



May 2021

### **Trustee fee increase – 2021**

An analysis on the above subject matter is presented here for consideration.

TRANSMED's pay philosophy for the Board of Trustees and Committees is to remunerate Trustees and Committee members in line with the mean-market benchmark. Appropriate considerations are also applied to the current and future market conditions, as well as the economics and challenges within the Fund in terms of affordability. An additional consideration is the onerous requirements from a governance, oversight, monitoring and regulatory perspective that needs to be factored into the deliberations.

The economic indicators for the 2021 year are as follows:

- The South African Reserve Bank (SARB) sees headline inflation averaging 4% in 2021, with some economists forecasting 4.6% by year-end.
- The real-salary adjustments for 2021 is expected to be in line with inflation, plus 1%.
- Pay adjustments for 2021 are therefore predicted to vary between 5% and 5.6% with an average increase of 5% predicted.

In light of the foregoing, an average increase of 5% in Trustees' fees for 2021 can be justified.

The 2020 Trustee fee schedule is attached as an annexure.

**Mr K Buthelezi**  
**Chairperson: Audit Committee**

#### **Sources:**

Tradingeconomics  
Axiomatic: Salary increase forecast – 2021  
Willis Towers Watson salary research 2021