

## Refirement Social Network

This is a new social network that I have set up for Refirement Network. Please join and invite all other Baby Boomers.

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The months race by. The World Cup is getting close. Winter is on its way and the clock of life seems to be moving faster.

We live in interesting and challenging times in South Africa. On the one hand we have one of the greatest sporting events about to unfold and simultaneously there seems to be so much debate and discussion around politics, tenderpreneurs, lack of delivery and a general feeling of an out of control unhappy South African society.

I have had the privilege this last month to attend a two day event with Peter Block. He is an expert in building communities. He teaches that we need to become **citizens** who **give** rather than **consumers** who **take**. I sense that we do not have this kind of mindset in South Africa and question how we can all become active citizens, take part and make this a great nation.

I am actively involved in community on a daily basis. There is a great sense of community and positive action happening in pockets on the ground. This helps me to stay focused on the role I can personally play in a positive way rather than just listening to the media and having negative, downward spiraling conversations around the dinner table and around the braai. I also attended a call by the Gauteng MEC of Education to attend a meeting for retired teachers. I was overwhelmed as I walked into the hall. There must have been more than 2000 teachers at the meeting. I hope this will be the start of many programs where we can all take hands as **ONE Nation** and build a future for your grandchildren and mine.

I attended a briefing to the media by Old Mutual on a survey they had done called "Retirement Monitor 2010." I am including an overview by the managing director in this newsletter. The challenging economic cycle we have experienced since 2008 is having a serious affect on funds for retirement. Working longer is becoming more of a compulsory obligation rather than a choice for many baby boomers. The workshop I present called "Moving from work 1.0 to 2.0" will ensure that you know what the future world of work looks like and that you will be able to earn well into your refirement years. The challenge is to find a balance and work within your area of passion. I have also just written an article for The Star Workplace on how this world of work is changing. Read in this newsletter.

I am teaming up with my friend Tina James on the 29 th May in Pretoria. Tina runs a group called Dancing Divas. Dance classes for women. We will be doing an event together called "Fifty and Fabulous- Discover your rhythm" This event will be in Pretoria. Book the date in your diary and bring your female friends for an afternoon of fellowship and fun.

Thank you for your ongoing support. Refirement Network is growing. Invite your friends, join hands and let's build this nation together.

## **Every day I get up to work. Sometimes I work for money and sometimes I work for free.**

At times the work I do for free adds more value to my life than the work I do for money. The worldview is that work = money. Do you agree?

In South Africa we do not have a volunteering mindset. Maybe it is part of our history? The question is how do we change this?

The world of work is changing. We now have more of a portfolio approach where work for money will be one of the components of the whole. Work for many is already not the 8 to 5 world that many of us grew up with. Technology allows work to happen anywhere and anytime 24/7/365. We can work in an office, face to face, at home, locally and globally day or night.

If all of the above are facts that already exist, maybe the question we should be asking is what defines my life and how do I add value.

## **Old Mutual Retirement Funds Survey 2010**

### **Lack of preservation remains a major concern**

While 93% of all stakeholders surveyed in the Old Mutual Retirement Survey 2010 agree that preserving retirement savings is important when exiting their existing pension or provident funds, the majority of South Africans are not doing so.

According to Seelan Gobalsamy, Managing Director of Old Mutual Corporate, the vast majority of employees who exited pension or provident funds administered by Old Mutual last year, cashed in their accumulated retirement benefits, rather than transferring them to another retirement savings vehicle.

When asked which key factors influenced the likelihood of not preserving, 70% of the funds representatives surveyed cited a desire to access cash as the main reason. This is not surprising, given the difficult economic conditions and job losses during the 2009. It is estimated that 900 000 jobs were lost in South Africa last year.

Gobalsamy says it is therefore surprising that 71% of fund respondents believe preservation behavior remained fairly consistent with previous years. The exception was among Union Fund respondents, where 43% of the respondents said preservation amongst their members had decreased.

Another trend that had emerged was that members are resigning in order to access their retirement credits and then re-applying for their jobs. The survey also provided some key insights into some of the key influencers and

influencing factors behind members' decision to preserve their benefits on exiting their retirement fund.

Lack of advice at the time of withdrawal (53%), lack of understanding of consequences of the decision (62%) and a lack of awareness of preservation options (39%) were among the motivating factors mentioned for not preserving.

24% of respondents cited investment advisors as primary influencers on the likelihood of members to preserve their benefits, while 15% said recommendations from the Human Resources (HR) department was the primary influencer. 11% cited members' own knowledge as the key factor. Company and Umbrella fund respondents believe that investment advisors are more influential than recommendations by HR, while Union fund respondents saw HR as having a bigger influence in the decision by their members.

Gobalsamy says it is also the responsibility of retirement fund trustees to provide members with pre-retirement counselling or financial advice to encourage them to keep their retirement fund savings invested for as long as possible and not cash them in when exiting their jobs prior to retirement age.

He adds that Government is taking the issue extremely seriously, with some level of compulsory preservation likely to be included as part of the proposed retirement fund reforms. "In this regard, 36% of all funds surveyed said they were strongly in favour of compulsory preservation and another 48% of all funds surveyed said that they were strongly in favour, but with the choice of a service provider."

## **Are you over 50 and challenged by the changing pace of the workplace?**

I want to share a story with you. It's about a fly that is stuck in a room with closed windows. The fly, in an effort to escape, keeps flying smack into the middle of the window, then falls down to the window sill. It gets up again and again, repeating the entire process over and over. It keeps seeing its freedom through the glass and tries desperately to get there, for hours and hours.

Eventually, the fly runs out of energy and dies. That's a sad day for that fly. If it only knew how close to freedom it was. One meter away from the closed window is a door that is wide open to the outside.

Have you ever felt like this in your business or in your life? You work harder and harder every year, but don't make much financial headway. There's a well known quote that states "the definition of insanity is doing the same thing over and over again but expecting different results."

Well, the moral of the story is: Try another way - you are only one meter from freedom!

I am sure there are many that feel like this fly when they look at their work life. The work place may seem like a harsh place where you feel like you have been hitting the closed window for a period of time.

The worker over fifty has been in the workplace for more than 30 years. This environment has changed at exponential pace and seems to be becoming a place where we no longer feel comfortable. We long on the one hand

for retirement because we do not enjoy the pace and challenges that the workplace present, but at the same time we fear the future because we know we will need more money than we have saved to fund our golden years.

Here is a list of some of the changes that are occurring on a daily basis to change this environment.

## WORLD OF WORK

### OLD PARADIGM

Loyalty and Security  
Input driven  
Set hours  
Defined benefits  
Permanent  
Office based  
Local

### NEW PARADIGM

Personal responsibility  
Output driven  
24/7/365  
Defined contributions  
Contract by contract  
Virtual  
Global

These changes listed will help us to see why we may be feeling insecure and fearful. It may also be why we feel like the fly that keeps hitting the closed window. How wonderful it will be to discover the open door and feel free and alive again.

Discovering this journey and flying out of the door is possible. A person needs to understand these changes, embrace them rather than fight them and discover a new future. Discover your talents and skills. Learn more about technology and how this is changing the world of work. Embrace the fact that when you chose a new work space it can be a combination of work and play. When we work in a field where we are passionate about the subject and work seems more like play, we know we have discovered a freedom to continue this journey for many years to come. There is no reason to stop working and to retire in this world. In many cases one can travel, live outside of a city and still add value. Embrace these changes. They will add enormous value to your future world of possibility.

Lynda Smith is a Retirement Transition Coach. She offers workshops called "Moving from WORK 1.0 to 2.0 and navigating your journey"



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