FRIDAY, 1 JULY 2022

irfa dispatch

THE RETIREMENT INDUSTRY NEWSLETTER

TABLE OF CONTENT

LOCAL NEWS

Treasury sheds light on retirement reform proposal

At a recent conference, National Treasury's Acting Director-General expounded on the two-pot retirement system, the governance of umbrella funds and changes to Regulation 28.

Ismail Momoniat, Acting Director-General at National Treasury, addressed the Pension Lawyers Association Virtual Conference in May with an update on retirement reform developments. He confirmed that retirement reform is alive and well, although there is still a need to consolidate the various proposal

He focused on five main areas:

1. Two-pot system proposal

On the two-pot system proposal, which entails creating a savings portion and a preservation portion in each retirement "pot", Momoniat highlighted this was necessary to prevent employees resigning in order to gain access to their retirement savings to pay off debt.

The proposal is to split contributions into two pots for all retirement funds:

- One-third accessible savings pot and two-thirds retirement pot.
- Two-thirds retirement pot subject to full preservation until retirement.

In practice, a member could withdraw once a year from their savings pot, subject to a minimum, but will incur the cost of withdrawal and a tax liability. Vested rights accumulated prior to implementation of the two-pot system will remain subject to the current rules.

A draft bill on the two-pot system proposal is expected to be published in July when the annual tax amendment bills are circulated for comment. Treasury initially proposed that the two-pot system would be implemented by 1 March 2023. However, this is likely to be delayed. A more realistic time horizon is probably three to five years, as systems will need to be changed and liquidity in the funds addressed.

Creating a more sustainable retirement regime will not occur overnight, and widespread consultation is taking place to understand the effect of the proposed changes, Momoniat said.

2. Governance of umbrella funds

As it is uneconomical for smaller employers to maintain a retirement fund for their employees, they often join a multi-employer retirement fund, or umbrella fund.

Momoniat said some of the governance issues that have arisen with umbrella funds include employers not paying contributions, the inability of employers to switch between umbrella funds, costs, over-dependence on service providers for advice, and the appointment of board members who are also consultants or service providers to the same fund.

Proposed solutions include requiring that board members cannot belong to more than three boards in a year, prescribing an ongoing value-for-money evaluation of the umbrella fund, and a disclosure-based initiative requiring funds to provide information on their cost structures. There should also be standardised provision of information to enable employers to make comparisons and promote competition among umbrella funds.

Momoniat said South Africa could implement elements of the UK Master Trust Scheme and the Chilean Pension auction system to enable stand-alone funds to select and appoint default "consolidation" or auto-enrolment funds when they need them. These elements would be regulated under the auspices of the Financial Sector Conduct Authority.

3. Phased-in auto-enrolment to address lack of retirement savings

South Africans (such as contract or “gig” workers) are not currently members of occupational schemes since many retirement systems are based on regular income. Momoniat said government is considering phasing in auto-enrolment, starting with formal salaried workers, or introducing mandatory retirement provisions for all formally employed workers. This would compel employers to deduct contributions to an occupational fund for all their employees. Employers need not establish new funds, and there could be a default fund for employers who do not have one.

4. CoFI Bill

The Conduct of Financial Institutions (CoFI) Bill will be tabled in Parliament later this year. The Financial Sector Regulation Act (FSRA) gives customers and financial institutions an indication of what to expect from financial sector regulators, while the CoFI Bill outlines what customers and industry stakeholders can expect from financial institutions.

Pension Funds Act (PFA) is being amended to align with the CoFI Bill and the overall framework in terms of the FSRA. The PFA will be renamed the “Retirement Funds Act”, to better reflect the types of funds which are provided for and regulated by this statute.

References to “pension fund organisation” and “fund” are being amended to refer to “retirement fund”. Umbrella funds and employers as supervised entities will be recognised.

Momoniat said that all public sector retirement funds, including the Government Employees Pension Fund (GEPF), will be subject to the same legislative and regulatory requirements, to ensure that members of all retirement funds enjoy similar protections and rights.

He said that the unique features of the GEPF, such as its size, potential impact in complying with asset limits under Regulation 28 and the impact on bond and equity markets, may necessitate exempting it from certain PFA requirements, either for a specified period or permanently.

5. Regulation 28

The main purpose of Regulation 28 is to protect retirement funds and their members from the effects of poorly diversified investment portfolios. This is done by limiting the fund’s maximum exposure to more aggressive asset classes.

