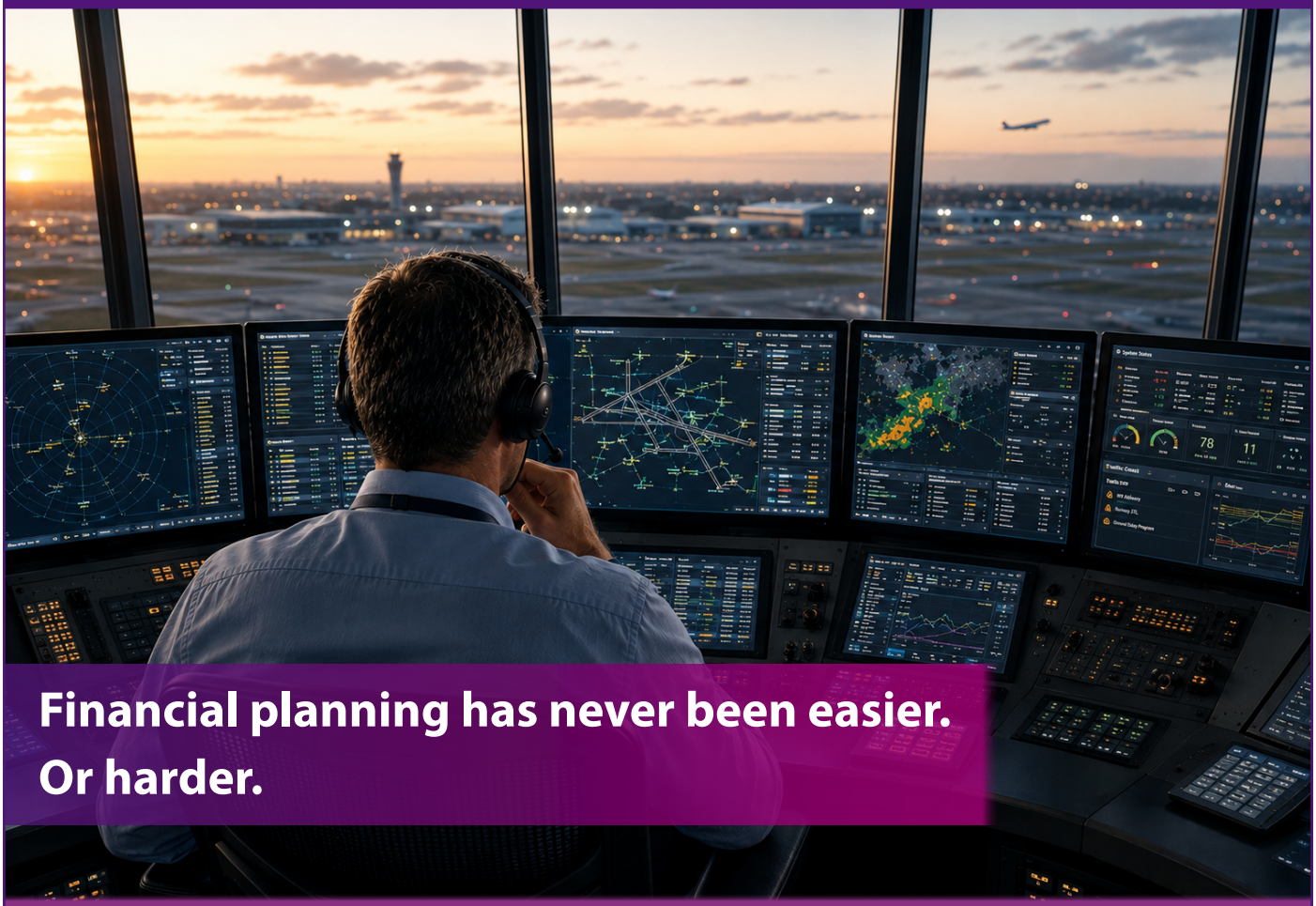
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The Trendline - Second Quarter 2026



Financial planning has never been easier. Or harder.

In this edition

1. Market Overview
2. CEO Editorial
3. Who is actually giving you financial advice?
4. Trusts under scrutiny
5. Write your own salary after you stop working
6. Who manages your money when you no longer can?
7. When is an inheritance an inheritance?
8. Beyond the medical aid average

Market Overview

Global markets staged a meaningful recovery during the second quarter of 2026 as investors gradually looked through the immediate shock of Middle East tensions and refocused on the opportunities created by the next phase of the Artificial Intelligence (AI) investment cycle. Geopolitical risk, elevated energy prices and inflation concerns remained important features of the quarter, but market leadership became increasingly concentrated in companies linked to AI-related capital expenditure. At the same time, central banks followed different policy paths in response to local inflation dynamics, creating greater divergence across currency and bond markets. This produced a more constructive backdrop than experienced in the first quarter, although the strength of headline returns masked several underlying risks.

Investment market returns as at 30 June 2026

Investment market returns (%)	3M	YTD	1YR	3YR	5YR	7YR	10YR	20YR
Local Equity Market	-2.36	-2.96	18.42	17.39	15.16	13.65	11.58	12.10
Local Property Market	10.03	4.61	29.72	26.61	17.48	7.70	4.61	11.47
Local Cash	1.67	3.35	7.07	7.89	6.92	6.49	6.77	7.05
Local Bond Market	7.87	4.25	21.48	17.81	12.38	11.14	10.76	9.56
Offshore Developed Market USD	13.76	9.69	21.34	19.24	11.47	13.73	13.14	8.70
Offshore Emerging Market USD	24.05	23.85	43.51	23.02	7.20	9.82	10.08	6.76
Offshore World Bond Market USD	0.68	-0.38	-0.11	2.50	-2.66	-1.17	-0.52	1.82
Gold (USD)	-13.54	-7.37	21.00	26.83	17.04	14.94	10.73	8.90
Brent Crude (USD)	-17.60	44.90	41.01	16.98	18.23	14.44	12.56	1.12
USD / ZAR exchange rate	-4.13	-	-7.77	-4.65	2.80	2.47	2.04	4.05

All returns greater than 1 year are annualised. All returns are gross of fees.

Local Growth Assets: Local equities fell by -2.4% over the quarter, with the outcome largely driven by a -19.6% pull-back in the Resources sector amid weaker precious metal prices. Gold retreated -13.5% over the quarter, reversing part of the exceptional rally recorded earlier in the year. In contrast, Industrials, Financials and Listed Property gained +4.8%, +8.2% and +10.0% respectively. This divergence again highlights the impact of concentration risk with a broad index e.g. a commodity-led move dominating the headline index return.

Local defensive assets: Local cash returned +1.7% for the quarter, while local bonds gained +7.9%. Demand for South African bonds remained well supported by attractive real yields. In response to higher global inflation, the South African Reserve Bank (SARB) raised interest rates by 0.25%, from 6.75% to 7.00%, at its May meeting. In South Africa, first-quarter GDP grew by +0.5% from the previous quarter, pointing to some resilience in the local economy, however local inflation remained above the 3% target at +4.5% as at May 2026.

Global rate and inflation cycle: Central bank policy remained an important market driver during the quarter, with a growing divergence between South African and US policy settings. The US Federal Reserve kept rates unchanged at a target range of 3.50% to 3.75% during the quarter. This divergence to the SARB's decision helped support demand for South African bonds and contributed to rand strength over the quarter, as investors were compensated by attractive local real yields at a time when US policy remained on hold.

