

**ABSTRACT**

How much are South Africans paying for their retirement funding? Whether in occupational plans or private supplementary arrangements, workers pay for the opportunity to save for retirement through a variety of charges that erode the prosperity of the retirement years. I analyse the administrative charges paid by South Africans saving for retirement in the areas of occupational retirement funds, individual life products and unit trust arrangements, using a model designed to evaluate the lifetime impact of these charges.

My analysis suggests that retirement funds are cheapest, followed by unit trusts and then individual life products. These results are consistent with the flexibility of the more costly products. Overall, however, charges appear to be high. I carry out a comparison with international benchmarks that confirms these concerns. In order to put this comparison into context, I provide an extensive survey of national retirement systems around the world.

South Africa is in need of new pension fund legislation and initial thinking on the framework has begun. I end the paper with thoughts on the implications of this research for policymakers.