Momoniat said final amendments to Regulation 28 include prohibiting investments in crypto assets until their regulation is formalised and broadening the definition of “infrastructure” to include both public and private infrastructure.

In line with the increase in allowable overall private equity exposure from 10% to 15%, the limit to the aggregate private equity exposure is being increased from 15% to 20%.

One of the proposed amendments to Regulation 28 is that the housing loans limit be reduced to 65% (from the current 95%) in line with government’s stance on discouraging housing loans through retirement funds. NT believes this mechanism has been abused, and the first step to address this is to reduce the allowable loan percentage. In the long term, NT believes this mechanism should no longer be allowed in line with the availability of the savings pot of the two-pot system.

Personal Finance | 28 June 2022

You your employer and your retirement fund

If you are a salaried employee, you are probably contributing to an employer-linked retirement (pension or provident) fund. The fund may specifically serve your organisation or it may be an umbrella fund operated by a financial services company, which houses many employers under one “umbrella”.

There are essentially three parties involved: you, your employer and the retirement fund. (A fourth party, in the form of an administration company, appointed by the retirement fund, takes care of the day-to-day administration of the fund.)

Your employer deducts your contribution from your remuneration and pays it, together with any contribution your employer makes above that, over to the fund. Most of the money goes towards your retirement savings, which builds up over your years with the company. A small portion (10% or so) goes towards an insurance premium that covers you for death or disability, known as group risk cover. While the premium is quite low compared with private life cover, the benefit can be substantial: the life benefit would be a lump sum of three or four times your annual salary, and the disability benefit would typically pay you 70-75% of your salary until retirement age (you can check what your fund offers with your HR department).

Finally the fund takes an administration fee, which may be in the region of 25%.

For the system to work properly, each party has certain obligations:

1. You as a fund member need to ensure that your contributions are being deducted and are going to the fund. You need to ensure that the group risk cover is in place and to monitor your savings balance in the fund.
2. Your employer must ensure that the full contribution amount is paid over each month to the fund. If the fund doesn’t receive the money, not only will it affect your retirement savings, but importantly, it will affect your group risk cover. If the insurer providing the cover does not receive the premiums, you may lose your cover, just as you would on a personal insurance policy. This means that if you died in service, or if you were permanently disabled and no longer able to earn an income, your family will not be looked after adequately. They will receive your accumulated pension or provident fund savings but they might not receive an insurance payout.
3. The retirement fund (and the administration company) must ensure that the contributions are received from the employer and the money is allocated correctly. It is also obliged to communicate regularly with you on the state of your savings and your risk cover.

The most common thing to go wrong along the chain is that your employer deducts the amount from your salary, but owing either to pure negligence or to a cash-flow problem, does not forward the money to the fund.

As an employee, you wouldn't immediately know this, because you would still see the deduction on your salary slip each month. It's only if you received a statement from the fund itself, and studied it closely, that you would realise something was wrong. ***Full report:*** ***https://www.iol.co.za/personal-finance/financial-planning/you-your-employer-and-your-retirement-fund-57e98494-b8fe-4c61-87a0-3936cde9a237***

Personal Finance | 28 June 2022 | Martin Hesse

Retire Right

The impact of income drawdowns and volatility

Globally markets are in the red and inflation is on the rise which translates to rising interest rates. Higher prices and spikes in market volatility have added to the already increasing list of investor worries – especially those that are dependent on their investments for an income. Living annuity investors are left wondering – will my income last? Should I be drawing more income? What about the effect of market volatility on my capital? Should I cash in my investment and rather wait it out?

In our previous **Retire Right** article, we focused on costs and how this affects your portfolio. In this article, we focus on two other important aspects – namely the amount you withdraw from your living annuity, as well as the importance of having the right investment strategy.

How much income can an investor withdraw safely to ensure they don't run out of money?

The number of years you can withdraw a sustainable income from your living annuity depends on a few factors namely:

- The investment amount you have accumulated over time (the amount you have saved up to retirement, will be the initial investment in your living annuity).
- Your total amount of expenses per month[1].
- Your investment holdings and level of investment risk (in other words, what funds/asset classes are included in your portfolio and whether these allocations will give you a sufficient real return on your investment over time).
- The fees you pay in your portfolio.

