



Regional Office:  
23 Lennox Road  
Greyville  
Durban  
Tel 031 309 1325/ 1326/ 1307  
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# ELECTRICAL INDUSTRY KWAZULU-NATAL PENSION FUND

## Member Booklet



This brochure aims to provide you with information on the benefits you qualify for, contributions payable and contact details of the service providers.



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## Contributions

Member contributions: 5.6%\*  
Employer contributions: 8.4%\*

\*The Bargaining Council is currently awaiting approval from the Department of Labour to increase the member contributions to 6% and the employer contributions to 9%.

The following deductions are made from the above contributions to ensure that you have risk benefits under the fund.

- Group Life premiums
- Disability premiums
- Funeral premiums
- Administration and Collection Fees
- Operational fund expenses

## Voluntary contributions

Members are encouraged to make additional voluntary contributions towards the Pension Fund to utilize the tax benefits and at the same time as you are saving towards your retirement.

## Benefits

### Death benefits

The Fund currently provides a death benefit of 1.5 times your pensionable salary (with effect from 1 November 2018 it will change to two times) plus your accumulated fund credit. The Fund is awaiting approval from the FSCA to increase the benefit to two times your pensionable salary.

Please ensure that your nomination of beneficiary form is updated on a regular basis and given to HR to keep on your employee file. Should you pass away, your wishes could be considered in terms of the information provided on your nomination of beneficiary form.

## Disability benefits

Should you become temporarily or permanently disabled to do your or a similar job, you will receive a monthly income of 50% of your current monthly earnings. There will be no tax payable on this benefit. You will continue to contribute to the fund until the normal retirement age, which is 65.

## Retirement benefits

You will be entitled to take one-third of your accumulated fund credit in cash (subject to tax), and the balance of two-thirds will be utilized to provide you with a monthly pension. The one-third will be taxed as per the Income Tax Act. The first R500 000 will be tax-free.

If your total retirement benefit is less than R247 500, you will be allowed to take 100% of the benefit in cash, subject to tax.

## Withdrawal benefits

You are entitled to your accumulated fund credit which consists of your and the employer contributions, minus the deductions in the contributions paragraph, plus investment growth.

You have the following options on withdrawal:

- Leave your benefit in the Fund until normal retirement age, or until you want to withdraw from the Fund.
- Move your benefit to your new Employer's Fund (no tax).
- Transfer your benefit to a Pension Preservation Fund (no tax).
- Take your benefit in cash – tax will be deducted in terms of the Income Tax Act. The first R25 000 will be tax-free.

## Funeral benefits

Your funeral benefits are as follows:

Main member	R20 000
Spouse	R15 000
Child 14 – 21	R10 000
Child 6 – 13	R 7 500
Child 1 – 5	R 3 500
Stillborn - 11 months	R 3 500

## Investments

The Fund provides for a Life Stage Model, with two categories:

1. Younger member portfolio  
You will be invested in this portfolio until the age of 60.
2. Older member portfolio  
On 1 January of the year that you turn 60, 50% of your credit in younger member portfolio will move into the older member portfolio.

On 1 January of the year that you turn 62 the balance of your credit in younger member portfolio will move into the older member portfolio. Your benefit will then be invested 100% in the Older member portfolio.

