

DATED: 27 AUGUST 2024
TO: ALL EMPLOYER PARTICIPANTS IN THE MOTOR INDUSTRY
NOTICE: PROVIDENT FUND CONTRIBUTIONS AND STATEMENT OF ALLOCATION
PRIORITY: HIGH

As we approach the implementation of the new two-pot system effective 01 September 2024, it is imperative that we remind employers of your responsibility to pay provident fund contributions and to make a submission of the statement of allocation for all employees.

This is a legal requirement in terms of the Pension Fund Act, Conduct Standard 01 of 22. Non-compliance in this regard may lead to serious penalties in terms of section 37(1) of the Act:

Any person who contravenes or fails to comply with section 13A is guilty of an offence and liable on conviction to a fine not exceeding R10 million or to imprisonment for a period not exceeding 10 years, or to both such fine and imprisonment. Further, such conduct could constitute common law theft or fraud.

Thus, this penalty may be initiated against an employer should an employee not be credited with the saving component that should be due on 01 September 2024.

1. Compliance with Payment Timelines:

All employers are required to ensure that provident fund contributions are paid promptly as set out in the MIBCO Administrative Agreement, namely, that payment contributions are made by the 10th day of each month.

2. Statement of Allocation:

It is essential and a legal requirement for employers to submit their '**statement of allocation**' accurately and timeously, by the 10th day of each month. The statement of allocation must conform to sub-clause 13(3) of the MIBCO Administrative Agreement and Conduct Standard 01 of 22 for payment allocations of each employee.

3. Remittance Advice:

MIBCO has made a 'Remittance Advice' available for employers to use and make allocations for employee contributions, refer to the template herein:

MIBCO PAYMENT REMITTANCE ADVICE									
RETURN PERIOD	FUND REF	INVOICE DATE	CAPITAL AMOUNT	INTEREST	GROSS AMOUNT DUE	TICK IF THIS IS THE DUE AMOUNT IS THE PAID AMOUNT	ALTERNATIVE PAYMENT (PLEASE COMPLETE DETAILS)		
							CAPITAL AMOUNT	INTEREST	GROSS AMOUNT PAID
Mar-22	AWPROV	10/06/2023	10 000.00	1 200.00	11 200.00		6 985.00	822.00	7 807.00
Mar-22	MIPROV	10/06/2023	8 000.00	800.00	8 800.00		9 500.00	800.00	10 300.00
Mar-22	COUNCL	10/06/2023	325.00	32.00	357.00		325.00	32.00	357.00
Mar-22	NUMSA	10/06/2023	412.00	-	412.00		412.00	-	412.00
TOTAL PAYMENT DUE					20 769.00		TOTAL PAYMENT ACTUALLY MADE		18 876.00

EMPLOYER CODE	7958631
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PAYMENT DATE	
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BANK AMOUNT	18 876.00
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PLEASE USE THE FORM BELOW TO PROVIDE DETAILS OF THE DIFFERENCES IN GROSS AMOUNT DUE AS PER RETURN AND GROSS AMOUNT ACTUALLY PAID

FUND CODE	EMPLOYEE NAME	EMPLOYEE NUMBER	AMOUNT PAID	REDUCED AMOUNT	ADDITIONAL PAYMENT	REASON FOR THE ADDITIONAL PAYMENT OR REDUCED PAYMENT				
RECONCILED TOTAL										

If you have any questions or need assistance in addressing these matters, please reach out to us on 0861 664 226. You can also send payment allocation information, including remittances to the following email address: [Returns@mibco.org.za](mailto>Returns@mibco.org.za). The MIBCO Returns online platform is also available for submissions.