This was short-lived, with recent US FED rhetoric indicating a more hawkish stance and market consensus expecting a US interest rate hike in quarter three of 2026. The European Central Bank also increased its deposit facility rate by 0.25% to 2.25%. Developed-market inflation remained above policy targets across the US, Euro Area and the United Kingdom over the quarter. Elevated energy prices and Middle East supply-chain risks kept investors alert to the possibility that interest rates may remain higher for longer than previously expected.

Offshore Developed Equity Markets: The MSCI World Index rose by +13.8% USD over the quarter. Performance was supported by companies outside of the 'Magnificent 7' which are linked to the AI investment cycle, with investors continuing to reward businesses linked to advanced chips, memory, data centre infrastructure and the wider AI supply chain. This broadening was constructive, but it did not remove concentration risk because global equity markets remained heavily influenced by AI-related earnings expectations and capital expenditure plans. June brought some profit-taking after the April and May rebound, but the quarter remained positive for developed market equities.

Offshore Emerging Equity Markets: The MSCI Emerging Markets Index gained +24.1% USD over the quarter, outperforming the local and developed markets. Much of this strength came from technology shares in Taiwan and South Korea, particularly companies involved in semiconductor manufacturing such as Taiwan Semiconductor Manufacturing Company, SK Hynix and Samsung Electronics.

While these companies have clear exposure to the AI infrastructure cycle, the scale of their contribution means that emerging market index returns are increasingly dependent on a narrow group of technology shares. This concentration increases the potential impact of any disappointment in AI-related earnings, a slowdown in data centre capital expenditure, valuation compression, or regulatory intervention.

The long-term AI theme remains constructive, but investors should recognise that concentrated market leadership can amplify volatility when sentiment changes.

Exchange rate and commodities: The dollar weakened -4.2% against the South African Rand over the quarter, supported by a retreat in the price of Brent Crude and an increase in South African interest rates. Commodity markets were highly volatile. Gold pulled back sharply during the quarter (-13.5%), while Brent crude finished down -17.6% after having traded near $120 per barrel earlier in the period. For local investors, the stronger Rand reduced the currency conversion benefit from offshore assets even though offshore equity markets were strongly positive in dollar terms.

GTC's portfolios remain positioned with a long-term, risk-aware investment approach. The second quarter again demonstrated that short-term market outcomes can be heavily influenced by geopolitical events, commodity swings and concentrated technology rallies. While volatility is likely to remain elevated in the near term, the longer-term picture remains constructive for diversified investors who remain aligned with their investment objectives and allow portfolios the time required for market drivers to normalise.

GTC is therefore maintaining a cautiously optimistic approach to portfolio positioning. We continue to favour diversification across local and offshore growth assets, supported by defensive allocations that can provide ballast during periods of uncertainty. The core message remains unchanged: maintain a disciplined investment horizon, avoid reacting to short-term market noise, and remain invested in line with the originally identified risk and return objectives.



CEO Editorial - More than meets the eye



There is something reassuring about a number.

A retirement fund balance, an investment return, the value of an estate or even the percentage increase announced by a medical scheme gives us something concrete to work with. Numbers allow us to compare, measure progress and make decisions. In financial planning, they are indispensable.

They can also create the impression that we understand more than we actually do.

A retirement fund worth R10 million sounds substantial until we ask what sustainable monthly income it needs to provide and for how long. An estate plan may appear comprehensive because the Will is current, but that does not tell us what happens if the person managing the family's financial affairs remains alive and can no longer make decisions. An inheritance may be carefully planned, yet there is another question worth considering - whether some of that wealth could have a greater impact on the next generation before it eventually passes through an estate.

Even something as familiar as the annual medical scheme increase deserves closer examination. The industry average provides useful context, but the number that matters to an individual member is the increase applying to their particular option, together with any changes to the benefits they receive in return.

There is often more to a financial decision than the first number suggests.

Technology is adding another dimension to this. Artificial intelligence has placed extraordinary amounts of financial information and analytical capability within reach of almost anyone. An investor can ask a sophisticated financial question and receive an equally sophisticated answer within seconds.

I believe that this is a positive development. Better-informed investors should make for better financial conversations, while technology should relieve professional advisers of routine work that machines can perform more efficiently.

The challenge is understanding the difference between having an answer and having enough context to know whether that answer is appropriate.

Financial decisions rarely exist in isolation. Investments interact with tax, retirement, family responsibilities, healthcare, businesses and estate planning. Human behaviour has an inconvenient habit of entering the equation as well and is often less quantitative than the investment numbers otherwise calculated. The technically optimal answer is of little value if it fails to account for the life in which it must operate.

For me, this is one of the more interesting consequences of the technological changes taking place around us. As information becomes easier to obtain, good questions become more valuable. So do judgement, context and accountability.

The same principle applies elsewhere in our financial lives. A trust established many years ago for a legitimate purpose should not simply be assumed to remain appropriate because it has existed without challenge. As regulation, reporting requirements and family circumstances change, the structure and the purpose it serves deserve reconsideration.

Retirement planning presents its own version of the problem. We have traditionally been very good at telling members what their retirement savings are worth. The more useful question may be what income those savings could sustainably provide. Once we begin thinking about retirement savings as the source of the salary we will one day have to pay ourselves, decisions made decades before retirement take on a different significance. TrueNorth sorts this out to a large extent. Have you tested your retirement planning through GTC's fintech system?

This quarter also gives us reason to celebrate. GTC has once again received the 2026 PMR.africa Diamond Arrow Award of Excellence, marking our ninth consecutive year of recognition.

I am particularly proud of the consistency this represents. Recognition sustained over nine years reflects the work of people across GTC who maintain our standards every day, as well as the continued trust placed in us by our clients, members and industry stakeholders. You can read more about our 2026 PMR.africa Diamond Arrow recognition in the GTC Newsroom.

Recognition is important, but continuing to earn it matters more. Our industry is changing, clients have access to more information, technology is improving and the financial circumstances facing South African households continue to evolve. Our responsibility is to evolve with them without losing sight of the fundamentals. I believe we're achieving this.

Good financial planning should help people understand their choices before those choices become urgent. It should challenge assumptions that have become comfortable, consider how different parts of a financial life interact and translate complicated structures into decisions people can understand and act upon.

Sometimes that process identifies something that should change. At other times, looking more closely confirms that the existing plan remains entirely appropriate. Both are useful outcomes.

The articles in this edition approach financial planning from very different perspectives, but they share that underlying discipline. They encourage us to look beyond the headline number, the familiar structure or the seemingly obvious answer and consider what it means in practice.

The most valuable financial insight is not always hidden in something new or complicated. Quite often, it emerges when we look again at something familiar and discover there is more than meets the eye.



Who is giving you financial advice?

Your adviser, an algorithm or a 'finfluencer' - who is actually giving you financial advice?

There was a time when receiving investment advice required quite a lot of effort. You made an appointment, sat in someone's office and worked your way through forms, graphs and projections, usually accompanied by coffee of varying quality.

