



“Around 40% of the formally employed in SA have no retirement savings” (OM SAVINGS MONITOR)

“In case of disability, the average South African is underinsured by R900,000, while in the case of death by R600,000” (ASSOCIATION FOR SAVINGS AND INVESTMENT IN SOUTH AFRICA, 2010)

“Implementing meaningful and relevant employee benefits here at RSAWEB with Consequence Private Wealth has helped us show our team we are concerned about their welfare and has given staff increased self-esteem.” (MARK SLINGSBY, DIRECTOR & FOUNDER, RSAWEB)

Apart from a duty to provide a safe and healthy workplace, employers in South Africa are required only to compensate employees as per their contract. We have however seen that carefully selected employee benefits can assist in creating a more secure and loyal workforce, leading to improved productivity and greater peace of mind for employers.

OUR BACKGROUND

Consequence Private Wealth (Pty) Ltd is an independent financial planning practice based in Newlands, Cape Town. Founded in 2010 with a view to providing bespoke financial advice to private clients, our growing team of professional advisors and administrators provide investment and estate planning solutions to hundreds of individual clients and manage significant employee benefits assets for over twenty corporate clients. We take great pride in maintaining close relationships with all of them.

Our involvement in employee benefits evolved to meet the needs of many individual clients who, as directors of their own companies, required relevant and cost effective employee benefits which matched the standards of their personal portfolios. The last decade has seen much innovation in the employee benefit space and we have identified and partnered with those product providers focussed on delivering those innovative solutions.

OUR APPROACH

1. We offer prospective clients a full benefits analysis and proposal as required.
2. Selected benefits are implemented with a focus on ensuring staff are properly educated on their benefits and the importance of beneficiary nominations and their own estate and financial planning.
3. A clear and effective ongoing administrative process is established between company HR and payroll staff, service providers and ourselves to ensure that staff movement is smoothly handled.
4. Annual review to discuss possible rate improvements, service level evaluation, investment performance if relevant and new ideas.

THE CONSEQUENCE PRIVATE WEALTH MODEL

We prefer benefits which are flexible and independent of one another. Employers can match benefits to staff categories and determine contribution levels. Below we outline the salient features of our approach across the three main benefit categories:

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1. MEDICAL AIDS & HEALTH INSURANCE PRODUCTS

Employees tend to put this at the top of the list when it comes to desirable fringe benefits. This is understandable given the high costs of medical care and cover. Medical aid benefits and choices can be confusing – we will advise you and staff on the optimal plan choices. Where wellness programmes are implemented, we have expertise in managing staff participation.

Although medical aids may not offer group rate discounts, there are significant advantages in setting up group schemes as waiting periods and late joiner penalties may be waived.

We are also able to advise on a new and increasingly relevant generation of health insurance products which are priced to meet the needs of lower paid staff.

2. GROUP LIFE & DISABILITY INSURANCE POLICY

We believe this is an excellent option for employers given that insurers will negotiate on premiums according to payroll size and demographics. This a highly cost effective way to give staff peace of mind and for employers to limit potential liability in terms of deceased or disabled employees.

Older generation structures tend to include these benefits as part of pension or provident funds. We prefer to separate the cover as a stand-alone group policy so that pay-outs on death are not taxed as part of the retirement fund and, most importantly, are paid quickly as they do not form part of pension fund process over which trustees have discretion.

In our experience it is also important that employees consult with us individually to ensure they are not unnecessarily duplicating cover in their own capacities.

3. RETIREMENT FUNDING

As with personal investment portfolios, low fees and accurate fund allocation to match age and risk profile make a significant difference in the long term. We are able to recommend and manage investment platforms which offer us both.

Whether Pension / Provident Fund or Group Retirement Annuity we are able to offer a high degree of flexibility in terms of structuring contributions either as rand values or as percentage of payroll.

We are also available to consult individually to ensure employees are maximising all tax efficient investment vehicles over and above the company fund.

PLEASE GO TO [www.CONSEQUENCE.CO.ZA](http://www.consequence.co.za) TO CONTACT US FOR FURTHER INFORMATION.