



# 2023

# Trustee Report

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**BOTSWANA BUREAU OF STANDARDS**

STUFF PENSION FUND



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# | Chairperson's Foreword



To the valued members of the Botswana Bureau of Standards (BOBS) Staff Pension Fund, I am pleased to present to you the Fund's Trustees Report.

The aim of this publication is to provide you as members with information on your Fund, the Fund's communication plan going forward and developments within the retirement Funds landscape.

The report provides detailed information of the Fund's investment strategy as well as the investment performance over the 12 months period to 31 March 2023.

Members may note that the Fund is currently undergoing numerous changes that are compliance driven as a way to comply with the recently promulgated Retirement Funds Act, 2022. The Fund conducted member education sessions on 21 June 2023 educating members on the changes that affect yourselves as members.

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It is my sincere hope that you will invest time to read this report and the significant notices and information that it includes for the members' benefit.

To continue to meet your expectations, the Board of Trustees will be pleased to receive members' feedback. These should be channeled through the office of the Principal Officer.

Planning for retirement is a crucial aspect of financial planning, and the earlier you start the better.

Happy reading!

Chairperson of the Board of Trustees

Beatriewe Mbulawa (Ms)



# Fund Governance



The Board of Trustees is the governing body of the Fund. It is a diverse Board in terms of skills and gender. The Board currently consists of seven (7) Trustees, one (1) of which is appointed by the Employer (referred to as Employer Trustees, three (3) elected by you as the members (referred to as Member Trustees) one (1) Risk Officer/Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) & Compliance (AMLCO) Officer, one (1) Independent Trustee who is appointed by the Board of Trustees and the Principal Officer.

## Responsibilities of the Board

In executing their duties, the Board is guided by the Retirement Funds Act, 2022 and the Fund Rules. The responsibilities of the Trustees are as follows but are not limited to:

- Manage the Pension Fund.
- Appoint service providers.
- Determine the investment policy and risk management framework.
- Distribute a deceased member's death benefits to dependents and nominees as elected.
- Ensure Fund Regulatory Compliance.
- Inform the Regulatory Authority, in writing, of any activities that can prejudice the Fund.
- Act independently and exercise powers in a manner that is impartial and not influenced by inappropriate consideration.



# Meet your Board of Trustees



## MS BEATRICE MBULAWA

CHAIRPERSON / EMPLOYER TRUSTEE - ( 9 JUNE 2022)

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## MR MOKWADI MOITOI

PRINCIPAL OFFICER - (25 JANUARY 2016)

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## MR THATO KUBU

INDEPENDENT TRUSTEE - (1 SEPTEMBER 2021)

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## MS CHAWANGWA MOKHUNI

RISK OFFICER/AML/CFT & COMPLIANCE (AMLCO OFFICER)

31 JULY 2019 (RISK OFFICER)

22 AUGUST 2022 (AMLCO OFFICER)

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# Board of Trustees continuation



## MR BENI BENI

MEMBER TRUSTEE - (16 MARCH 2023)

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## MS ACHO MOAISI

MEMBER TRUSTEE - (12 APRIL 2022)

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## MR TEBOGO PHERESI

MEMBER TRUSTEE - 12 OCTOBER 2021

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## MS KAGISANO LEBANI

EMPLOYER TRUSTEE - (12 SEPTEMBER 2023)

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The Fund currently has three (3) vacancies of one (1) Independent Trustee and two (2) Employer Trustees which the Board of Trustees is working on filling.

# Fund Operations



## Board Meetings

The Board meets at least four (4) times in a year to discuss Fund matters (i.e., once every quarter). At every meeting, a quorum would comprise of at least 50 percent of the Trustees present at the meeting with equal representation between Member elected representatives and Employer nominated representatives.

## Board Committees

In executing their duties, the Board has delegated certain duties and responsibilities to

sub-committees. This is to improve efficiency and effectiveness of the Board. The Committees however report to the Board and have not been delegated any decision-making powers. The Fund currently has two (2) sub-committees and are constituted as follows:

### Communications Committee

Mr Beni Beni (Chairperson)  
Mr Mokwadi Moitoi  
Mr Tebogo Pheresi  
Ms Kagisano Lebani  
(Communication Officer)

### Risk and Compliance Committee

Mr Thato Kubu (Chairperson)  
Mr Mokwadi Moitoi  
Mr Beni Beni  
Ms Chawangwa Mokhuni

# Fund Operations



Annual Financial Statements for the year ended 31 March 2023

## Statement of Comprehensive Income for the year ended 31 March 2023

	<b>2023</b>	<b>2022</b>
Contributions	6 887 350	6 531 678
Total income	12 679 291	14 848 217
Expenditure	(1 139 650)	(875 020)
Net surplus for the year	<b>11 539 641</b>	<b>13 973 197</b>
Members Fund at the beginning of the year	93 947 262	89 298 097
Members Fund before benefits awarded, transfer out and transfer received	105 486 903	103 271 294
Benefits awarded and <u>transfer out</u>	(5 866 542)	(1,152,315)
<b>Members' fund at the end of the year</b>	<b>99 620 361</b>	<b>93 947 262</b>

