



# WOOLWORTHS GROUP RETIREMENT FUND

MAKING THE DIFFERENCE TO YOUR RETIREMENT

## MEMBER NEWSLETTER

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# KICKSTART YOUR SAVINGS PLAN

"With our modern lifestyles, there is so much to do, to achieve and, of course, to pay for. **With just a little planning, anticipation and patience**, the future can be everything you imagined and more, without paying the interest."

So says Mark Hawes, Certified Financial Planner at Alexander Forbes Financial Planning Consultants.

**Here are seven super tips from Mark to help you save more this year and in the future:**

## SAVING MORE

### 1 START SAVING AS SOON AS YOU CAN

Saving today means extra money to spend tomorrow. Savings can give you extra income in the future, allowing you to do more or have more. When done correctly, you will be able to pay for things in cash without having to touch your salary.

### 2 DON'T BE AFRAID TO START SMALL

Every cent counts. Get started now and use the money that you have. While R100 may not seem like much now, as you keep adding, your savings will grow, especially with the power of compound interest.

It goes without saying that the more you save, the more you will have for your future. Before you know it, you will be able to pay for that holiday you've been dreaming of in cash instead of going into debt.

### 3 BUDGET

Budgeting is not a new idea but it's on this list because it works. The objective of budgeting is to know what you're spending your money on every month. Add up how much money is coming in and how much you are spending. You can easily see your unnecessary spending and where to save. What's left over (even if it's not much) is what you should be saving towards your goals.

### 4 FIRST SAVE FOR EMERGENCIES

You must put money aside for unplanned events or expenses. Examples are a medical emergency or a bill for unexpected car repairs. Life happens. If you have the money,

it's never the end of the world, but if you don't, it can leave you feeling desperate.

Emergency savings can mean the difference between having the money available, or having to borrow, pay interest and live with dumb debt.



THINK BIG. START SMALL. ACT NOW!

## 5 BE REALISTIC

When buying a car, it's best to be practical and look for a reliable car that's economical and easy to maintain. Soon, you can use the money you saved to purchase a car for cash or put down a large deposit to reduce your monthly repayments and pay the car off faster. The same logic applies to the purchase of almost any big item.

## 6 MAKE THE RIGHT INVESTMENT CHOICES

If a money-making opportunity sounds too good to be true, it probably is. There are many options out there to choose from and many

different institutions that offer savings and investments, all packaged differently. The trick is to use the best and most appropriate product for your objectives. It is always a good idea to speak to a financial adviser to help choose the product that is right for you.

## 7 STICK TO YOUR PLAN

It's said that luck is where opportunity and preparation meet. It may happen that you get that job you were hoping for but, as a result, were not able to go on the holiday you were saving towards. Keep the funds safe for your planned holiday. The opportunity will come around again and you'll be able to pay

for it in cash. Your savings are the keystone to your financial wellness and give you economic freedom.

**With just a little patience, planning and focus, your savings can be the means to getting what you want and the key to your overall financial wellness.**

RESIST THE URGE TO SPEND NOW, AND ENSURE THAT YOU HAVE MONEY TO SPEND IN THE FUTURE, WHEN YOU WILL NEED IT MOST.



# LOOKING AHEAD



**FINANCIAL WELL-BEING** IS AN ESSENTIAL STEP TOWARDS HAVING A BALANCED LIFESTYLE.

**TRUSTEE SHANE THOMAS** OFFERS SOME ADVICE ON ENSURING YOUR OWN FINANCIAL WELL-BEING.

**Our goals and aspirations change as we move through the different stages of our lives.** What are your hopes for the year ahead?

**You may be:**

- planning a wedding
- saving for a special holiday
- trying to put enough away for your child to go to university
- buying your child their first car
- maintaining your health
- considering how much you will need to save for retirement.

Holistic well-being is the idea of creating a balanced lifestyle that rewards you with more energy and enhanced health and fitness.

THE REALITY IS THAT WITHOUT FINANCIAL WELL-BEING, IT WILL BE DIFFICULT TO ENJOY A STATE OF WELLNESS IN OTHER ASPECTS OF YOUR LIFE.

## WHAT IS FINANCIAL WELL-BEING?

Financial well-being is having enough money for the things that matter most to you, at each stage of your life, **by learning how to use the finances you have.**

**Financial well-being begins with understanding your own circumstances and options.**

When you have a clearer idea of the state of your finances, you can make smarter financial decisions. It allows you to save more, plan better and have less dumb debt.

It will also help you avoid financial emergencies like 'I'm not insured' or 'I don't have enough medical aid'.

## DID YOU KNOW?

- The average South African household spends more than R7 000 a month paying off debt.\*

- One in five South Africans say they have no investments at all.\*
- More than half of South Africans say they will never be financially free.\*

\* Source: Fin24, February 2017

For most people, money means choice. **Always get financial advice before you make any decisions that could affect your wealth or assets.**

Speak to your financial adviser or call the Alexander Forbes Individual Advice Centre on **0860 100 444.**



# ADD YEARS TO YOUR LIFE STARTING TODAY

For centuries explorers and adventurers have been looking for the secret to living longer. From the mythical fountain of youth that is said to give a person longevity when bathing in its waters to the philosopher's stone, people have been searching for something that can add a few years to their lives.