As can be seen in the table below produced by the Association for Savings and Investment South Africa (ASISA) - an investor will be able to maintain their level of income for **33 years**, if they maintain a 5% drawdown rate, increasing by 6% inflation (every year) with a portfolio generating a 10% annualised return; thereafter their income will start to decrease rapidly.

	Investment return per annum (before inflation & after all fees)					
		2.50%	5.00%	7.50%	10.00%	12.50%
Annual income rate selected at inception	2.50%	21	30	50+	50+	50+
	5.00%	11	14	19	33	50+
	7.50%	6	8	10	13	22
	10.00%	4	5	6	7	9
	12.50%	2	3	3	4	5
	15.00%	1	1	2	2	2
	17.50%	1	1	1	1	1

*Source: Association for Savings and Investment South Africa (ASISA)' "**Living Annuity Standard**" report. Last updated 17 September 2021. For illustrative purposes only. Note: The table above assumes that you will adjust your percentage income selected over time to maintain the same amount of real income (i.e. allowing for inflation of 6% per annum). Once the number of years in the table above has been reached, your income will diminish rapidly in the subsequent years.*

What is also apparent in this table is that if an investor requires a bigger drawdown of 7.5%, with the same assumptions his/her income will already start decreasing after **13 years**. For such a small increase in drawdown, the impact is significant on the investor's portfolio.

Are there tried and tested withdrawal rates that should be considered?

Ninety One conducted a study on income strategy failure rates given different drawdown rates. In this study they used a baseline strategy, meaning a client at retirement chooses a starting income and increases their income with the exact inflation percentage every year (also called inflation-adjusted method).

From the below graph, the study found:

- Clients withdrawing 4% resulted in no failures over a 118-year simulated model.
- When clients increased their income to 5% the failure rate approached 10%.
- When clients increased their income drawdown to 7%, the failure rate jumped more than 60%.

Taking into consideration that the average drawdown rate in South Africa is over 8%, more than 70% of investors will fail in retirement and completely deplete their living annuity. ***Full report: https://www.fanews.co.za/article/retirement/1357***

Clearing that retirement hurdle

The average combined retirement benefits contribution by employers and employees to standalone retirement funds topped 17.5% in 2022, according to the latest Sanlam Benchmark survey. Commenting on the result, Sanlam said that "the pressurised business environment had led to a slight decrease in contributions from employers in both standalone and umbrella funds, while member contributions had risen somewhat to compensate for the shortfall". Standalone fund employees are contributing 17.53% of their gross salary to employee benefits, jointly between employer and employee, compared to a 14.65% contribution in the umbrella funds space.

Premature celebrations

At first glance these numbers seem close enough to the 15% of annual gross salary that financial planners and retirement benefits consultants have been urging their clients to aim for. After all, we have been telling retirement savers that the formula for a successful retirement journey is to save at least 15% of their annual salaries, from as early as possible, and to always preserve. The trouble is that the aforementioned contributions are inclusive of administration costs and group benefit contributions, which Sanlam reported as 0.5% and 1.82% for standalone funds, and 0.6% and 2.48% for umbrella sub-funds.

By our calculations this would mean retirement funding contributions of around 15.21% and 11.57% in standalone and umbrella funds respectively, suggesting that the oft-praised umbrella fund structure is falling behind. This calculation was confirmed in the table for participating employers, which showed total member contributions for 2022 of 14.6% with just 11.5% going to providing for retirement. The top-line number in this case reduced by 1.4% for death benefits, 1.1% for disability benefits and 0.6% for operating costs. Sanlam noted that "overall, as the umbrella fund industry achieves economies of scale, the model seems to be working well for consumers".

The survey is based on an assessment of 83 principal officers of standalone funds, 100 participating employers in umbrella funds, 15 asset consultants, 15 healthcare consultants, 6 top umbrella fund sponsors and 500 online consumers. For 2022, the average umbrella fund membership at participating employers was 554, compared to 594 in 2021, with 55 of the participating employers having between 20 and 300 members. The average value invested in an umbrella fund by a participating employers was ZAR331 million compared to ZAR299 million, with 28 employers having ZAR50 million or less.

Preservation more important than ever

The importance of your client preserving his or her retirement capital should be viewed in the context of thousands of South Africans saving too little towards retirement. In his contribution to the 2022 Benchmark, Danie van Zyl, Head: Smoothed Bonus Centre of Excellence at Sanlam Corporate, wrote that "National Treasury (NT), with prodding from the retirement industry, has made retirement reform a priority in recent years to help members achieve better financial outcomes in retirement; the aim is to encourage members to save more for retirement and use their savings to secure an income in retirement". He added that the preservation of retirement fund benefits when members lose or change jobs was non-negotiable to achieve this, and that NT had proposed a two-pot retirement savings proposal to tackle the preservation.

