

YOU ARE ONE OF THE LUCKY FEW



Very few South Africans are properly prepared for retirement. Fortunately, you are a member of the South African Road Passenger Bargaining Council Retirement Fund, and this is a big advantage in providing for your retirement. If you leave your employer before retirement, you should try to keep your retirement savings intact – do not spend them on spur-of-the-moment extravagancies. Always consult an accredited financial advisor before making any significant changes to your retirement savings.



HOW DOES THE FUND WORK

The SARPBAC Retirement Fund (the Fund) operates on a defined contribution basis, which means that both you and your employer contribute a fixed percentage of your pensionable salary each month.

Members contribute 7.5% of their pensionable salary while the employer contributes 10%.

An allowance for administration expenses and insured death and disability cover costs is deducted from your employer's contribution. The balance, together with your contribution, is invested in accordance with the Fund's investment policy.

Your portion of the retirement benefit is known as the Fund Value, and is made up of the following amounts:

- Your monthly contributions (7.5% of your salary)
- Your employer's monthly contribution (10% less the costs for admin, risk benefits and other fund expenses)
- Any other contributions
- The investment returns earned on these amounts.



HOW THE FUND IS MANAGED

The Fund is managed by a board of seven Trustees appointed by the Bargaining Council.

Three of the Trustees are put forward by the unions and three from the employers. The Trustees are assisted by an independent external expert. The Trustees are:

- Meshack Ramela – Chairperson
- Gary Wilson – Principal Officer
- Grant Fleetwood – Employer
- Kobus Burger – Employer
- Chris Fredericks – Member
- Solomon Mahlangu – Member
- Seibido Molekane – Member
- Renier Grosch – Independent



HOW THE FUND IS INVESTED

The Fund is fully invested in the Multi-Manager Smooth Bonus Fund. This product was selected by the Trustees to provide retirement fund members with a highly dependable investment, offering continuous capital protection on their benefits, and smooth inflation-beating returns in the medium term. This investment is a guaranteed product and does not pass negative returns to members. This is an important benefit in times of market volatility.

Here's an example of a typical member's contribution if they had a pensionable salary of R6 000 per month:

Pensionable salary	Member contribution	Employer contribution
R6 000	R450	R600

Every cent of the member's contribution goes to investment. The employer's portion pays for all the expenses.



WHAT HAPPENS WHEN YOU LEAVE THE FUND?

There are three ways to leave the Fund: on retrenchment; on retirement - including early or late retirement; and on death. When you leave the Fund for any reason, your benefit will be calculated as the sum of all the contributions made by you and your employer towards retirement funding plus investment returns on these amounts.



THIS IS IMPORTANT...

It's very important to keep your beneficiaries up to date. In the event of your death, this information will be used to guide the Trustees in the distribution of your Fund Value and other applicable benefits. Ask your employer to help with this or download the Beneficiary Nomination Form from the website – www.sarpbac.org.za



HERE ARE THE BENEFITS

NORMAL RETIREMENT...

Normal retirement age is 65. However, you can retire from age 55 or, with consent from your employer, work up to age 70 and then retire.

- You may take up to one third of your share of fund in the form of a cash lump sum, or such larger amount as permitted if the total is less than R247 000. Legislation requires members to purchase a pension outside of the Fund with any balance.
- There are other options in how you draw on your share of fund, it's always best to consult with an accredited financial advisor first.

DISABILITY BENEFITS...

TEMPORARY DISABILITY

The Temporary Disability Benefit is only payable for nine months – excluding the waiting period.

- 75% of salary up to a maximum of R220 000
- Three-month waiting period
- Survivor benefit equal to two months' salary
- Contribution waiver

LUMP SUM DISABILITY

- Three x annual salary
- 12-month waiting period
- Waiting period waiver
- Five-year taper option
- Acceleration of death benefit

CHRONIC ILLNESS

- Fixed amount
- Two x the monthly temporary income disability benefit
- Fund members only

It is important that Momentum is informed of a potential claim as soon as possible. Once Momentum has been notified, we can advise the employer if any specific medical assessments or tests are needed, or if a specific medical practitioner needs to be consulted. This can prevent unnecessary delays. A claim should be submitted when an employee, due to illness or injury, is:

- Unlikely to return to work
- Is on sick leave for longer than 10 working days
- Has returned to work but is unable to perform the duties of their own job and is unable to perform any other job
- Shows a decrease in productivity due to a medical reason
- Has a medical or psychiatric incident and may require hospitalisation, rehabilitation or to be off work for an extended period.

The maximum period allowed for the submission of a claim is three months from the date that the employee was last able to properly perform their normal duties.

DEATH...

If you die while employed, your beneficiaries will receive an insured benefit of three times your annual pensionable salary plus your Fund Value.

- If your total benefit is less than R1 000 000 you do not have to undergo any medical examination for this cover.
- The most recent beneficiaries on file will serve as a guideline for the distribution of your benefits. That's why completing the beneficiary nomination form is so important.
- Death cover stops once you reach the age of 65.

FUNERAL BENEFIT...

If you, your spouse or children die while you are a Sarpbac Retirement Fund member, the surviving beneficiary will receive a funeral benefit according to the scale below:

Member or spouse	R35 000
Dependent children aged 14 – 21 years	R35 000
Dependent children 6 - 13 years	R17 500
Dependent children under age 6 or stillborn	R8 750

If you – or your spouse or children – die at a place different to the burial place, the insurer will provide an additional repatriation service within the borders of South Africa. The insurer will also provide beneficiary counselling services to assist the family in dealing with their loss. This includes emotional as well as legal advice. This becomes particularly important if the survivors are minor children.

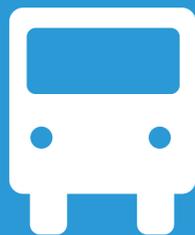
HOME LOANS...

- Pension-backed lending scheme with Standard Bank
- Minimum lending amount: R5 000
- Maximum lending amount: 70% of higher withdrawal benefit

BENEFICIARY FUND

If you die and leave minor beneficiaries, Trustees can pay the benefits allocated to children who are under the age of 18 into a Beneficiary Fund. The Beneficiary Fund will then pay a monthly income to the guardian of the minor children for their care. Medical and educational expenses may be claimed from the Beneficiary Fund.

Once the child turns 18 years-old the balance in the Beneficiary Fund is payable to the beneficiary in full, except in cases where beneficiaries are disabled, or continuation is requested.



CONTACT INFORMATION

Ground Floor, Stone House, Stonefontaine Terrace
95 Klipfontein Road, Rondebosch 7700
PO Box 13238, Mowbray, 7705
Tel: 021 686 4281 / 081 417 9721 | Fax: 0866 102 401 / (021) 685 8048

www.sarpbac.org.za | helpdesk@sarpbac.org.za