The latest scientific research shows that you may not need the mythical fountain of youth, after all.

**You can add a number of years to your life by making a few small changes to your lifestyle.**

FOLLOWING ARE SOME HABITS YOU CAN ADD TO YOUR DAILY ROUTINE THAT COULD HELP YOU LIVE LONGER



## GET ENOUGH SLEEP

Sleeping at odd hours or **getting less than seven hours of sleep increases your risk of major illnesses** such as cancer, heart disease, diabetes and obesity.

Besides getting enough sleep it's important to find time to relax. Find a way to relax every day to help offset the effects of stress and anxiety. Whether it's listening to music, meditating, reading a book, gardening or cooking, your time to relax could add years to your life.

## STICK TO ONE SERVING

National Geographic explorer Dan Buettner travelled the world to find the best strategies for longevity. He called the places where higher percentages of people live much longer, the blue zones.

Following this project, Dan wrote the book 'The Blue Zones', which sets out what people were doing differently in these areas.

His research shows that the oldest people in Japan **stop eating when they are about 80% full**. Jiroemon Kimura was verified as the oldest man in history when he died in 2013 at age 116. He credited his long life to eating small portions of food.



## WATCH LESS TV

An Australian study of over 8 000 adults with no history of heart disease found **a link between the amount of time spent sitting in front of the TV and your risk of premature death and heart disease**. Participants in the survey who watched four or more hours of TV every day were nearly 50% more likely to die from any cause compared to those who spent under two hours watching TV. Step away from the TV and take a walk or spend quality time with friends.

## STAY IN TOUCH

**A social network, whether it's real-life friends, a sports club or cooking class, can make a positive difference to your mental and physical well-being.** They can give you physical or emotional support with daily tasks.



Research by Dan Buettner showed that a committed life partner can add three years to your life expectancy while psychologist Sheldon Cohen reported that **people with strong relationships were half as likely to catch a common cold** when they're exposed to the virus.

## EAT MORE VEGETABLES

**Eating at least one cup of raw vegetables every day can add at least two years to your life**, according to Italian researchers.

### Add some nuts to your diet.

Harvard University researchers found that people who ate nuts every day were 20% less likely to die during the study than those who didn't.

### Wash this all down with water

to regulate your body temperature, protect your joints and carry oxygen to your cells.

## ADD TO YOUR RETIREMENT SAVINGS

With advances in modern medicine, people are living longer. Chances are you'll live for at least 20 years after you retire.

**That's 240 paydays for which you won't get a salary, but will have to spend from your savings.**

Planning for your retirement entails saving enough to sustain you for as long as you live. Simply put, if you have enough saved to sustain you for 15 years after retiring at 60, then once you hit 76, you will experience financial challenges.

MAKE SURE YOU SAVE ENOUGH FOR YOUR EXTRA YEARS.

Consider making **additional voluntary contributions** to your retirement fund to help you save enough for your retirement. You can find the Additional Voluntary Contributions (AVC) form on our website [www.wgrf.co.za](http://www.wgrf.co.za).

# WHAT HAPPENS TO YOUR FUND CREDIT WHEN YOU RESIGN?

If you resign, are dismissed or retrenched, you can do one of the following with your Fund credit:

- 1 Leave your money in the Fund. **This is a new option available from 1 June 2018.**
- 2 Take all your cash.
- 3 Move your money to a preservation fund.
- 4 Move your money to a retirement annuity.
- 5 Move your money to your new employer's fund.



Studies show that **only 9% of retirement fund members have enough money saved to see them through retirement.** This is mainly because members don't preserve their retirement fund benefits when they change jobs.

## LEAVING YOUR MONEY IN THE FUND.

Some of the main reasons why you should consider leaving your money in the Fund:

- There is **no minimum amount of money you need to have in the fund** to access this option. No matter how big or small, you can leave your money in the Fund.
- **The investment fees are much lower** because the trustees negotiate for the lowest fees. Also, the fees are at institutional

rates and are thus significantly lower than retail rates at some of the other preservation options.

- **You can stay invested in the same investment strategy** that you had while employed, so you won't need to become familiar with a new fund and complicated investment strategy.
- If you leave your money in the Fund when changing jobs, **you can choose to have all your money paid out to you at a later stage.**
- **You may also choose to have part of your money paid out to you at a later stage** and the balance can be transferred to another fund or preservation fund. You cannot rejoin the Fund after that.

LEAVING YOUR MONEY IN THE FUND IS EASY AND CONVENIENT.

## TAKE CONTROL OF YOUR FINANCIAL FUTURE WITH ALEXANDER FORBES ONLINE

DO YOU KNOW WHETHER YOU'RE ON TRACK TO REACH YOUR RETIREMENT SAVING GOALS? **WITH AF ONLINE, YOU CAN ENJOY REAL-TIME ACCESS TO:**

- investment values
- Alexander Forbes product benefit values
- retirement fund values
- tools to help you secure your financial well-being.

### MONITOR AND IMPROVE YOUR RETIREMENT PLANNING

You can find investment values and performances, and use valuable financial planning tools, to track and improve your financial plan.

Visit [www.alexanderforbes.co.za](http://www.alexanderforbes.co.za) and select **Online Services** to register for AF Online.



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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 **021 401 9300**

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