

KWAZULU NATAL PROVIDENT FUND

REGISTRAR OF PENSION FUND REFERENCE NUMBER:-

12/8/26325

REGISTERED ADDRESS:-

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MEMBER BOOKLET

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FOREWORD

The KwaZulu Natal Provident Fund (formerly known as the KwaZulu Natal Building Industry Provident Fund) was established on 1 June 1991.

Those who earn an income should also provide for their future old age. Any of the following could happen to you in the future:

- You could continue working in the Industry until you retire;
- You could leave your present job;
- You could become ill or have an accident;
- You could become disabled or even die.

The purpose of this Booklet is to provide you with a brief description of the benefits available under this Provident Fund and, in addition, the Group life Assurance, Disability and Funeral Benefits are explained. This Booklet is only a guide, and your full rights under the Fund are governed by the formal Rules and Policies that are available to you upon request. In addition, the Fund's latest financial returns and the most recent valuation report may be inspected at 40 Essex Terrace, Westville or 184 Jabu Ndlovu Street, Pietermaritzburg.

In the event of any discrepancy between the Rules and this Booklet, the Rules of the Fund will prevail.

Please study this Booklet carefully so that you understand what the implications of being a member of the Fund are for you and your dependants.

TYPE OF FUND

The Fund is a Defined Contribution Provident Fund. What this means is that the end benefit is determined by the contributions made to the Provident Fund and the investment returns earned on these contributions. If the investments appreciate, the value of your benefit increases. If the investments depreciate, the value of your benefit decreases. This means you carry the investment risk. The objective of the Provident Fund is to enable you to receive a lump sum (your Fund Credit) when you retire. You may, however, elect to take all or part of your Fund Credit as an annuity.

CONTRIBUTIONS TO THE FUND

The total contributions contributed to the Fund represents 16% of your wages. The full amount is paid by your Employer. Of this 16 percent, 10.27% goes towards your retirement benefit, 3.73% is used to pay for death benefits, funeral benefits and disability benefits, while the remaining 2% is used to meet the cost of the Fund's expenses. The provision of Risk Benefits is subject to affordability and is therefore subject to change.

FUND CREDIT

Your Fund Credit is the sum of all the contributions allocated to your retirement benefit, increased or decreased by investment return. The amount of investment return you will receive will depend on the amount earned by the Provident Fund's investments that are managed by Asset Managers appointed by the Board of Trustees.

TAX ON BENEFITS

All benefits that become payable may be subject to tax and may, therefore, be reduced by an amount of money to be paid to the South African Revenue Services (SARS)

RETIREMENT BENEFIT

Retirement Age

The Normal Retirement Age is 60, but you can retire any time after reaching age 55. The later you retire, the higher your pension will be. You may claim your retirement benefit on date of leaving employment, on written confirmation from your Employer.

Pension Benefit at Retirement

Your Fund Credit can be paid in cash or it may be used to purchase a monthly pension from any Registered Insurer. On retirement from the Fund, your membership of the Fund will cease.

DEATH BENEFIT

Life Assurance Benefit

If you die while a contributing member of the Fund prior to age 65, your beneficiary(s) will be paid a life assurance benefit of 1.25 times your annual wage. For example, if your monthly wage is R2,000 your life assurance benefit will be R30, 000 (R2, 000 x 12 months x 1.25).

Payment of the Life Assurance Benefit is subject to one contribution having been made within the two months prior to date of death. If death occurs within the first three months of membership of the Fund, unless death is as a result of an accident, the life assurance benefit shall not be paid.

Fund Credit

Your beneficiary(s) will also be paid your Fund Credit.

NOMINATION OF BENEFICIARY

It is important that you nominate a beneficiary(s). This is necessary so that, in the event of your death, the Trustees will be aware of your wishes in respect of the benefits due, and to whom they should be paid, at that time. Should you decide, at any time, to change the nomination(s), you should inform the Administrator of the Fund as early as possible and complete a new Nomination of Beneficiary Form.

If you die, the Trustees will take your nomination of beneficiary(s) into account although they must decide on any allocation in terms of the Pension Funds Act.

FUNERAL BENEFIT

As a contributing member of the Fund prior to age 65, you and your immediate family will be covered for Funeral Benefits should you or a member of your immediate family die. The following benefits are payable – note that a child's benefit depends on the child's age at date of death:

You, your spouse, or children aged 14 to 21 years	:	R10, 000
Children aged 6 to 13 years	:	R 5, 000
Children aged 1 to 5 years	:	R 3, 000
Children aged 0 to 11 months	:	R 2, 000
Children if stillborn	:	R 0

NOTE : An unmarried child is covered up to the age of 21 years and up to the age of 25 years if a full-time student. You must, at claim stage, be able to provide proof from a recognised educational institution that the child was a full-time student at date of death.

Payment of the Funeral Benefit is subject to the member being a current contributor of the Fund at the date of death.

DISABILITY BENEFIT

Insured Disability Benefit

If, as a contributing member of the Fund prior to age 65, and based on the medical evidence submitted, the Insurer of this benefit considers you to be totally disabled from performing your occupation, you will receive the following benefit after a period of three (3) months from the date of your disablement:

A disability benefit of 57.5% of your average wage during the period of 12 months preceding your disablement will be paid to you. For example, if your average monthly wage is R2,000, your benefit will be R1,150 per month. This benefit will be paid for 21 months, and will commence after the 3 month waiting period has expired.

After the 21 month payment period, and if your disability is considered to be permanent and total, a lump sum benefit of 1.25 x your annual wage will be paid to you, and your membership of the Fund will cease.

Details of injuries and illnesses that are not covered for the above insured benefit are given in the Rules of the Disability Benefit Scheme.

Payment of the Insured Disability Benefit is subject to one contribution having been made within the two months prior to date of disability.

WITHDRAWAL BENEFIT

If you leave the Industry before retirement, you may claim your Fund Credit after you have been unemployed for six months or more. If you are retrenched or made redundant, you may claim your Withdrawal Benefit on the date of leaving employment, on written confirmation from your Employer.

MANAGEMENT AND ADMINISTRATION OF THE FUND

The Fund has been established as a privately administered Provident Fund, controlled by a Board of Management, which is comprised of 8 Trustees. The Board is made up of an equal number of representatives of the employees and the employers.

Alexander Forbes Financial Services provide consulting and actuarial services for the Fund.

The KwaZulu Natal Master Builders & Allied Industries Association is the Administrator of the Fund.

The Fund is governed by a set of Rules that have been registered with the Registrar of Pension Funds.

If you have any queries concerning your benefits under the Fund, kindly direct your queries through the Administrator at P O Box 582, Westville, 3630
or 40 Essex Terrace, Westville, 3629
Telephone number: 031-2667070
Fax number: 031-2672369