The proposal is to split a member's future retirement savings into two pots, as follows. Pot one, a retirement pot, will ring-fence thirds of a member's contributions to buy a monthly pension at retirement; this money will not be able to be touched until retirement, regardless of whether a member remains with or leaves the fund. Pot two will be referred to as an 'access pot' which will be accessible once per year for short-term financial relief. The 2022 Benchmark survey explored the two-pot proposal with the disclaimer that few in the industry thought it realistic to implement a two-pot solution by March 2023, as intended.

Just over half of the fund members who took the poll were aware of the two-pot system. Of those, 56% said they did not agree with it, with a further 29% saying if the law was changed they would 'definitely not' access their retirement funds early. Another 20% of members said they would 'probably not' access the short-term financial relief pot. The good news is that almost two thirds of members indicated they would increase their retirement funding contributions if they could. "A lot of the responses in the consumer study suggest a more conservative and financially conscious South African has emerged from the COVID-19 pandemic," said Kanyisa Mkhize, chief executive officer of Sanlam Corporate.

Benefits of a successful retirement funding industry

There are two areas where retirement funds can have significant impact. First, the trillions in assets held by retirement funds on behalf of members have the potential to be invested for significant economic impact. **A theme explored in the 2022 Benchmark survey was whether retirement fund trustees were ready to push more of their funds' assets towards infrastructure projects, in line with the global trend of investing for impact and sustainability. This would require trustees to be comfortable with investing in alternative asset classes in private markets. There appears to be some appetite for this, given that 67% of standalone fund respondents and 53% of participating employers' umbrella funds would consider such investments over the next three years.**

And second, at a member level, retirement funds can serve to improve health and wellness outcomes. According to Sanlam, 49% of employer funds and 53% of umbrella funds believe an integrated health and wellness programme delivers higher productivity and staff happiness, with 13 of the 15 healthcare brokers interviewed reporting that client priorities had changed in the past two years in terms of what they were looking for by way of healthcare solutions for their employees.

“The retirement industry is in a strong position to impact the lives of South Africans as it is the largest source of invested assets in the country; we hope the 2022 survey findings will start the right conversations to ensure our industry can play a massive role in the country’s economic recovery and, ultimately, help kick-start growth,” concluded Mkhize.

FA News | 22 June 2022 | Gareth Stokes

10 things to know about your retirement funds

It’s important to understand the restrictions and limitations that apply to money saved in approved retirement funds – before committing to such a vehicle.

Being highly tax-efficient vehicles for retirement savings, retirement funds play an important role in most people’s investment portfolios. But the retirement funding industry is heavily regulated meaning that several restrictions and limitations apply to the money saved in approved retirement funds which are important to understand before committing your savings to such a vehicle.

In this article, we take a closer look at the legislative environment of retirement funds and what you should know when investing in these types of funds.

1. **Highly regulated environment**

As mentioned at the outset, approved retirement funds, which include pension, provident, preservation and retirement annuity funds, operate in a highly regulated environment, with the primary piece of legislation being the Pension Funds Act, while older insurance-based retirement annuities fall under the auspices of the Long-term Insurance Act. Both the Income Tax Act and the Divorce Act have an important bearing on retirement funds, particularly when it comes to understanding the tax implications of investing in such funds and the calculation of pension interest on divorce. Other relevant information includes the Maintenance Act, FAIS Act, and the Financial Sector Regulation Act, amongst others.

2. **Occupational versus individual funds**

Occupational retirement funds include pension and provident funds which are made available by employers to their employees or certain categories of employees to allow them to save towards their retirement. Contributions to these funds can be made by both employees and employers, depending on how the fund has been set up by the company. When setting up a group retirement fund, the employer can determine which categories of employees qualify to join the fund, provided that no employees are unfairly discriminated against. Where a company has set up an occupational fund, it is generally made a condition of employment that qualifying employees and all new and future employees join the scheme.

While there are key distinctions between a provident and a pension fund, the term ‘pension fund’ is generally used as a broad term that includes both types of funds. Where a person does not qualify to join an occupational fund for whatever reason, or where a person wishes to contribute privately to a retirement fund over and above their occupational fund contributions, they can do so through a retirement annuity fund.

