

Glacier Public Sector Summit 2024

5 March 2024

A summary of the presentations and panel discussions.

The Glacier Public Sector Summit 2024 webinar hosted on 21 February 2024, once again emphasised that investing requires skill, acute knowledge, tools and technology that make the journey easier, to ensure that we deliver world-class service and solutions to clients in the public sector.

If you missed the webinar or would like to [watch it again](#), the recording and content below are for ease of reference.

Sanlam and Glacier's value proposition and support team for intermediaries serving clients in the public sector.

Dinash Pillay, National Business Development Manager at Glacier by Sanlam, outlined the many reasons why intermediaries choose to partner with Sanlam and Glacier, as they tap into the opportunities that the public sector presents.

Sanlam and Glacier have specific teams that focus on clients in the public sector, and that are committed to understanding their unique financial circumstances and challenges. As many employees in the public sector are reaching retirement age or are being offered an early retirement, Glacier's team is geared to be able to assist intermediaries serve these clients with the most appropriate solutions and ensure that they retire with confidence.

Why Sanlam?

1. Accessibility

- Has the largest appropriately authorised and qualified intermediary and broker footprint across South Africa.
- Digitally led.

- Holds the client at the centre of solutions.

2. Inclusion

Sanlam invests in the communities it serves with the Sanlam Foundation having spent about R630 million on education, financial education and [financial inclusion initiatives](#).

3. Partnership

Public-private partnership is Sanlam's strategic intent, evident in initiatives such as Sanlam's Enterprise Development Programme, Ubuntu-Bonto, SME support and the partnership between Sanlam and MTN Africa.

4. Expertise

Sanlam maintains leadership as the largest non-banking financial services provider in Africa as measured by market capitalisation and has the lowest Ombuds complaint rate.

There is breadth and depth of expertise across the Sanlam group that could support intermediaries in serving the public sector. This expertise also extends to an acute understanding of employees in the public sector which spans wide-ranging demographics and financial needs.

5. Innovation

Sanlam's digitally led initiatives flow from a strategy focused on helping to move the financial services world into an efficient, technologically advanced future.

Why Glacier?

Glacier has designed solutions that meet both clients' and intermediaries' needs and that offer local as well as global exposure in the contexts of compulsory and discretionary investing. These solutions include tools and processes designed for a diverse client base.

Glacier has become the partner to intermediaries who require an understanding of the public sector and upskilling of business principals and staff to be able to serve this sector. Glacier continues to assist intermediaries stay abreast of competitor intelligence and client insights as well as upskill their administrative staff.

Back to basics

Valery Mukwevho, Junior Business Development Manager at Glacier by Sanlam, examined what intermediaries need to know when engaging the public sector.

Firstly, knowing how government is structured into departments, state-owned enterprises (SEOs) and municipalities is a big step forward. Also, it helps to know that around 330 000 employees and

170 000 spouses are paid a government pension.

What are the options for retirement income available to people who retire in the Government Employees' Pension Fund (GEPF)? What are the options for people with more or less than 10 years of service? What are some of the implications regarding people resigning to access their pension fund? Each of these scenarios requires acute knowledge of the fund rules and changing laws, to ensure that clients make the most informed decisions.

Valery also explored some common scenarios of people who retire in the GEPF and the likely impact of the upcoming retirement reforms, namely the Two-Pot Retirement System which is set to be implemented on 1 September 2024.

Panel Discussions

Panel Discussion 1: Opportunities within the GEPF and SOEs

Moderator Jabu Sibanyoni, Business Development Manager at Glacier, facilitated a discussion where Product Analyst at Glacier, Sinalo-usuko Mputa, Head of Niche Markets at Sanlam Retail Affluent, Yanush Singh, Business Development Manager at Glacier, Colleen Fisher and Dinash Pillay explored the key differentiators between private and public sector employees.

The public sector has the highest concentration of graduates and professionals of any employee group in South Africa. There are higher incomes on average and the sector is the recipient of one-third of the National Budget in remuneration. Typically, every employee in the public sector is a member of a pension fund, such as the GEPF or Transnet.

At present, and into the future, public servants will exit the sector due to a range of reasons, most notably as a consequence of the government's right-sizing strategy, part of which includes offers of early retirement opportunities.

