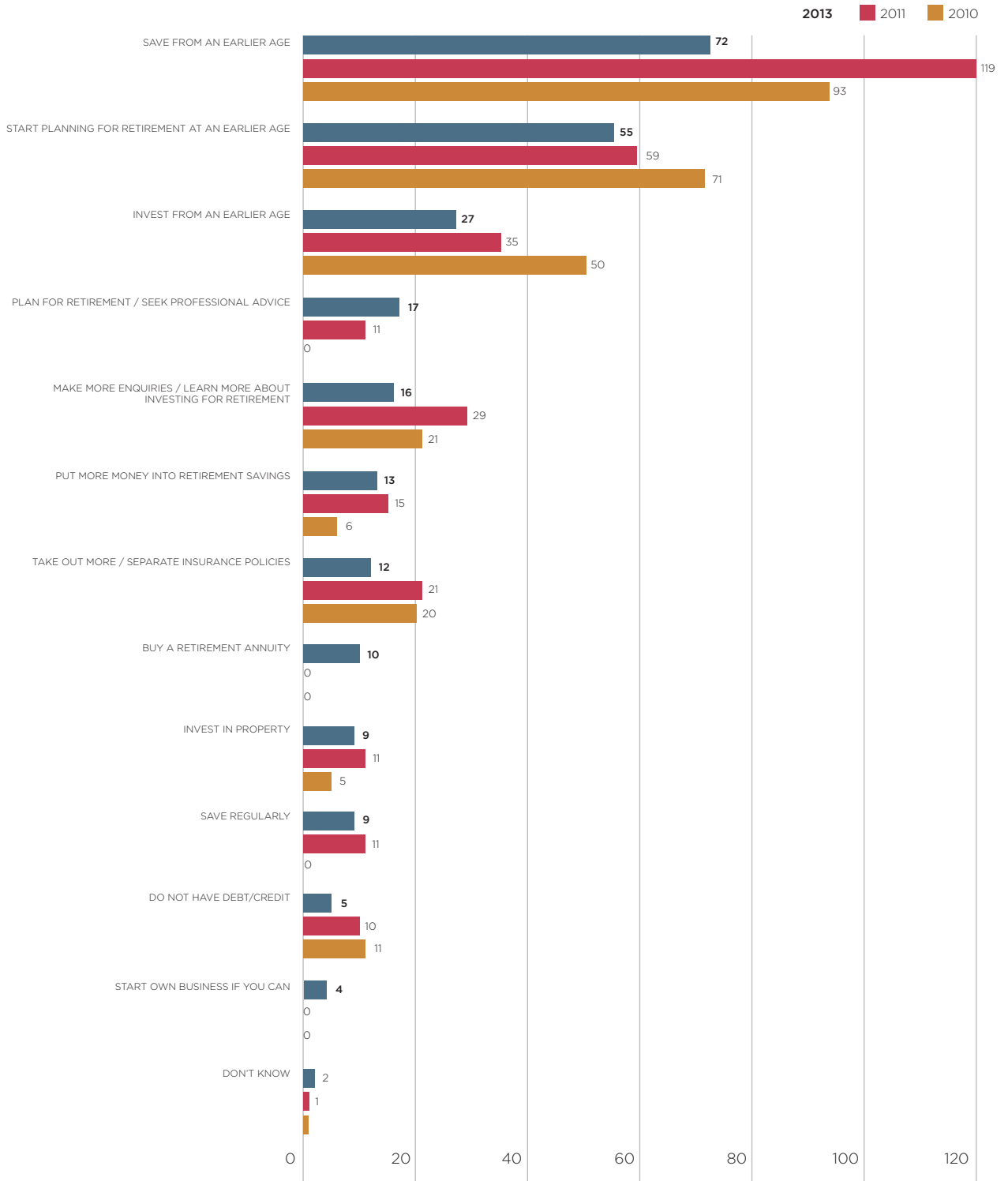
**QG.5B** How do you deal with the shortfall?

	2013	2011	2010
BASE: ALL WHO HAVE A SHORTFALL	117	101	137
Go without medical treatments you cannot afford	20	18	25
	17.1%	17.8%	18.2%
Withdraw money from a contingency savings vehicle / investment	23	21	23
	19.7%	20.8%	16.8%
Ask friends or relatives for financial assistance	18	8	7
	15.4%	7.9%	5.1%
Use free State medical facilities	71	65	84
	60.7%	64.4%	61.3%
Other	2	3	6
	1.8%	3.0%	4.4%
Don't know	0	0	2
	0.0%	0.0%	1.5%
Table Size	134	115	147
	114.5%	113.9%	107.3%

# SECTION H: WRAP UP

## QH.1 What advice would you give young people?

	2013	2011	2010
BASE: ALL RESPONDENTS	251	252	249



Size	251	389	327
	100.0%	154.4%	131.3%

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