Legislation has recently been amended so that the options at retirement in respect of pension, provident and retirement annuity funds have been harmonised. With effect 1 March 2021, when retiring from a pension, provident or retirement annuity fund, a member can commute up to one-third of his fund while the remaining two-thirds must be used to purchase an annuity income.

3. Management of the retirement fund

Every registered retirement fund is required to operate in accordance with the rules of the funds and the provisions of the Pension Funds Act, with the control and oversight functions being fulfilled by a board of trustees in terms of sections 7C and 7D of the PFA as well as applicable common law.

Retirement fund trustees have a duty to manage the retirement fund in the best interest of the member to ensure that the funds are properly managed and invested with due care, diligence and good faith. Their role includes ensuring that contributions are paid on time, the fund’s assets are appropriately administered, and that the operation of the fund is compliant with the scheme rules and applicable legislation. Trustees are required to attend regular training and, to the extent that they lack expertise, are required to seek expert advice from industry experts such as actuaries, accountants and lawyers.

4. Distinction between insurance and LISP

While many new generation retirement annuities are housed on a LISP platform in the individual investor’s name, older retirement annuities are in fact insurance policies which take the form of a contract between the insurer and the policyholder, and it is important to understand the distinction. A unit trust RA is owned by the individual investor and is investment-linked, meaning that the investor can choose which funds to invest in, subject to the limitations imposed by Regulation 28 of the PFA.

Investors are able to increase or decrease monthly contributions with no fear of penalty and can make ad hoc lump-sum contributions at any time. The costs of investing in a unit trust RA are significantly less than an insurance-based RA policy and the difference in cost can have a considerable impact on your accumulated savings in the long term. The ability of investors to elect and switch underlying funds plays an instrumental role in the long-term performance of their invested assets. Further, the financial advisor on a unit trust RA does not charge upfront commission but instead earns an annual advice fee which is a negotiated percentage of the underlying investment.

On the other hand, an insurance RA is a policy generally sold by a broker to the policyholder on which he earns an upfront commission that is effectively borrowed from the policyholder's future investment with interest charged. The insurance company has full control over the investment of the funds and the policyholder has very little insight into how the money is vested. Generally speaking, a policyholder will be penalised for the premature cancellation of the policy or for non-payment of a premium depending on how long the contract has been in force, the remaining term to maturity and the terms of the contract.

5. **Retirement fund contributions**

Those investing in approved retirement funds receive significant tax benefits for doing so. Firstly, up to 27.5% of an investor's taxable income up to an annual maximum of R350 000 can be invested towards a retirement fund on a tax-deductible basis, meaning that the investor can claim the tax back from Sars when filing his annual tax returns. When calculating one's taxable income, it is important to include your salary, rental income, dividends earned from Reits, as well as investment income.

An investor can contribute to as many retirement funds as he likes – including pension, provident or RA funds – although the tax-deductibility of contributions will be calculated cumulatively across all the funds. In addition to the tax benefits provided on retirement fund contributions, investors do not pay tax on investment returns earned such as interest income, dividends and capital gains.

6. **Offshore exposure**

A perceived shortcoming of retirement funds is the limitations imposed by Regulation 28 of the Pension funds Act. This piece of legislation essentially limits asset managers' allocations of retirement savings to certain asset classes, including equities, property, and foreign assets.

Recently, the amount of allowable offshore exposure was increased from 30% to 45%, with the 10% Africa component falling away completely. This new limit enables investors to diversify their retirement investments and hedge their savings against the rand and local economy where appropriate.

7. Accessing your retirement funding capital

One of the key features of a retirement fund is that investors cannot access their capital before the fund's formal retirement age other than in the case of financial emigration or early retirement due to ill-health. In the case of retirement annuities, investors cannot access their capital before the age of 55, whereas in the case of pension and provident funds the retirement age as per the scheme rules will be applicable.

Being the only exception to this, preservation fund legislation allows investors to make one full or partial withdrawal prior to the age of 55. Where an investor makes a partial withdrawal, he will not be able to make another withdrawal relating to that contribution, and the balance of the preservation funds will have to remain invested until retirement or death.