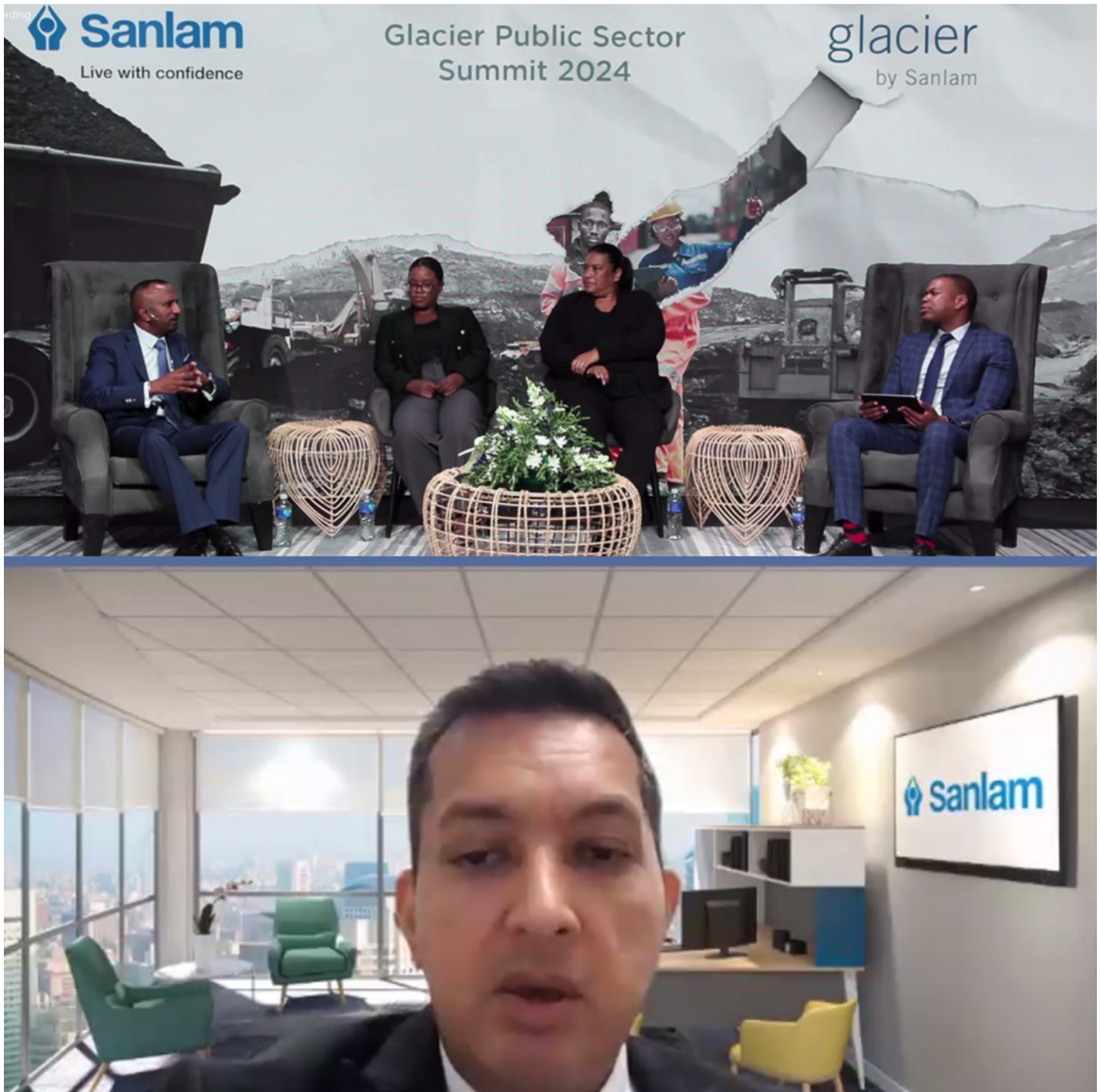
Retirement funds in the public sector are likely to be impacted by the upcoming Two-Pot Retirement System, and if implemented well, this system will solve the current challenges relating to the preservation of retirement savings. The trend of employees resigning from their jobs to access their pension funds has been on the rise in recent years.

As in any other client base, segmentation of public sector clients based on financial literacy, is essential in offering the best advice and assisting them to invest and retire with confidence. 'Walking the journey' with a client who is an employee in the public sector should be no different to any other client. Their age, unique circumstances, financial needs and investment objectives are of primary importance.

The panel also pointed out that a keen understanding of how public servants' employment contracts and remuneration are structured as well as their financial commitments, is the first step

to holistic financial planning that includes budgeting, debt management, drafting a will, estate and investment planning.