Today, you can ask your phone where you should invest R500 000 and, within seconds, artificial intelligence can explain unit trusts, compare investment structures, calculate projected returns and suggest an asset allocation. Social media can provide an answer even faster, although frequently with more music and considerably greater confidence.



The democratisation of financial information is overwhelmingly a good thing. Investors now have access to knowledge and analytical tools that would have been unimaginable to previous generations, allowing them to interrogate recommendations, understand products and participate more actively in decisions about their own money.

This change does, however, raise an important question for the financial advice profession. As information and analytical capability become increasingly accessible, where does a professional financial adviser genuinely add value?

For GTC, the answer matters because technology is changing more than the way investors obtain information. It is also changing what investors should reasonably expect from professional advice.

The change has already happened

Old Mutual's 2026 Savings and Investment Monitor surveyed employed South Africans earning at least R8 000 per month and found that 48% of respondents used general AI chatbots for personal financial planning or guidance, while 40% reported using a financial adviser, down from 45% in the previous year's survey. The original draft correctly identifies how quickly AI has entered the financial conversation.

This does not mean that half of working South Africans have appointed an algorithm to manage their wealth, though it does suggest that investors are increasingly researching products, checking calculations and testing recommendations before and after meeting financial professionals.

GTC welcomes greater investor engagement. A well-informed investor should be better equipped to participate in a financial-planning relationship than somebody who signs documents and outsources every important decision without understanding the consequences.

We have long maintained that, however capable the adviser, the financial plan ultimately belongs to the investor. The profession should therefore embrace technology where it improves the client outcome. AI can perform calculations, summarise lengthy documents, explain terminology, identify missing information and model alternatives in a fraction of the time previously required. It can help an investor arrive at a meeting already understanding basic concepts, leaving more time to discuss the decisions that actually matter.



This inevitably places pressure on advisers whose principal value has been access to information or the ability to perform technical functions that technology can now replicate quickly. GTC believes that pressure is healthy. If AI can perform part of the traditional advice process more efficiently, the adviser should use that capability and concentrate professional expertise where it adds greater value. That value becomes particularly apparent when information has to be applied to a real person.

The answer is only as complete as the question

Suppose a 52-year-old investor tells an AI system that they have R8 million invested, want to retire at 60 and would like to know how the money should be invested. The system may produce an entirely sensible response. It can model inflation and expected returns, propose different asset allocations, estimate a sustainable retirement income and identify relevant tax considerations.

Now add some information. The investor's spouse has virtually no retirement provision. Their mother is financially dependent on them. They have guaranteed a substantial business loan and a third of the R8 million is held inside a company. They may be considering emigration at retirement or have a child who will remain financially dependent throughout adulthood.

The investment question has suddenly become considerably more complicated. In fact, the real issue may have little to do with asset allocation and everything to do with whether the investor can afford to stop working at age 60. This illustrates what GTC regards as one of the important distinctions between financial information and financial advice. As information becomes easier and cheaper to obtain, the ability to understand context becomes more valuable.

A comprehensive financial plan has to consider the relationship between assets and the life those assets are intended to finance. Family responsibilities, business interests, tax, estate planning, health, retirement expectations and future ambitions often intersect in ways that cannot be understood by examining an investment portfolio in isolation.

AI can undoubtedly assist with that process, particularly as systems become better at asking follow-up questions and analysing larger quantities of information. Professional judgement is still required to establish whether the information is complete, whether the assumptions are reasonable and whether the proposed course of action is appropriate for the individual concerned. AI can provide research and technical understanding. It doesn't provide experience or perspective.

The Financial Planning Standards Board's 2026 guidance on artificial intelligence makes a related point, recognising the usefulness of AI throughout the planning process while cautioning that outputs can be incomplete, biased or based on assumptions requiring professional interrogation. Importantly, accountability for professional advice remains with the planner.



Advice has consequences



Accountability matters because the quality of financial advice may only become apparent years after it is given.

A retirement projection can look convincing today and prove inadequate much later because an important assumption was unrealistic. An investment strategy can appear entirely appropriate until markets fall sharply, while an estate plan may look comprehensive until a family actually needs it to work. This is also where investors should distinguish carefully between financial education and personalised advice.

Social media has made financial information accessible to audiences the traditional advice industry has not always reached particularly well. Many financial content creators provide useful education and have encouraged younger people to save and invest. The difficulty arises when education, marketing and personalised recommendations begin to overlap.

The FSCA has examined South Africa's finfluencer ecosystem and the influence of social-media content on consumer financial decisions. For investors, the practical questions are fairly straightforward: how is the person providing the information remunerated, are they appropriately licensed where licensing is required, are conflicts disclosed, how much do they know about your circumstances and who carries responsibility if a recommendation proves unsuitable?

A large following can demonstrate an impressive ability to communicate. It cannot establish that the same recommendation is appropriate for thousands of people with different financial lives. AI presents a different version of the same challenge. The sophistication of an answer should not be mistaken for evidence that every relevant circumstance was considered.

People still have to live with the plan

Financial planning also involves something considerably less predictable than markets: human behaviour. Investors become frightened when markets fall and overconfident when they rise. They procrastinate, change careers, inherit unexpectedly, get divorced, support adult children and occasionally make significant financial decisions because of something alarming they read over breakfast.

Consider an investor who opens a portfolio statement after a severe market correction and discovers that its value has fallen by R2 million. AI can explain market cycles, calculate the historical consequences of panic-selling and demonstrate how previous corrections eventually recovered.



A professional adviser who knows the investor can use that information within a broader conversation. Has anything in the client's circumstances actually changed? Does the original investment rationale still hold? Is the investor reacting to a genuine change in financial needs or simply to the discomfort of seeing a large number move in the wrong direction?

Sometimes the value of advice lies in preventing an understandable emotional response from becoming a permanent financial mistake.

Theoretically optimal strategies only work when investors can live with them. This is why GTC believes behavioural understanding, judgement and accountability will become increasingly important as technology assumes more of the routine analytical work.

What should investors now expect from an adviser?

AI should make good advisers considerably more capable.

Technology can process enormous quantities of information, model long-term scenarios, compare alternatives and identify inconsistencies that deserve investigation. Used properly, it should allow advisers to spend less time moving numbers between documents and more time understanding why those numbers exist.

Previous technologies have produced similar shifts. Calculators changed routine arithmetic, spreadsheets transformed financial modelling and online banking altered the relationship between clients and financial institutions. AI is likely to move financial advice further in the same direction, shifting professional value away from controlling information and towards interpreting it intelligently. Investors should respond by becoming more demanding.



Professional advice should connect investments with tax, retirement planning, estate planning, risk, family responsibilities and changing personal circumstances. Assumptions should be challenged rather than simply recorded, and recommendations should be explained sufficiently well for the investor to understand why a particular course of action is appropriate.

Investors should also use the technology available to them. Read respected financial publications, examine fund fact sheets, use calculators and ask AI to identify questions worth putting to an adviser.

An adviser should be comfortable with an informed client interrogating a recommendation because better information should lead to better conversations. The responsibility works both ways. Investors need to distinguish between using technology to improve their understanding and outsourcing significant financial decisions to an answer generated from the information they happened to provide.

For GTC, artificial intelligence presents an opportunity to raise the standard of financial advice. Routine functions will increasingly be automated, allowing professional value to become more concentrated around understanding context, challenging assumptions, managing behaviour and accepting accountability for the recommendations made.

