



LEARNING PLANNING LIVING  
**BULLETIN**  
*Bursars'*  
PENSION SCHEME AND PROVIDENT FUND

Dear Bursar

**Special Rules Audit: Normal Retirement Date and Exclusively/Inclusively Costed Schemes**

It is important to ensure that your Special Rules correctly reflect the intention of the Employer in respect of Normal Retirement Age (NRA) and Normal Retirement Date (NRD).

Where the intended NRD differs from NRA, for example a member reaches NRA on 31 May 2018 but only retires on 31 December 2018, the Special Rules should reflect that NRD is 31 December 2018.

**Impact**

There is no impact on risk benefits

Where NRA is the same as NRD, i.e. a member reaches NRA on 31 May 2018 and retires on 31 May 2018, a member may continue to contribute to the scheme (schools may place member on a fixed contract until 31 December 2018, for example). Such members will be covered under the risk policies until 31 December of the year in which NRA is reached where the school allows for member to continue working until said date.

There may be an impact on how a member is invested

An incorrect NRD in your Special Rules will impact on how a member is invested if the member is in the life stage model, as such a member is de-risked on a monthly basis. This means that if NRD is actually 31 December, but the NRA is recorded as 31 May, the member will start to be de-risked from May (5 years before retirement) instead of December (5 years before retirement). This means that members will start be de risked into more conservative portfolios a few months earlier than they should be.

**Inclusively- and exclusively-costed schemes**

Some employers may want to pay for risk and administration costs over and above Employer contributions (exclusively-costed) while other employers want risk and administration costs included in employer contributions (inclusively-costed schemes). Currently, all schools are treated as inclusively-costed schemes. If this was not your intention, please contact the ISASA team to ensure that your special rules are correctly recorded.

**What Schools need to do**

Please ensure that your Special Rules correctly reflect Normal Retirement Age (NRA) and Normal Retirement Date (NRD). Also check your contribution structures that they are also correctly recorded. If you are unsure how to access your Special Rules, please contact [Jdamane@oldmutual.com](mailto:Jdamane@oldmutual.com), [Smkiva@oldmutual.com](mailto:Smkiva@oldmutual.com) or [Tmosime@oldmutual.com](mailto:Tmosime@oldmutual.com).

All changes to contribution structures, Normal Retirement Age and Normal Retirement Date require amendments to the Special Rules before they can be implemented on the administration system. Please ensure that all changes are communicated to Jennifer Damane on [JDamane@oldmutual.com](mailto:JDamane@oldmutual.com) or Sibusiso Mkiva on [SMkiva@oldmutual.com](mailto:SMkiva@oldmutual.com) so they can be actioned.

**Yours sincerely**  
**The ISASA Team**