8. Retrenchment benefits

If you lose your job as a result of your employer ceasing operations or are made redundant as a result of general operational requirements, any lump sum from an occupational fund is regarded as a retrenchment benefit for tax purposes. When leaving an occupational retirement fund due to retrenchment, the first R500 000 of your combined severance and retrenchment (retirement) benefit will be free from tax, whereafter any further withdrawals will be taxed as per the retirement tax tables.

9. Divorce and your retirement funds

The Divorce Act makes provision for the calculation of a pension interest which allows divorcing spouses to share in each other's retirement benefits at the date of divorce rather than having to wait until formal retirement to receive their share of the asset. The term pension interest is a notional amount based on the benefit that a member spouse (i.e. the spouse who is a member of a retirement fund) would have received at the date of divorce. Pension interest is calculated at the date of divorce, keeping in mind that the member spouse must be a registered member of the retirement fund on the date of divorce.

In the case of pension and provident funds, if a member spouse resigns from her employment or retires from the fund before the date of divorce, there is effectively no pension interest, and the benefit accrues to her – whereafter it will be dealt with as any other asset in the estate.

The method of calculating the pension interest is dependent on the nature of the matrimonial property regime. Where a couple is married out of community of property, each spouse will have a 50% claim against the other spouse's pension interest. Where couples are married with the accrual system, the value of the pension interest in their respective retirement funds will be taken into account when calculating the accrual at divorce.

In respect of pension, provident and preservation funds, pension interest is defined as the benefits a member of the fund would have been entitled to in terms of the scheme rules had his membership ceased on the date of divorce as a result of resignation. In respect of retirement annuities, the pension interest is the total amount of the member's contributions to the fund up to the date of divorce, together with the total amount of annual simple interest on those contributions calculated at the prescribed rate.

10. **Death and your retirement funds**

As a member of a retirement fund, you will be asked to indicate who your nominated beneficiaries are. However, many retirement fund investors make the mistake of assuming that the nominated beneficiaries are guaranteed to receive the death benefits when the member passes away, whereas this is not the case.

Section 37C of the Pension Funds Act governs the distribution of retirement fund benefits if a member dies prior to formal retirement.

This section places a duty on the retirement fund trustees to ensure that the member's death benefits are distributed fairly and equitably amongst his financial dependants and/or nominees, meaning that a member's nominated beneficiaries may not necessarily receive a portion of the death benefit. This is because a member's death benefits must be used to provide for the member's surviving spouse, children, and other financial dependants in the event of his death. As retirement fund death benefits are paid directly to the member's beneficiaries and/or nominees, these assets fall outside of the deceased estate and are not subject to estate duty.

Moneyweb | 29 June 2022

INTERNATIONAL NEWS

China proposes rules to regulate private pension investment via mutual funds

China's securities regulator proposed rules to regulate private pension investment via mutual funds, setting the criteria for qualified products and sales agents under a scheme that will channel fresh savings into the country's capital markets.

The draft rules, published by the China Securities Regulatory Commission (CSRC) late on Friday, came after Beijing in April launched a milestone private pension scheme to tackle challenges of aging population

Under the scheme, eligible Chinese citizens can buy mutual funds, savings deposits and insurance products via their own individual pension accounts, potentially boosting a pension market that has lured foreign asset managers including Fidelity International and BlackRock.
The proposed rules "have set a relatively high bar for products and institutions, and are designed to ensure safety of pension fund investment and protect investors' interest," the CSRC said in a statement on its website.

Initially, pension target funds with at least 50 million yuan ($7.48 million) of assets over the past four quarters are eligible under the pilot pension scheme, the CSRC said. Other types of retail funds with clear investment strategies and good long-term track records will be gradually added to the eligibility list as the scheme expands, the CSRC said.

Currently, there are 91 pension target funds that meet the CSRC's criteria, according to TF Securities.

In addition, fund managers and sales agents participating in private pension business must set up internal control systems, adopt long-term incentives, and ensure independent operation of the pension assets, according to the rules. Independent consultancies estimate China's private pension market will grow to at least $1.7 trillion by 2025, from $300 billion currently.

In 20 years, 28% of China's population will be more than 60 years old, up from 10% today, making it one of the most rapidly-aging populations in the world, according to the World Health Organization.

Reuters News | 25 June 2022

Switchboard: 011 450 1670 / 081 445 8722
Fax: 011 450 1579
Email: reception@irfa.org.za
Website: www.irf.org.za

3 Williams Road
Bedfordview
Johannesburg 2008