METROPOLITAN

Metropolitan Life Retirement Annuity Fund
Metropolitan Pension Preservation Fund
Metropolitan Provident Preservation Fund

Trustee Newsletter **2026**

From your Board of Trustees

Over the past year, South Africa's economic environment has continued to evolve, shaping how members think about saving and planning for retirement.

Factors such as rising living costs, changes in interest rates and periods of market uncertainty have all had an impact on household finances and investment performance.

We understand that times like these can feel challenging. That's why it is more important than ever to stay focused on your long-term retirement goals. Regularly reviewing your savings and making informed decisions will help protect and grow your retirement income over time.

Latest Budget Speech in Feb 2026: Impact on your Retirement Savings

The February 2026 budget speech introduced a few changes that may affect your potential future savings as well as your current retirement options.

Annual tax-deductible limit increase:

Government increased the maximum amount you can claim as a tax-deduction on your retirement fund contributions **from R350 000 to R430 000.** This means that you may be able to pay less tax if you contribute more.

The amount you can personally deduct is still subject to a **limit of 27.5%** of the greater of your "remuneration" or "taxable income" as defined by legislation.

Lump sum withdrawal threshold increase:

At retirement from the fund, a member can receive their full retirement savings as lump sum if the value of their retirement component plus two-thirds of their vested component is **less than or equal to R240 000.** This is an increase from the **previous amount of R165 000.**

You still have the option to use the retirement savings to purchase a pension to provide a regular income stream.

You are encouraged to speak with your financial adviser before making decisions regarding your retirement options.

Understanding the assessment of Retirement Annuity (RA) and Preservation fund death claims under section 37C & why Trustees have 12 months to do proper investigations

When you pass away before retiring from an RA or Preservation Fund, current legislation requires Trustees to decide how your benefit is distributed.

This legislation is known as section 37C of the Pension Funds Act. The purpose of this legislation is to protect those who are financially dependent on a member during their lifetime.

The assessment of death claims is thus not a straightforward process, as the Trustees do not only rely on the member's will or beneficiary nomination form. They must perform investigations to determine financial dependency.

Myth: "The beneficiary form determines the amounts that nominated beneficiaries receive."

Truth: "The Trustees determine which dependants and nominated beneficiaries will receive a benefit, and how much they receive"

The legislation gives Trustees the responsibility to:

- Identify all potential dependants, both current and future.
- Assess the nature and extent of financial dependency on the member.
- Decide on a fair allocation of the retirement benefits among dependants and nominated beneficiaries.
- Decide on the appropriate form of payment.

Legislation expects Trustees to conduct investigations thoroughly, and to facilitate this, **the law allows up to 12 months to complete the process.** Although some investigations may be completed sooner, the time required will depend on the complexity of the case and the information that needs to be verified.

Only claim from your Savings Component in case of emergencies

The **two-pot system** was introduced to allow partial access to your retirement savings before retirement, while improving long-term retirement outcomes for members.

This was done by allowing you controlled access to funds in times of genuine need, while ensuring that most of your retirement savings remains invested for the long term.

While withdrawals from the savings component are not restricted to specific reasons, they should be made responsibly.

You should generally avoid withdrawing from your retirement savings unless you experience some form of emergency such as funding medical costs, periods of job loss or the need to pay off very high-interest debt.

You should never use your savings component funds in a speculative way (e.g. investing in crypto or high risk assets), nor should these funds be used for luxury spending such as cars or holidays. The savings component should not be viewed as an additional source of funds or an annual "13-th cheque".

Remember, you may only withdraw from your savings component once every tax year and when the available amount is **R2 000 or more. When you withdraw from your savings pot you will be taxed at your marginal tax rate.**

Your policy has no pre-determined retirement date, and you can decide when is the right time to retire from the Fund

You can retire anytime from the **Fund after attaining age 55**. There is no fixed age at which you must retire from the Fund.

This means that you can align your retirement decision with your own unique personal circumstances and financial goals. This flexibility allows you to retire once you believe that you have achieved sufficient financial security. However, this flexibility also places greater emphasis on engaging with your financial adviser to determine if you have enough to reach your retirement goals.

The absence of a pre-determined retirement date allows you to have a more personalised approach to retirement planning, but this flexibility is most beneficial when supported by disciplined saving habits and regular reviews of your financial situation.

Importance of updating your contact details and nominated beneficiaries on your policy

With our range of self-service options, keeping your personal information accurate and up to date has never been easier. Having accurate contact information on hand means we can assist you faster and more efficiently when it is needed; from handling requests and sharing key updates to offering support at the right time.

It also helps create a safe and reliable experience when you engage with our digital services, giving you confidence that everything runs smoothly.

Keeping your beneficiary details up to date ensures that the right people could be supported according to your wishes when it matters most. It reduces the risk of uncertainty or delays, making things easier for your loved ones during an already difficult time.

You can update any of the above mentioned information on your policy, at any time, by interacting with our range of digital services:

Send "Hi" as a **WhatsApp** message to 0860 724 724

Scan the **QR code**

www.metropolitan.co.za click on the CHAT TO US button

Keeping your details up to date helps us provide a more personalised and effective service. Take a moment today to review your information, so we always have the right information when it counts.

Together we can

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