As financial information becomes increasingly accessible, investors should expect more from those advising them, not less. The real measure of advice will increasingly lie in how intelligently that information is applied to the individual circumstances, responsibilities and ambitions of the person whose financial future depends on it. That may ultimately be AI's most useful contribution to financial planning: making it much clearer what good advice is actually worth.

Trusts under scrutiny: When legitimate planning meets a sceptical SARS

For decades, the inter vivos trust has been a familiar part of South African estate planning, particularly for families seeking to preserve assets across generations, provide for vulnerable beneficiaries or create continuity in the ownership and management of family wealth.

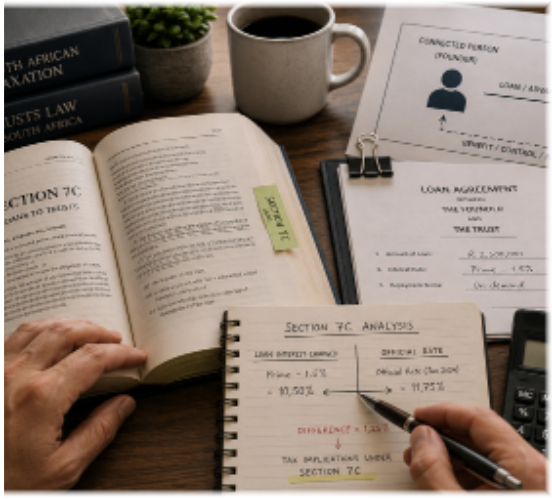
Consider a successful business owner who establishes a family trust while relatively young. Growth assets are transferred into it, perhaps funded through a loan account, and over the following 20 or 30 years those assets appreciate while the value of the individual's personal estate develops differently. Properly structured and administered, the trust can provide continuity for children and grandchildren while separating the ownership of certain assets from the estate of the person who originally created the wealth.

There is nothing inherently improper about this arrangement. SARS itself recognises estate planning and asset protection among the legitimate reasons for establishing trusts. Yet the way trusts are now taxed, reported on and scrutinised suggests that SARS increasingly wants to establish whether an inter vivos trust genuinely serves such purposes, or whether its structure and transactions are primarily designed to achieve a favourable tax outcome.

GTC would not suggest that SARS formally regards inter vivos trusts as vehicles for tax evasion. Tax evasion is illegal, while legitimate estate and tax planning is not. Our concern is more nuanced: the regulatory environment increasingly appears to place the burden on trustees to demonstrate the legitimacy and substance of transactions, deductions and distributions before expecting the associated tax treatment to be accepted. For investors with family trusts, that change deserves attention.

Why trusts attracted attention

The history helps explain SARS's position. An individual could historically sell an appreciating asset to a trust using an interest-free or low-interest loan. The amount owing to that individual might remain relatively static while the underlying asset continued appreciating inside the trust, allowing future growth to occur outside the individual's personal estate.



The estate-planning attraction was obvious, as was National Treasury's concern about the potential erosion of donations tax and estate duty. Section 7C of the Income Tax Act was consequently introduced as an anti-avoidance measure addressing certain low- or no-interest loans involving trusts, with interest foregone potentially resulting in a deemed donation where the provisions apply.

Other measures have reinforced the direction of travel. Ordinary trusts are taxed at a flat 45% on taxable income retained within them, while capital gains are subject to an 80% inclusion rate. Attribution and distribution rules determine whether amounts should be taxed in the trust, in the hands of beneficiaries or, in certain circumstances, attributed back to a donor.

From 1 March 2025, section 25B flow-through treatment was also restricted in relation to non-resident beneficiaries, with affected amounts instead being taxed within the trust. Each provision has its own technical purpose, but together they illustrate government's increasing reluctance to allow the trust structure alone to produce a favourable tax outcome without examining who provided the assets, who benefits from them and where the economic substance of the arrangement lies.

SARS can see considerably more



The other significant development is information. Twenty years ago, many family trusts occupied a relatively quiet corner of a family's financial affairs. Today, trusts must submit annual income tax returns and trustees may be required to provide annual financial statements, trustee minutes and resolutions, the trust deed, Letters of Authority and beneficial-ownership information.

IT3(t) reporting gives SARS additional third-party information relating to amounts vested in beneficiaries. This allows SARS to compare different sides of the same transaction. Where a trust records a distribution, the beneficiary's tax treatment can also be examined; where an expense is claimed, the activity that produced the income can be interrogated; and where a loan account exists, its terms and tax consequences can be considered.

From May 2026, SARS also began imposing administrative penalties relating to outstanding trust income tax returns for affected years, reinforcing the movement from encouraging compliance towards active enforcement. For GTC, this increased visibility changes the practical standard trustees need to meet. Filing the return is only part of the responsibility; the trust should be capable of demonstrating the legal and commercial substance behind what has been declared.

What about deductions?

This is particularly relevant to deductions, where trustees and advisers sometimes experience SARS as unusually resistant to claims made by inter vivos trusts. We need to distinguish perception from formal policy. There is no sound basis for saying that SARS automatically rejects legitimate trust deductions, and expenditure does not cease to qualify merely because the taxpayer is a trust. The difficulty is that family trusts can create a blurred boundary between genuine trust expenditure and the personal expenses of founders or beneficiaries.

Consider a trust owning an investment property. Rates, repairs, management fees and professional costs may arise in connection with earning rental income, although whether each item qualifies for deduction depends on its nature and the applicable legislation. The fact that the trust paid the expense does not establish that it was incurred in producing income.

The position becomes more difficult when personal and trust affairs are allowed to overlap. An accounting entry cannot transform expenditure benefiting a family member personally into a legitimate tax deduction.

GTC believes this helps explain some of the perceived hostility towards trust claims. SARS increasingly appears to require stronger evidence that the trust is operating as a genuine independent taxpayer, which may feel onerous where ordinary expenses are repeatedly questioned, but it also reinforces a basic principle of trust administration. A family trust cannot operate as an extension of the founder's personal finances while expecting to be treated as entirely independent whenever that produces a favourable tax consequence.



Does the trust still have a purpose?



Greater scrutiny does not mean family trusts have ceased to be useful.

A properly constructed trust can still provide continuity of ownership across generations, protect and manage assets for minors or vulnerable beneficiaries, assist families in governing significant assets collectively and form an important component of a considered estate plan.

The more relevant question is whether an existing trust still has a genuine purpose and is being administered accordingly.

This is particularly important for trusts established many years ago. A structure created 20 years ago may have been entirely appropriate at the time, but legislation, family circumstances, asset values and reporting requirements may all have changed. The fact that SARS has never challenged the arrangement does not establish that it remains appropriate for the next 20 years.

Trustees should therefore understand the deed under which they act, exercise their discretion independently and record decisions properly. Loan accounts need to be reviewed, distributions appropriately resolved, beneficial ownership correctly disclosed and financial records maintained sufficiently well to support the trust's tax position if SARS asks questions later. This is governance rather than tax engineering, and it is increasingly central to whether a trust works as intended.

Start with the reason for the trust

For GTC, the changing SARS environment should ultimately bring the conversation back to first principles.

