

## WITHDRAWAL BENEFIT



Should an Employee leave the employment of the Employer before retirement, they may claim their fund credit on the date of leaving employment.

## MANAGEMENT AND ADMINISTRATION OF THE FUNDS

### What you need to know:

- The KwaZulu-Natal Master Builders & Allied Industries Association is the Administrator of the Funds.
- Alexander Forbes Financial Services provide consulting and actuarial services for the Funds
- The Funds are governed by a set of Rules that have been registered with the Registrar of Pension Funds.
- The Funds have been established as privately administered Funds, controlled by a Board of Trustees.
- The Board is made up of Employee and Employer representatives.

Contact Vishane Pramrajh at our Westville offices for more information on how we could tailor a solution for you or your employees to ease the stress of the unforeseen.



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## INTRODUCTION

Life is unpredictable and you may find yourself in any of these situations when you least expect it:

- Unemployment due to unforeseen circumstances;
- Illness or accident;
- Disablement;
- Early retirement.



### Are you prepared?

Master Builders KwaZulu-Natal can assist you to deal with the risk of undesirable situations. This brochure will outline benefits available under the Retirement Funds that the Master Builders KwaZulu-Natal administers and includes an explanation of the group life assurance, disability and funeral benefits.

## TYPE OF FUNDS

Both the Pension and Provident Funds are Defined Contribution Funds. The end benefit is determined by the contributions made to the Fund and the investment returns earned on these contributions.

## CONTRIBUTIONS TO THE FUNDS



- The total contributions to the Funds represents 16% of the Employees pensionable salary.
- Pensionable salary is the amount on which the benefits are calculated.
- The 16% contribution is allocated as follows:
  - ✓ 12.00% - Retirement benefits
  - ✓ 3.00% - Death benefits, funeral benefits and disability benefits
  - ✓ 1.00% - Fund expenses

## FUND CREDIT

The fund credit is the sum of all the contributions allocated to retirement, increased or decreased by investment return. The amount of investment return received will depend on the amount earned by the Fund's investments which are managed by Asset Managers appointed by the Board of Trustees.

## RETIREMENT BENEFIT



### What you need to know: Retirement Age

- The normal retirement age is 60, but Employees can retire at any time after reaching age 55.
- Employees may claim their retirement benefit on date of leaving employment, on written confirmation from the Employer.

### Pension Benefit at Retirement

- The amount of monthly pension will depend on the pension that can be purchased with the Employees fund credit. A monthly pension can be purchased from any Registered Insurer.
- Employees may elect to receive a portion (not exceeding one third) of their benefit as a lump sum. Should they elect to receive a lump sum portion, then the monthly pension will reduce accordingly.
- If the Employees total fund credit at retirement is less than R247 500 (the lump sum amount is set by South African Revenue Service), the Employee can take the entire benefit as a lump sum.

## DEATH BENEFIT



Should a contributing Employee pass away prior to age 65, a life assurance benefit of **5 times their annual pensionable salary** is paid. In addition to this, the fund credit is also paid. For contributing employees aged 65-70 years a **R100 000** cover plus fund credit is payable.

## FUNERAL BENEFIT

As a contributing Employee prior to age 65, the Employee and their immediate family will be covered for Funeral Benefits. The following benefits are payable:

|                              |   |         |
|------------------------------|---|---------|
| Member, spouse, or           | : |         |
| children aged 14 to 21 years | : | R60,000 |
| Children aged 6 to 13 years  | : | R33,750 |
| Children aged 1 to 5 years   | : | R24,000 |
| Children aged 0 to 11 months | : | R16,500 |
| Children if stillborn        | : | R13,500 |

## DISABILITY BENEFIT

### Insured Disability Benefit

If, as a contributing Employee prior to age 65, and based on the medical evidence submitted, the Insurer of this benefit considers the Employee to be totally disabled from performing their occupation, Employees will receive the following benefit after a 3 month waiting period from the date of disablement:

- A disability benefit of 75% of monthly salary will be paid. This benefit will be paid for 21 months.
- After the 21 month payment period, and if the disability is considered to be permanent and total, a lump sum benefit of **5 times annual pensionable salary** will be paid, and the membership to the Fund will cease. Employees will also receive their fund credit.