



COVID-19 – CMEFS WEEKLY NEWSLETTER

FRIDAY 29-05-2020

Hello. I do hope that this week's edition of our newsletter finds you and your family as well as can be.

COVID-19

Although the move down to level-3 of lock-down is to be welcomed, it is also good to keep in mind that the over-riding purpose of the level 5 and level 4 lock-downs was to give the government the time it needed to acquire and plan for enough hospital beds, respirators and personal protective equipment to cope with the expected surge of Covid-19 infections requiring hospitalisation TO COME.

That is to say, the worst is still very much ahead of us in so far as the possibility of our becoming infected with the virus is concerned.

So although we will most certainly enjoy greater freedoms, it will also be necessary to exercise greater caution than what has been the case in the past to avoid the possibility of our becoming infected with the virus.

Again, for the young and healthy amongst us, all evidence points towards the fact that should they become infected, it will be a “non-event” in their lives as in most cases it will simply come and go without their even noticing.

However, for those at higher risk, being those persons who are, irrespective of age, severely obese (a BMI of 40 or higher. See last week's newsletter), those age 60 and over and those with co-morbidities, the move down to level 3 requires these persons, during the next 3 months or so, to be even more cautious when going about their day-to-day affairs than they have been up until now.

Where such higher-risk persons have people living with them that are either going back to work or to school or both, it may now even be necessary to practice social distancing at home (if this is at all possible) the wearing of masks, and most certainly constant cleaning of all surfaces and objects that are touched by all persons living within that environment.

In other words, treat your home like a workplace to protect the vulnerable living within its 4 walls. It is a lot of hard work, but the good news is that it will not be forever, as scientists are of the view that we will have gotten through the worst of this first wave by the end of August, at which point it is hoped that infection rates will start to drop sharply.

However, it is not envisaged that the virus will by then have disappeared never to return.

Although the scientists do not say it explicitly, I imagine that the thinking goes something like this.

After three months, given current social distancing, masks, and other protocols, the **rate of spread** of the virus will have plateaued.

At this point, simply because it will by then have spread itself quite widely, a certain resistance to the virus will have been built up in those who had caught it and recovered from it, thus creating a natural “firebreak”.

This “firebreak” (or herd immunity) will then start to slow the further spread of the virus, resulting in a falling rate of spread.

I would imagine then that provided the protocols remained in place for a further 3 months or so, the rate of spread will then hit a second, but much lower plateau and will fall steadily thereafter but will remain with us until a treatment/cure/vaccine is found.

But at this lower end of the plateau, the numbers of persons that will need to be hospitalised will be low enough for our hospitals not to be overwhelmed and thus be able to provide 100% attention to anyone needing special care because of the severity of their reaction to the virus.

No one will need to be turned away to die because of a lack of availability of beds and medical personnel.

However, all of the above is premised on us continuing to practice the current protocols until a treatment/cure/vaccine is found, whenever that might be.

If one were to abandon these protocols entirely say 6 months from now, then because the virus can now spread more easily, I can quite easily then see a resurgence of a second wave that could take us to an even higher plateau level than the first one, before it once again starts to decline.

So it seems we are stuck with masks and the rest of the protocols until this elusive treatment/cure/vaccine is found.

It is for this reason that I need to advise that we will continue to work from home after 1 June and continue to do so right up until this treatment/cure/vaccine is found.

In so far as meetings with clients are concerned, if they cannot be held remotely via zoom or similar applications, then such meetings cannot be for more than 15 minutes, during which meeting all the necessary protocols will need to be followed by both employee and client.

It will therefore not be possible to hold ½ hour or an hour or longer appointments with clients in person until it is safe for all parties to do so.

LIVING ANNUITIES – INCOME RESTRICTIONS TEMPORARILY LIFTED

(Reproduced, with thanks, from recent correspondence received from AIMS, but applicable to most (99%) Living Annuities as there may be specific restrictions applying to specific Living Annuities with specific underlying portfolios chosen)

In April 2020, the National Treasury proposed amendments with regards to the Living Annuity monthly withdrawals. This amendment will assist pensioners who may be struggling due to the Covid-19 pandemic.

The amendments are as follows:

- The once-a-year change rule will be amended to allow policyholders to make changes immediately.
- The lower withdrawal limit of 2.5% will be lowered to 0.5% and the upper withdrawal limit to 20%
- The above two amendments will be allowed from 1 June 2020 until 30 September 2020.
- Any elections made during this period will only be applicable for the above mentioned four-month period. The lapsing of this period will result in the drawdown rates automatically reverting to the rates applicable before said election.
- A change in income frequency is only permitted for those investors whose anniversary occurs during these four months.
- Individuals whose anniversary date falls within the proposed four-month relief period, beginning 1 June 2020 and ending on 30 September 2020 may elect to amend their drawdown rate in accordance with the existing 2.5% to 17.5% drawdown levels. The election will be valid until the next anniversary date.

If an election is made in accordance with the 0.5% to 20% drawdown level, then the election will apply for the limited period of four months. After the four months, the drawdown rate will revert automatically to the drawdown rate elected at their previous anniversary date.

That's all for now and I trust you enjoyed the read.

Nine sends love and thoughts to all, as always.

Until next time then, from all of us at CMEFS, do take good care of yourselves. Kind regards. Charles.

Name	Division	Cell Number	Detail
Alicia	Wealth	063 434 8074	Learner. Servicing attaching to the following classes of business. Investment Accounts, Tax Free Savings Accounts, Retirement Annuities, Living Annuities, Pension and Provident Preservation Funds, Endowments.
Andrew	Wealth	063 321 7399	Intern. New business and servicing. Medical Aids & GAP Cover. In the process of migrating across to the Wealth Division.
Andrisha	Wealth	063 378 1473	Representative. New business. Investment Accounts, Tax Free Savings Accounts, Retirement Annuities, Living Annuities, Pension and Provident Preservation Funds, Endowments.
Bernelee	Tax	078 708 4536	Administrator providing admin support to Geraldine and understudy to Geraldine.
Brady	Wealth	071 843 3933	Representative. New business. Investment Accounts, Tax Free Savings Accounts, Retirement Annuities, Living Annuities, Pension and Provident Preservation Funds, Endowments.
Felicia	Risk	071 880 9576	Learner. Servicing attaching to Short-Term insurance, assisting Stella. Starting to obtain some exposure to Medical Aids, GAP Cover and Life Insurance.
Geraldine	Tax	083 754 1699	Head of tax division.
Jamie	Wealth	071 850 1389	Learner. Core responsibility being to produce and send out the monthly investment statements and to handle any queries connected to them. Satellite responsibility to assist where possible in the Wealth Division.
Luh	Bookkeeping	063 102 3313	Head of Bookkeeping Division. Professional Accountant (SA) SAIPA 30345
Nadean	Tax	063 026 1351	Intern. Administrator providing admin support to Bernelee and understudy to Bernelee.
Siso	Risk	060 376 6605	Learner. Starting to obtain some exposure to Short-Term insurance Medical Aids, GAP Cover and Life Insurance.
Stella	Risk	078 784 6462	Head of Short-Term Insurance Division.
Terisha	Books	071 858 3373	Intern. Bookkeeping Division. Data Capture and other functions relating to the bookkeeping Division.
Thabo	Risk	078 004 3864	Learner. Starting to obtain some exposure to Short-Term insurance Medical Aids, GAP Cover and Life Insurance.