Before establishing, funding or retaining an inter vivos trust, investors should ask what financial or estate-planning problem the trust is intended to solve. Providing for a vulnerable beneficiary, preserving an important family asset across generations or creating continuity in the ownership of family wealth can all provide legitimate reasons for using one.

Where the principal objective is simply to reduce a current tax liability, the case becomes considerably less compelling and more likely to attract scrutiny.

SARS now has beneficial-ownership information, third-party reporting and improved data-matching capabilities that did not exist when many South African family trusts were established. Trustees should reasonably expect the administration of these structures to become more transparent rather than less.

There is a legitimate debate about whether compliant trusts are carrying an unnecessarily heavy evidential burden because trusts have historically been used for aggressive planning. GTC's concern is that the pendulum appears to have moved sufficiently far that an inter vivos trust increasingly needs to demonstrate the legitimacy of its arrangements before expecting its tax treatment to be accepted without challenge.

That does not make the trust obsolete. It makes proper purpose and governance more important.



Investors with existing trusts should periodically establish whether the structure continues to achieve the objective for which it was created, whether its tax consequences are properly understood and whether its administration would withstand scrutiny today.

The inter vivos trust remains a valuable planning tool where there is a genuine reason for using one. What increasingly belongs to the past is the casual family trust established for an assumed tax advantage and administered as though the assets still belong personally to the founder.

Write your own salary after you stop working

The one salary you get to choose



Imagine accepting a new job without knowing what your salary will be. Most of us wouldn't consider it. Before applying, we want to know what the role pays. We may not know exactly what the working environment will be like, who we'll report to or what opportunities may emerge, but the salary is usually known. In many cases, that number determines whether we apply for the position at all.

Yet millions of South Africans approach retirement in almost exactly the opposite way. They spend three or four decades contributing towards retirement savings without asking one of the most important questions in the process: 'What salary will my retirement savings pay me one day?'

Retirement is unusual because it is the stage of financial life when you effectively become both employee and employer. During your career, somebody else determines your salary. In retirement, there is no employer or payroll department - except you. Your accumulated savings become responsible for producing the income that must support you for the rest of your life.

Retirement planning isn't just an objective to simply accumulate the largest possible capital amount. It should be to understand what income you want that capital to produce and whether your current strategy is realistically on course to provide it.

Capital is only part of the answer



Most retirement conversations naturally focus on capital. How much have you accumulated? What is your retirement fund worth? How large should the final benefit be?

These are important questions, although the answers have surprisingly little meaning without context. A retirement benefit of R5 million may sound substantial, as may R10 million, but neither figure tells us whether the investor can maintain the lifestyle they expect for another 25 or 30 years.

We do not experience retirement as a capital amount. We experience it through the income available to pay for groceries, electricity, medical aid, insurance, travel and the ordinary costs of living. The more useful starting point is therefore the lifestyle an investor wants to support and what that lifestyle is likely to cost.

Suppose somebody earning R60 000 per month decides they would like retirement income equivalent to approximately 75% of their current salary. The objective immediately becomes more tangible. Instead of working towards an arbitrary capital target, they can begin with an income of R45 000 per month in today's money and ask what level of retirement capital might reasonably be required to support it.

That calculation must consider considerably more than simply multiplying R45 000 by the number of months in retirement. Inflation will change the purchasing power of money, investment returns will vary, tax may apply and the retirement period itself is uncertain. The appropriate withdrawal strategy and investment structure will also influence how sustainable that income may be. This is precisely why the salary question is useful. It turns retirement from a distant savings exercise into something people already understand - monthly income.

What salary are you currently on track to receive?

Once an investor has identified the retirement income they would like, the next question becomes considerably more useful: 'What income is my current retirement strategy actually on track to provide?' The answer depends on existing savings, current contributions, investment strategy, time remaining until retirement and a range of reasonable assumptions about future returns and inflation.

Comparing the desired income with the projected income creates something far more useful than simply knowing the current value of a retirement fund. If the two are reasonably aligned, the investor may need little more than continued contributions, appropriate investment management and regular review. If there is a meaningful shortfall, the problem has been identified while there may still be time to influence it. This is where GTC believes retirement planning can become unnecessarily difficult when it starts too late.

The 2025 Sanlam Benchmark Survey again highlighted the tendency for many South Africans to seek professional retirement advice only as retirement approaches. The difficulty is not that planning close to retirement has no value - it certainly does - but that the available choices become narrower as the time horizon shortens.



The original article correctly identifies time as providing flexibility rather than guaranteeing returns.

At 35 or 40, a projected income shortfall can potentially be addressed through a combination of relatively modest adjustments sustained over many years. At 63, the same shortfall may require much more difficult decisions around retirement age, lifestyle or the income that can sustainably be drawn.

The value of starting early therefore lies partly in having more levers available.

Small decisions can change the eventual salary

People sometimes assume that improving a retirement outcome requires an immediate and dramatic reduction in their current lifestyle. That is not necessarily the case.

Depending on individual circumstances, the response to a projected shortfall might include gradually increasing retirement contributions as earnings grow, making additional voluntary contributions when affordable, preserving retirement savings when changing employers or reconsidering whether the investment strategy remains appropriate for the time horizon. There may also be a role for supplementary investments outside the employer's retirement fund, including retirement annuities or tax-free savings accounts where appropriate.

No single intervention is universally correct. A younger investor with decades remaining until retirement faces a very different decision from somebody five years away from leaving work. Contribution rates, existing assets, debt, family obligations and tolerance for investment risk all influence the appropriate strategy. The important point is that these decisions can be evaluated against an identifiable outcome. Instead of vaguely asking whether somebody is 'saving enough', the investor and adviser can ask whether a particular change materially improves the future retirement income being targeted.

This also changes the purpose of the annual retirement review. Investment performance remains important, but it should not become the entire conversation. A portfolio may have delivered an excellent return over the previous year while the investor remains substantially behind the income required at retirement. Conversely, a difficult year in markets does not necessarily mean the long-term strategy has failed. The more relevant measure is whether the investor remains on a reasonable path towards the income their retirement capital will eventually need to provide.

Your retirement salary may need to last longer than expected

There is another reason to think about retirement in terms of income rather than a final lump sum: retirement can last a very long time. Somebody retiring at 65 may need an income for another 25 or 30 years, and one spouse in a couple may live considerably longer. That income also needs to retain enough purchasing power to support a lifestyle as prices rise.

A retirement salary therefore behaves differently from a working salary. There is no employer automatically considering an annual increase, and drawing more from retirement capital today can affect what remains available in later years. The challenge is consequently not simply to decide what income would be desirable at retirement. It is to establish what level of income can be sustained without placing unreasonable pressure on the capital supporting it.

This is why an apparently impressive retirement balance can be misleading when viewed in isolation. Capital is the resource. Sustainable income is what ultimately determines the lifestyle that resource can support.

Make the decision while you can still influence it

At GTC, we believe retirement planning should make this future income visible well before retirement itself. For members of GTC retirement funds, the TrueNorth Life Report is designed to translate accumulated retirement savings into an estimated sustainable monthly income under different scenarios, rather than leaving members with only a projected lump-sum value (discuss this with one of our advisors if you haven't yet used TrueNorth). The original draft identifies this shift from accumulated capital to future lifestyle as the important purpose of the exercise.

