

Defined Benefit Structure

SUMMARY OF BENEFITS

CONTRIBUTIONS

Employee contribution rate Employer contribution rate
8.60% 20.78%

RESIGNATION/WITHDRAWAL BENEFIT

8% x Final average salary over 24 months (including annual bonus) x pensionable service

plus

an additional percentage for each completed year of pensionable service, after 6 years, to the maximum of 100% after 15 or more years of pensionable service

Years of service	Percentage
More than 6 years	10%
More than 7 years	20%
More than 8 years	30%
More than 9 years	40%
More than 10 years	50%
More than 11 years	60%
More than 12 years	70%
More than 13 years	80%
More than 14 years	90%
15 years or more	100%

OR Minimum Benefits as defined by the ACT.

RETRENCHMENT BENEFIT

15.5% x Final average salary over 24 months (including annual bonus) x pensionable service or the actuarial reserve value.

NORMAL RETIREMENT BENEFIT

Retirement age: 60-65 (if joined before 1 April 2000)
65 (if joined after 1 April 2000)

BENEFIT

Option 1: Amount of benefit

Cash gratuity
6.72% x Final average salary over 24 months (including annual bonus) x pensionable service
plus monthly pension
1/55 x Final average salary over 24 months (including annual bonus) x pensionable service divided ÷ 12

Option 2: Total cash lump sum

Gratuity
6.72% x Final average salary over 24 months (including annual bonus) x pensionable service
plus cash conversion of monthly pension
21% x Final average salary over 24 months (including annual bonus) x pensionable service

NOTES

- If you joined the fund after 1 April 2000 the cash conversion of your monthly pension is 19.75%.
- Early retirement is only allowed within 5 years of normal retirement age.
- A 4% reduction is applicable for the period a member retires early.

DEATH IN SERVICE BENEFIT

Group Life Assurance, calculated as a multiple of salary based on your age as per table below:

Age:	16-25	25-35	35-45	45-55	55-65
	6.00	4.50	3.50	3.25	3.00

plus the withdrawal benefit

plus the funeral benefit

plus family support benefit

FAMILY FUNERAL BENEFIT

Member	R20 000
Spouse (1 only)	R20 000
Children 21 and over but under 25 (full-time students)	R20 000
Children 14 and over but under 21	R20 000
Children 6 and over but under 14	R16 000
Children 1 and over but under 6	R12 000
Stillborn child (after 26 weeks) and infants up to 12 months	R 3 000

Note: Children must be unmarried and dependent

FAMILY SUPPORT BENEFIT

Month 1

R10 000

Month 2-6

R 4 000

PENSION BENEFIT ON DEATH AFTER RETIREMENT

Lump sum: Spouse/dependants

Balance of pension: (only applicable if member elected a monthly pension - option 1)

- If death occurs within 5 years from the first day of retirement.
- If pension was received for the first 3 years with 2 years remaining.

Monthly pension x 24 months

E.g. R2 500 pm x 24 months = R60 000

plus

Spouse pension for life

Pension: (only applicable if member elected a monthly pension - option 1)
60% of member pension e.g. 60% x R2 500 = R1 500 pm

plus

Child pension until age 18, unless fulltime student

Pension: (only applicable if member elected a monthly pension - option 1)
10% of member pension e.g. 10% x R2 500 = R250 pm

To a maximum of 3 times the amount or it can be divided amongst more than 3 children.

DISABILITY: MONTHLY INCOME BENEFIT

A monthly income calculated in accordance with the following scale:
75% of the first R31 500 of monthly earnings

plus 60% of the next R42 000

plus 50% of the balance, with an overall limit of R60 000

- This benefit is subject to a 3 month waiting period.
- The benefit amount will increase by 5% per annum and shall be paid until the earlier of death, recovery or retirement age.
- Members will continue to pay their contributions to maintain their membership of the Pension Fund.
- Both membership of the Pension Fund and benefits will be maintained whilst the members are in receipt of the monthly income benefit until he/she exits the Fund.
- A claim will not be assessed or paid if the disability claim is not submitted within 6 months from date of disability.

DREAD DISEASE

- Heart attack
- Cancer
- Total blindness
- Coronary Artery Bypass graft
- Stroke
- Renal failure

Member receives 75% of annual salary as a lump sum.

IN-HOSPITAL ACCIDENT BENEFIT

If a member incurs an accident or injury which, within 24 hours thereafter, results in hospitalisation for more than 24 hours continuously, a single lump sum of R2 000 will be payable. Only one claim per year per member will be allowed.

HOUSING LOAN ASSISTANCE

- FNB appointed to apply for a housing loan assistance.
- Loan amount is up to 50% of the member's withdrawal benefit.
- Paid directly into the member's account.
- The financial institution and member determine affordability (within 25% of salary limit).
- The financial institution determines the period of repayment, subject to conditions.
- Members in default will not qualify for additional or a second loan.
- New National Credit Act is applied.

TAX

- All members should be registered for tax to ensure the benefit is payable on date of exit.
- Members not registered will experience a delay in receiving their benefits.

OPTIONS/ELECTION

- Potential members need to carefully exercise their selection option between the Defined Benefit and Defined Contribution Structures.
- The rates and benefits differ on these structures and they are not comparable.
- The option selected is final and is not reversible at any stage.