# General Fund Information

## Fund Service Providers

Fund Administrator  
Minet Botswana Retirement Solutions (Pty) Ltd

Asset Consultant  
Alexander Forbes Asset Consultants (Pty) Ltd

Investment Manager  
Botswana Insurance Fund Management

Auditor  
Grant Thornton

Contribution Dates  
Employee contribution: 5%  
Employer contribution: 15%

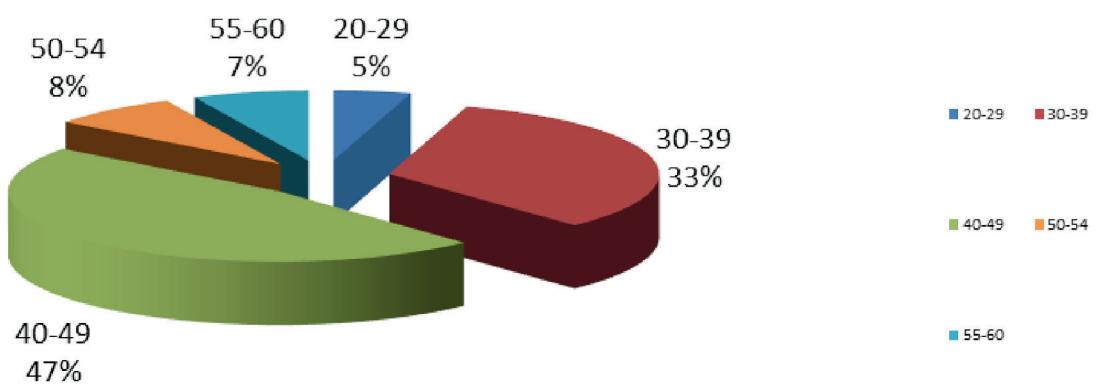
Members are also allowed to make additional voluntary contributions at a rate between 1% to 10% of Pensionable salaries.

Retirement Ages  
Early Retirement: 50 years  
Normal Retirement: 60 years  
Late Retirement: 70 years

Member statistics post 31 March 2023  
Total Active Membership as at 31 March 2023 is 129.

As per the age analysis pie chart below, most of the members were aged between 40 and 49 years which accounted for 47% of the total membership of the Fund. There were 9 members who were within 5 years of attaining the normal retirement age and 10 members who were within 10 years of attaining the normal retirement age. As at 31 March 2023, the average age for the fund is 42 years.

## BOBS PENSION FUND AGE ANALYSIS



# Communication Plan

The Fund has effected the following communication items:

## **Complaints Procedure**

The Fund has put in place a complaints procedure, and this has been shared with members. The aim of the procedure is to provide members with proper channels to raise queries or enquiries regarding their benefits.

## **Member Presentations**

Member Presentations were held in the month of June 2023 to apprise member of the changes in legislation and September 2023 for the annual member presentations. The Fund shall continue to conduct annual member presentations.

## **Briefing Notices**

The Fund continues to issue out quarterly briefing notices to members. The notices are aimed at continuously communicating any pension-relate information. It is important for members to ensure that they read them.

# REGULATORY CHANGES

The Retirement Funds Act, 2022 came into effect on 14 October 2022, repealing the Retirement Funds Act, 2014. The Retirement Funds Regulations that are aligned to the new Act have not been released. The amendments to the Income Tax Act (Superannuation Funds) Regulations, 2022 were also released in 2022.

~~The Act brings about changes that affect various categories of pension members, however this report seeks to outline those that affect you as a member of this Fund.~~

## INCOME TAX (SUPERANNUATION FUNDS REGULATIONS, 2022

### 1. Withdrawal from the Fund through Resignation/ Dismissal

When you exit the Fund either through resignation or dismissal, the amount you are allowed to take as a cash lump sum has been increased from P5 000 or 25% to P25 000 or 25%, whichever is greater. The amount you are allowed to take a cash lumpsum will be subject to tax.

### 2. Withdrawal from the Fund through Retrenchment

When you exit the Fund through retrenchment, the amount you are allowed to take as a cash lump sum has been increased from P5 000 or 33.33% to P25 000 or 33.33%, whichever is greater. The amount you are allowed to take as a cash lumpsum will be treated as follows:

- One third of the cashable portion/amount is exempted from tax
- Two thirds of the cashable portion/amount will be subject to tax

### 3. Withdrawal from the Fund through Retirement

At retirement (early, normal or ill health), the amount you are allowed to take as a cash lump sum has been increased from 33% to a maximum of 50% of your benefit. Of the 50%, only 33.33% will be exempt from tax and the 17% will be subject to tax.

The remaining benefit (50%) will purchase you an annuity from a Life Insurance provider of your choice. The minimum amount that can purchase you an annuity has been increased from an amount that can earn you a pension of P5 000 per annum (P416.67 per month) to P20 000 per annum (P1 666.67 per month).

## **RETIREMENT FUNDS ACT, 2022**

### **1. Ill Health Retirement**

In case of a mortgage loan, the Board of Trustees of the Fund may resolve to pay your loan with your benefit, if you retire due to medical reasons as a member. This will only utilize 50% of your benefit and the remaining benefit will purchase an annuity.

### **2. Default on Mortgage Loans/ Non-Mortgage Loans**

A deferred member may access 100% of their deferred pension to repay a default on their mortgage loan or non-mortgage loan (g. personal loan, credit card facility).

### **3. Medical Expenses**

A deferred member may access 50% of their deferred pension to pay for medical bills.

Conditions to accessing the deferred benefit:

- The amount owed shall be covered by the deferred member's benefit
- Only one Fund may be utilized for the loan or medical bill, if a member is deferred in more than one Fund
- The deferred member is making the request for the first time
- The deferred member provides proof that they have been unemployed for a consecutive six months
- The deferred member must demonstrate that the use of their deferred benefit is the last resort and that there aren't any other assets they have that they can use to settle the loan or medical bill
- Only one deduction shall be considered