The principle applies equally beyond any particular retirement fund or planning tool. Investors should know approximately what income they want in retirement, what their current strategy is projected to provide and whether there is a gap between the two.

That gap can then inform decisions about contributions, investment strategy, retirement age and future lifestyle while those decisions can still make a meaningful difference.



None of this allows somebody literally to choose any retirement salary they would like. Wanting R100 000 per month does not make the capital required to provide it appear. The choice lies in setting the objective early enough to influence the financial decisions that determine the eventual outcome.

There's a big difference between a wish and a goal…



Throughout our careers, we negotiate salaries, compare remuneration packages and pursue opportunities that may improve our earning potential. Retirement deserves the same degree of attention because it is the one salary for which we spend an entire working lifetime becoming our own employer.

The important question is not simply how much you will have when you retire. It is what salary that money will be able to pay you - and whether you started planning for it while there was still time to change the answer.

Who manages your money when you no longer can?

Most comprehensive financial plans devote considerable attention to what happens when someone dies. Is the Will current? Are beneficiary nominations correct? Will there be sufficient liquidity in the estate? Who will act as executor, and will the family have access to the money they need while the estate is being administered?

These are essential questions, but they address only one way in which control of a financial life can suddenly change. There is another possibility that receives considerably less attention: what happens if you remain very much alive but lose the capacity to manage your own financial affairs?



A stroke, brain injury, dementia, Alzheimer's disease or another medical condition can leave somebody unable to understand complex transactions, make appropriate financial decisions or provide legally valid instructions.

The family then faces a problem for which even a carefully drafted Will provides little assistance because the Will principally determines what happens after death.

For GTC, this exposes an important gap in conventional financial planning. We spend considerable time establishing whether a financial plan will provide for a family after death, while giving much less attention to whether that same plan could continue functioning if the person who normally manages it were suddenly unable to do so.

Wealth still needs somebody to operate it

Consider a fairly conventional South African family in which one spouse has historically managed most of the financial affairs. They deal with the bank, investments, tax returns, insurance, municipal accounts and the family's financial adviser. Their spouse knows broadly what the family owns and perhaps attends the occasional meeting but has never needed to understand the machinery behind it all.

Then the financially active spouse suffers a serious stroke. They survive but can no longer understand or authorise complex financial transactions. The immediate concern is understandably medical, although financial questions begin arriving surprisingly quickly. Which accounts exist and where are they held? What payments are due? How are investment instructions authorised? Where are the insurance policies? Who deals with SARS? Is there sufficient money accessible to the other spouse in their own name?

A family can be financially wealthy and still discover, at precisely the wrong moment, that its wealth is remarkably difficult to operate.

GTC believes operability deserves greater attention in financial planning. Return, risk, diversification, tax efficiency and liquidity remain fundamental, but a well-constructed financial plan should also be capable of functioning when the person who normally operates it cannot.

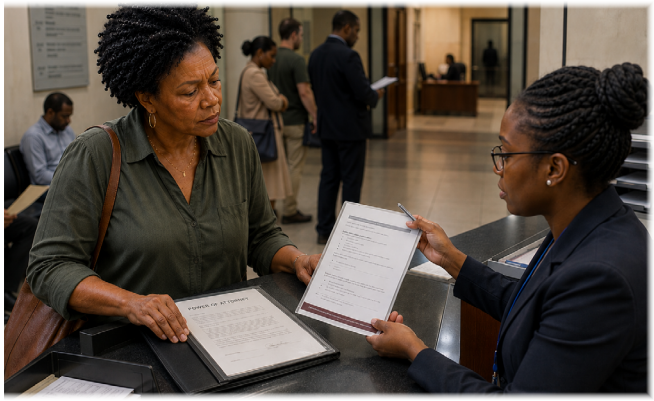
South African law makes this particularly relevant.



The power-of-attorney problem

Families sometimes assume that a power of attorney has already solved the problem. Unfortunately, the position is more complicated. A conventional power-of-attorney relies on the person granting the authority retaining the necessary legal capacity. If that person subsequently loses the mental capacity required to manage their affairs, the authority granted under the power of attorney cannot simply continue as though nothing has changed.

South Africa also does not currently have the general enduring-power-of-attorney framework available in some other jurisdictions, where an appropriately created authority can continue after the person granting it loses capacity. The submitted draft correctly identifies this as an important vulnerability in incapacity planning.



South African law does provide mechanisms through which somebody can be appointed to administer the affairs of a person who can no longer manage them. Depending on the circumstances, this may involve a High Court curatorship process or, in qualifying cases involving mental illness or severe or profound intellectual disability, the appointment of an administrator under the Mental Health Care Act.

These safeguards exist for good reason. Giving one person control over another person's property and finances is an enormous responsibility and requires appropriate protection against misuse. The difficulty is that a family dealing simultaneously with medical uncertainty and urgent financial commitments is unlikely to find formal legal and administrative processes particularly convenient.

The planning objective should therefore be to reduce the extent to which incapacity creates unnecessary financial paralysis while the appropriate legal processes are followed.

That preparation involves much more than signing a document.

Could somebody else understand the financial plan?

For couples, one practical starting point is whether both partners have a reasonable understanding of the family's financial position. They do not each need to understand every investment calculation or know every account number from memory, but one spouse should not effectively become the family's only financial filing cabinet.

Appropriate liquidity is part of this consideration. If virtually all readily available money sits in accounts that one spouse alone controls, incapacity can turn a medical emergency into a cash-flow problem as well. Families should understand what each person can access in their own right and whether ordinary household commitments could continue to be met if access to some assets became temporarily complicated.

Important financial information should also be identifiable without requiring the family to reconstruct decades of financial decisions from old emails and bank statements. Investments, bank accounts, insurance arrangements, liabilities, property interests and the contact details of advisers, accountants and attorneys should be recorded and kept reasonably current.

Business owners face an additional risk. A company that depends heavily on its founder's authority, relationships and signature may itself struggle when that person becomes incapacitated. Banking mandates, shareholder agreements, succession arrangements and decision-making authority can therefore have consequences well beyond the business itself.



The same applies to trusts and other family structures. A trust may be legally separate from its founder, but if every meaningful decision in practice depends on one dominant individual, the structure may be considerably less resilient than it appears.

The question is simple: could the financial machinery continue operating without the person who built it?

The digital filing cabinet

Modern financial lives add another complication because so much wealth has become invisible. Previous generations might have known that share certificates were kept in a safe and important documents sat in a file at the attorney's office. Today, a family's financial life may include online investment platforms, banking apps, cloud storage, cryptocurrency wallets, password managers, email accounts and two-factor authentication.

Security is obviously essential, but security and accessibility need to coexist.

Writing every password on a page marked "IMPORTANT PASSWORDS" and leaving it in the study cupboard is hardly sensible. Creating a digital fortress that nobody can navigate when its owner becomes incapacitated is not particularly useful either.

The objective is not to give family members unrestricted access to accounts or encourage indiscriminate password sharing. Appropriate people should, however, know what exists, where important records can be found and which professional advisers should be contacted.

Any actual access or transaction must still take place within the appropriate legal authority and security requirements. This becomes increasingly important as financial administration moves online. An investment that nobody knows exists can create almost the same practical difficulty as an investment nobody can access.



