

# Motor Industry Provident Fund

## CONTRIBUTION CERTIFICATE: ALL MEMBERS

### Introduction

1. This contribution certificate has been prepared by the Board of Trustees of the Motor Industry Provident Fund ("MIPF" or the "Fund"), in consultation with the valuator of the Fund.
2. The Fund's Financial Sector Conduct Authority registration number is 12/8/36666.
3. Membership of the Fund is governed by collective or industrial agreement, entered into between the parties to the Motor Industry Bargaining Council and approved by the Minister of Labour in terms of the Labour Relations Act.
4. The certificate is issued in respect of the period 1 March 2019 to 28 February 2020.
5. All Fund members belong to a single category. Therefore, this certificate covers all members of the Fund.
6. This certificate is issued in terms of paragraph 12D of the Seventh Schedule of the Income Tax Act, 1962 (Act 58 of 1962).
7. The last statutory actuarial valuation was carried out as at 31 March 2016. The data used to prepare this certificate is the valuation data as at 31 March 2016 and the current rules of the Fund.

### Fund member category factor

8. The Fund operates on a defined contribution basis.
9. Risk benefits are provided by the Fund and are self-insured. The death benefit is equal to the Member's Fund Credit plus three times annual pensionable remuneration.
10. In terms of legislation, the fund member category factor is made up of four components. The components to which members of the Fund may become eligible are shown in the table below:

Component	Applicable	Benefit Component Fund Rule
Defined contribution component factor	Yes	Rule 5 (1) and Rule5 (4)
Defined benefit component factor	No	-
Underpin component factor	No	-
Risk benefit component factor	Yes	Rule 6 (4) and Rule 6 (7)

#### *Defined contribution component factor*

11. The defined contribution component factor is defined in the Regulations as the contribution rate, as specified in the rules of the Fund, in respect of the total of the contributions to the Fund by or on behalf of the employee and by or on behalf of the employer in respect of each defined contribution component.
12. Fund members contribute towards their retirement benefits at a rate of 7.5% of pensionable salary. Members may make additional voluntary contributions to the Fund, in accordance with the conditions and procedures prescribed by the Trustees.
13. The Employer contributes 8.0% of pensionable salary in respect of each member. From this contribution, 1.41% is allocated to meet the costs of death and disability benefits. Therefore, the Employer's net contribution towards retirement benefits is 6.59% of pensionable salary in respect of members.
14. The **defined contribution component factor** is therefore **14.09%**.

#### *Risk benefit component factor*

15. The risk benefit component factor is determined in respect of all death benefits provided by the Fund for the benefit of a member, dependant or nominee, other than an insured benefit or a return of the member's interest in any defined contribution components.
16. The factor is determined in accordance with the formula  $X = A \times B$

Where X is the factor to be determined;

A is the number 0.005; and

B is the average of a proportion of retirement income funding of all members of a fund member category in respect of risk benefits that members or their dependants would have become entitled to if the member had died during the year of assessment. This includes the valuator's estimate of the average capital value of any spouse's pensions or dependant's annuities that would be paid.

17. For the Fund members covered by this certificate, the death benefit in terms of the Rules is the Member's Fund Credit plus three times annual pensionable remuneration. The Member's Fund Credit must be excluded from the calculation of the risk benefit component factor.
18. The **risk benefit component factor** is, therefore,  $0.005 \times 3.00 = 1.5\%$

*Composition of actual contributions in respect of employer and employee contributions*

19. In terms of Rule 5 and the accompanying collective agreement, the total contributions paid to the Fund on behalf of each member of the Fund is 15.5%:

Employer Contribution to Retirement:	6.59%
Employer Contribution to Risk Reserve:	1.41%
Member Contribution:	7.50%

*Fund member category factor*

20. The **fund member category factor** for members covered by this certificate is therefore the sum of the defined contribution component factor and the risk benefit component factor i.e.

$$14.09\% + 1.50\% = \mathbf{15.59\%}$$

21. Certified that the above information is, to the best of our knowledge and belief, correct and complete.



SIGNATURE

GM BARNARD

VALUATOR

31/01/2019

DATE



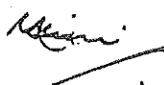
CHAIRPERSON / AUTHORISED  
MEMBER OF THE BOARD

ANESH DHAYANAN SOONDER

FULL NAME IN PRINT

28 February 2019

DATE



AUTHORISED MEMBER OF THE  
BOARD

GERALD WILLIAM LEITH

FULL NAME IN PRINT

28 February 2019

DATE



PRINCIPAL OFFICER

JAN DAVID STORM HELBERG

FULL NAME IN PRINT

28 February 2019

DATE