

SUMMARY OF BENEFITS



CONTRIBUTIONS

Employee contribution rate	Employer contribution rate
9%	18%
7.5%	18%

RESIGNATION/BENEFIT

Total of the member and net employers accumulated contributions plus interest.

RETRENCHMENT BENEFIT

Total of the member and net employer's accumulated contributions plus interest.

NORMAL RETIREMENT BENEFIT

Retirement age: 65

BENEFIT

Total of the member and net employer's accumulated contributions plus interest.

EARLY RETIREMENT AGE: 55

Total of the member and net employer's accumulated contributions plus interest.

DEATH BENEFIT

Cash lumps sum calculated as a multiple of salary in accordance with the table below:

Number of years	Multiple
More than 16 to 25	6.00
More than 25 to 35	4.50
More than 35 to 45	3.50
More than 45 to 55	3.25
More than 55 to 65	3.10

PLUS the resignation benefit

PLUS the funeral benefit

PLUS the family support benefit

FAMILY FUNERAL COVER – EQAUL TO R90 000.00)(Main member)

Member	R40 000
Spouse	R20 000
Dependent child aged older than 14, not older than 21	R20 000
Dependent child aged older than 6, younger than 13	R16 000
Dependent child aged older than 1, younger than 6	R12 000
Stillborn child or child younger than 12 months	R3 000

FAMILY SUPPORT BENEFIT

R10 000 payable to the surviving spouse + 5 monthly payments of R8 000

ACCIDENT HOSPITALIZATION BENEFIT

The Main Member is covered for an annual In Hospital Accidental Benefit of R7 500, which becomes payable when a SALA Main Member is hospitalized as a result of an accident for more than 24 hours. Contact the Insurer of Risk Benefits in this regard.

INTEREST APPLICABLE

- The actuary of the fund will perform a valuation overview once per annum.
- After the overview the actuary will recommend to the Board of Trustees an interest to apply to member and net employer contributions.
- The same rate will apply when paying benefits to members.

MONTHLY PENSION BENEFIT

This structure makes provision for a conversion option on retirement to commute the accumulated credit to a third cash gratuity plus monthly pension.

MONTHLY DISABILITY INCOME BENEFIT

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

- This benefit is subject to a 3 month waiting period (assessment period).
- The benefit amount will rise 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.

HOUSING LOAN ASSISTANCE

- First National Bank is the service provider for this facility.
- Members get a rebate of 1.5% on the prime rate.
- Loan amount is up to 50% of the member's resignation 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 or repayment, subject to conditions.
- Members in default will not qualify for additional or second loans.
- 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.

SALGBC Freedom of Choice – FREEDOM OF CHOICE

- Effective 01 October 2021
- Implementation date 01 July 2022
- Sala applied for accreditation and will participate
- Freedom of choice (FOC) and movement opportunity to all employees in Local Government sector
- Sala will take advantage of the Freedom of Choice
- Standard employer contribution rate: 18% (new employees)
- Detailed Benefit Comparison on costs, benefits and investment performance to be tabled at the forthcoming FOC Roadshows



AGENDA

SALA GENERAL MEMBERS MEETING:

1. Introduction
2. Fund Exit (Early and Normal Retirement Ages)
3. Membership: KOPANONG LOCAL MUNICIPALITY DB: 122 DC: 132 (254)
4. **“Know your Benefits”**
5. Retirement Benefit Counselling
6. Tracking SALA’s Growth - Investment Excellence Over the Years
7. SALGBC Window Period
8. Member Communication
9. Contact Us

www.salapensionfund.co.za

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