Have the conversation while it is still hypothetical

Incapacity is difficult to plan for partly because it is not always sudden. Cognitive decline can occur gradually, and a person may remain capable of making some decisions while increasingly struggling with others. This makes early family conversations valuable.



Who understands the broad financial plan? Which professionals should be contacted if concerns arise? Where are important documents and financial records kept? What liquidity is available to each spouse? If formal intervention eventually becomes necessary, who might the family consider appropriate to take on a financial decision-making role?

Professional advisers also have a role, although an appropriately limited one. An adviser who has known a client for many years may observe changes in behaviour or decision-making but should not attempt to make medical judgements. Their responsibility is to maintain proper records, encourage appropriate planning conversations and ensure that instructions continue to be dealt with within the legal and professional framework applying to the client.

These discussions are considerably easier while everybody is healthy and the circumstances remain hypothetical. Once a family is dealing with medical decisions, uncertainty and the emotional consequences of declining capacity, reconstructing an unfamiliar financial life becomes an additional burden.

Could your financial plan function without you?

GTC believes this question should become a normal part of comprehensive financial planning. It does not mean surrendering control of accounts or giving family members unrestricted access to private financial information. It means avoiding a situation in which the location, structure and operation of an entire family's wealth exist primarily in one person's head.

A financial review should therefore occasionally look beyond whether investments are performing appropriately. Families should consider who understands the structure, what liquidity would remain accessible, whether important records can be located, whether businesses and trusts could operate without one dominant individual and what legal processes may be required if capacity is lost.

Wealth that cannot be located, accessed or appropriately administered at a critical moment is less resilient than the balance sheet suggests. Estate planning asks what should happen to your financial affairs when you die. A complete financial plan should also consider what happens if you are still here but can no longer manage them yourself.

The real test of a resilient financial plan may be whether it can continue working when you cannot.

When is an inheritance an inheritance?

There is something deeply satisfying about being able to help your children financially. After a lifetime of working, saving and investing, parents may reach retirement with accumulated wealth while watching their adult children deal with home loans, education costs, young families and the considerable expense of establishing themselves. It can make for an appealing proposition: why wait until death to leave an inheritance when some of that money could make a meaningful difference today?

There are circumstances where that makes good financial sense (for the parents). There are also circumstances where giving money away prematurely can seriously compromise the very people who spent decades accumulating it (the parents). That distinction needs to sit at the centre of any conversation about an early inheritance.



Inheritance traditionally arrives after death for a practical reason. Parents retain control of their capital for as long as they may need it, their retirement savings continue providing an income, unexpected expenses can be accommodated and whatever remains eventually passes to the next generation according to their Will.

An early inheritance changes that sequence because it transfers capital before anyone can know with certainty whether the person giving it away will still need it.

When generosity becomes a financial risk

Consider a retired couple who appear to be financially comfortable and decide to transfer a substantial amount of their wealth to their adult children. At the time, the decision seems affordable and the parents have the pleasure of seeing their generosity make a difference while they are still alive.

Years later, however, their financial position has changed. Their remaining capital is no longer sufficient to comfortably support their own living expenses, while the money they gave away is no longer available to supplement their income. What began as an act of generosity has compromised their financial independence.

The consequences can extend beyond the parents' bank balance. If they subsequently require financial assistance from their children, questions of responsibility, fairness and previous support can quickly create tension within a family.

Giving children an earlier financial advantage makes little sense if it ultimately leaves elderly parents dependent on those same children later.

This is the uncomfortable side of early inheritance planning, and it deserves considerably more attention.



Your retirement capital has a job to do

Retirement capital should not automatically be regarded as an inheritance waiting to be distributed. Its first responsibility is to the person who accumulated it. There's an old adage about parents going on a SKI holiday. It's not necessarily snow related but rather Spending Kid's Inheritance. A couples hard-won retirement savings should not be prematurely regarded (by all the family) as inheritance monies.

During our working lives, income is generally renewable. Another salary arrives next month and there may be increases, bonuses, promotions or opportunities to earn additional income. Retirement changes that equation because accumulated capital increasingly becomes responsible for producing the income that employment once provided. Once a substantial portion of that capital has been given away, replacing it may be extremely difficult.

A R1 million donation is therefore more than R1 million leaving an investment account. The donor also gives up the future investment growth that capital might have generated and the income it could have supported over many years.



A couple retiring at 65 may need their capital to provide for another 25 or 30 years, while one spouse may live considerably longer. Over that period inflation will continue increasing everyday expenses, investment markets will experience difficult periods and healthcare or care requirements may introduce costs that were difficult to anticipate when retirement began. Capital that appears unnecessary at 65 can consequently look remarkably important at 85.

For this reason, GTC believes the financial independence of the generation providing the wealth must take precedence over the desire to transfer it.

What does excess capital actually mean?



The crucial word in any discussion about early inheritance should be excess capital. There is an important difference between capital that is available, accessible or simply not being spent today, and capital that is genuinely surplus to the parents' lifetime financial requirements.

A healthy investment balance does not necessarily mean that some of the money can safely be given away. Retirement planning is concerned with funding an uncertain future, and nobody knows precisely how long that future will be or what it will cost.

Before making a significant lifetime donation, parents should therefore establish whether their remaining resources can sustainably provide their required retirement income under a range of reasonable circumstances. This should include consideration of longevity, inflation, increasing healthcare requirements, possible long-term care, adequate liquidity for unforeseen expenses and the effect of prolonged periods of weaker investment returns.

These uncertainties demonstrate why today's investment balance is a poor measure of whether somebody can afford to make an early bequest. Professional financial modelling can help establish what the parents' financial position might look like decades later without the capital they are considering transferring, rather than merely establishing whether they can afford the transfer today.

Only once reasonable provision has been made for their own lifetime requirements and appropriate contingencies should capital be regarded as clearly surplus. Early inheritance is therefore more appropriately considered by people with significant excess wealth, rather than simply those who have accumulated wealth.

Financial independence protects the whole family

Putting the parents' financial security first is not simply about protecting their lifestyle. Remaining financially independent in retirement can be one of the most important contributions parents make to the long-term financial wellbeing of their family.

If parents give away too much too soon and subsequently require support, the dependency they were trying to reduce may simply reverse. Adult children could then find themselves contributing towards their parents' living expenses or care at precisely the time when they are funding their own retirement, educating children or meeting other family commitments.



Where there are several siblings, the position can become even more complicated. If one child previously received considerable financial assistance and the parents subsequently require support, the family may have very different views about who should contribute and in what proportion.

An earlier payment that was casually understood at the time can suddenly raise questions about whether it was a gift, a loan or an advance on an eventual inheritance.

Money has an uncomfortable ability to expose differences in expectations that families may never previously have discussed. Preserving sufficient retirement capital can therefore protect relationships between generations and between siblings as well as the financial independence of the parents themselves. Allocating monies requires fairness. Without that there's always the potential of later family disputes.

Helping does not necessarily mean handing over capital

None of this suggests that parents should never help their adult children. For families with substantial resources, an earlier transfer can be both affordable and valuable because capital may have a very different impact depending on when it is received.

A R500 000 inheritance received by someone approaching retirement may strengthen an already established investment portfolio. The same amount received decades earlier could contribute towards a property, reduce expensive debt, fund education or provide capital for a viable business. The potential benefit is clear, provided the parents can genuinely afford to part with the money.