As in other sectors, these employees are at high risk of retrenchment and financial scams.



Panel Discussion 2: Glacier's Retirement Solutions

Moderator Lee-Anne Petersen, Business Development Manager at Glacier, facilitated a discussion where Business Development Managers, Kgabo Matshebula, Zwelethemba Mavata and Thohoyandou Shange, as well as Technical Support Specialist, Alysha Heyns-Arendse, explored the retirement solutions available to public sector clients. In retirement planning, specifically in the public sector, a 'one-size-fits-all' approach is least favourable and will not result in optimal

outcomes for the client.

There are many factors to consider when assisting public sector servants approaching retirement with post-retirement income solutions that align with their needs. A goals-based approach grounded in their specific needs is of paramount importance. Additionally, several factors, such as medical or health concerns, legacy for dependents and care for their spouse, among others, need to be considered carefully when guiding the decision to transfer out of or to stay in the public sector retirement fund at retirement.

In terms of solutions, a combination strategy based on the FILL (flexibility, income, legacy, longevity) principle, is crucial. It is highly unlikely that just one solution ticks all these boxes. Combining a life annuity and living annuity offers significant benefits for the client, especially when considering the increase in life expectancy now than ever before.

Offshore investing for retirees is a good option for creating diversification in portfolios and can be accessed by utilising the single discretionary allowance (SDA) of up to R1 million per annum.

Glacier champions support to intermediaries and their clients, and advocates for excellence in financial planning in the public sector. Tools, technology, expertise and guidance are available to intermediaries who are committed to serving this sector and tapping into the many opportunities it presents.



Keynote speaker: Max Moyo

The Summit ended with an address by Max Moyo, a leadership catalyst, founder and CEO at Ignite my Potential, author and executive chairman at CKE Global. Max is no stranger to navigating change. Based on thoughts from his most recent book, *'Who moved my ladder?'*, he explored how to deal with change in our personal and professional lives, and that a key basic principle is to align our purpose with our needs, abilities and desires. His thought-provoking ideas will go a long way in helping us to embrace with confidence an ever-changing world.



Summit Recording

Presentations

[How Glacier supports intermediaries who serve the public sector – Dinash Pillay.pdf](#)

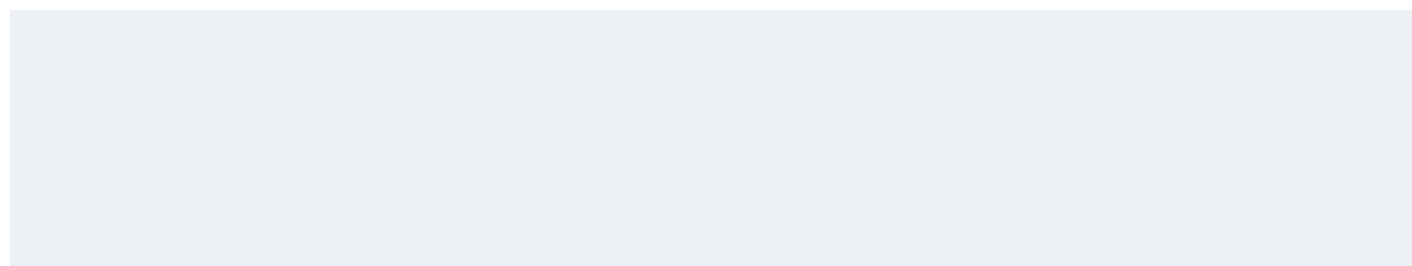
[Recap of the public sector – Valery Mukwevho.pdf](#)

[Keynote Speaker – Max Moyo.pdf](#)

[Glacier Public Sector Questions answered.pdf](#)

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Glacier Financial Solutions (Pty) Ltd.

A member of the Sanlam Group

Private Bag X5 | Tyger Valley 7536 | Email client.services@glacier.co.za | Tel +27 21 917 9002 / 0860 452 364 | Fax +27 21 947 9210 | Web www.glacier.co.za | Reg No 1999/025360/07

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Private Bag X8 | Tyger Valley 7536 | Tel +27 21 950 2600 | Fax +27 21 950 2126 | Web www.smmi.com *|*Reg No 2002/030939/07

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Sanlam Life Insurance Ltd. | Email life@sanlam.co.za | Tel + 27 21 916 5000 / 0860 726 526 | Fax +27 21 947 9440

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