Parents should nevertheless resist the assumption that a substantial capital transfer is automatically the best form of assistance. Ensuring their own sustainability through their latter retirement years, avoiding the requirement for children to have to support their parents, is a priority over assisting debt-burdened children in earlier years.

A smaller contribution towards a particular objective may achieve much of the desired outcome without materially affecting their own security. Depending on the circumstances, a properly structured family loan may be appropriate, or assistance could be provided gradually rather than through a substantial once-off transfer.

Parents can also provide something during their lifetime that cannot be included in a Will: experience. They can explain how wealth was accumulated, discuss financial decisions that worked and those that did not, and help their children think through significant decisions involving property, investments or businesses.

For many families, transferring financial judgement may ultimately prove as valuable as transferring the assets themselves.

Your medical aid is changing: Should your financial plan change with it?

Every year, medical scheme members receive a familiar piece of correspondence. Contributions are changing, benefits have been reviewed and a new set of numbers will apply from January or, if you are fortunate, the increase may be deferred.



The headline usually focuses on the average increase. That number tells us something about the direction in which healthcare costs are moving, but it does not necessarily tell an individual member what will happen to their own monthly contribution.

Medical schemes have different benefit options and increases can vary between them. The number that ultimately affects your household budget is therefore the increase applying to the particular option on which you and your dependants are registered.

This distinction becomes particularly important when household finances are already under pressure. An increase that appears manageable as a percentage can become significant when added to electricity, food, education, insurance and other costs that have also risen.

The Council for Medical Schemes (CMS) has expressed concern that medical scheme contribution increases have consistently exceeded consumer inflation. In its guidance for the 2026 benefit year, the regulator noted the financial burden this places on members and recommended that contribution increases and tariff assumptions be limited to CPI of 3.3% plus reasonable estimates for increased healthcare utilisation.



As schemes prepare their changes for 2027, GTC believes members should look beyond the headline percentage and ask a more useful question: does my current medical scheme option still provide the right healthcare protection for my circumstances at a cost I can reasonably sustain?

Why does healthcare keep getting more expensive?

Medical scheme increases are influenced by considerably more than ordinary consumer inflation. Schemes have to fund the healthcare claims of their members while medical services become more expensive, new technologies and treatments emerge and utilisation of healthcare services changes. An ageing membership profile can also affect claims experience because healthcare needs generally increase as populations grow older.

This helps explain why medical inflation and CPI should not be treated as interchangeable concepts. CPI measures price movements across a broad basket of household goods and services. Medical schemes have a much narrower challenge: collecting sufficient contributions to fund healthcare claims, maintain appropriate reserves and remain sustainable while providing the benefits promised to members.

For members, the other side of that equation is equally important. If the contribution has increased, what has happened to the benefits? Perhaps certain limits have increased by considerably less, a hospital network has changed, a medicine formulary has been amended, or a co-payment now applies differently. Conversely, there may be benefit improvements that are particularly valuable to your family. The contribution increase alone cannot determine whether you are receiving appropriate value.

Your medical aid should change when your life does

Many people remain on the same medical scheme and option for years because it is familiar. That may be entirely appropriate, but it may also mean the decision has not been reconsidered since the circumstances that originally informed it changed.



A young couple planning a family has different healthcare requirements from the same couple ten years later. Adult children may remain registered as dependants when it could make financial sense to consider appropriate cover in their own names, while somebody approaching retirement may need to reconsider both affordability and the healthcare protection they are likely to require as they grow older.

Employment circumstances matter too. Retrenchment can suddenly make a contribution that was comfortably absorbed within a salary package difficult to sustain personally. Moving from employment into retirement can have a similar effect, particularly where an employer previously subsidised part of the contribution. Changes in health, chronic conditions, regular medication, planned procedures or the healthcare needs of dependants can also alter whether an existing option remains appropriate.

GTC believes the annual medical scheme review should therefore be treated as a financial-planning decision rather than an administrative renewal. The objective is not to change plans every year, but to make remaining on the existing plan an active decision rather than a default.

Are you paying for the right level of cover?

Affordability inevitably enters the conversation when contributions increase, and the instinctive response may be to downgrade to a cheaper option. In some circumstances that may be entirely appropriate, although reducing the monthly contribution can also transfer more healthcare risk back to the household.

A lower-cost option may use a more restricted hospital or provider network, apply different co-payments, offer different day-to-day benefits or require greater out-of-pocket expenditure. Medicine formularies and Designated Service Provider requirements can also affect what the member ultimately pays. The CMS encourages members to examine these features rather than comparing contributions alone.

This creates an important distinction between affordability and value. A member paying for extensive benefits they rarely use may be over-insured relative to their needs and financial position, while another household may reduce cover so aggressively that one hospital admission or series of specialist consultations creates a substantial unplanned expense.

A better question than simply asking whether a cheaper medical aid is available is to consider how much healthcare risk the household can reasonably afford to carry itself. That may lead to a different benefit option within the same scheme, a more network-focused arrangement or another structure appropriate to the member's circumstances. Gap cover may also form part of the overall healthcare strategy by addressing certain shortfalls between what healthcare providers charge and what a medical scheme pays, subject to the terms and limits of the policy.

The important consideration is understanding what has been retained and what has been given up in exchange for a lower monthly cost.

Changing schemes requires a little more thought

For some members, the annual review may raise a more fundamental question: is the current medical scheme itself still appropriate? Price and benefits are important, but members can also consider the scheme's financial position, solvency, membership profile, provider networks, administration and whether it offers suitable options for their likely future needs. The CMS recommends considering factors such as reserves and non-healthcare expenditure when assessing a scheme's financial health.



Changing schemes should, however, be approached carefully. South African medical schemes operate under community-rating principles, so a scheme cannot simply charge a member more because they are older or have an illness. There are nevertheless circumstances in which waiting periods and late-joiner penalties can apply. Depending on previous membership history and breaks in cover, a new applicant may face a general waiting period of up to three months or a condition-specific waiting period of up to 12 months.

Cancelling existing membership before understanding the terms on which new membership will be accepted can therefore create unintended consequences.

There may occasionally be special concessions where groups of members are transferred between schemes, but these should never be assumed. Anyone considering a move should establish exactly what underwriting, waiting periods or other conditions will apply before making the change.

The annual increase is a prompt, not the decision

The arrival of the annual medical scheme increase is easy to regard as another unavoidable household expense. It is more useful to treat it as an annual checkpoint: an opportunity to consider whether your healthcare cover still reflects your health, family circumstances, financial position and ability to absorb healthcare costs yourself.

For some members, the existing option will remain entirely appropriate. Others may find that another option within the same scheme provides a better balance, while some may need to reconsider their healthcare structure more broadly. Those contemplating moving to another scheme should first understand the potential consequences before cancelling existing cover.

The purpose is not to chase the lowest monthly contribution. Healthcare cover exists to transfer financial risk, and reducing the premium by assuming risks you cannot comfortably fund yourself may prove an expensive saving.

When the 2027 increases arrive, the headline percentage will inevitably attract attention. The more important number is the one applying to you - and the more important question is whether what you receive in return still suits the life you are actually living.

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