



Leader in People Benefits in Africa

ADMINISTRATION GUIDE

FOR THE

BCCCI (NATAL) PROVIDENT FUND

BCCCI PROVIDENT FUND ADMINISTRATION GUIDE

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INTRODUCTION

BCCCI (NATAL) PROVIDENT FUND was established with effect from 01 March 2000. The administration of the Fund was transferred from Old Mutual to NBC with effect from 01/03/2000.

The purpose of the Fund is to provide a form of benefit to its members when they retire or to their dependants should they die.

This guide has been prepared to outline the documentation that is required by NBC Fund Administration Services to administer the Fund efficiently. The administrators are dependent on the submission of correct and accurate information to enable them to pay claims within the required times and to keep each member's record updated.

The Fund is governed by a set of rules, which is registered with the Registrar of Pension Funds and the South African Revenue Services and all information in this guide is based on those Rules. Where there is a discrepancy between information in this guide and the Rules of the Fund, the Rules will prevail.

The guide deals with documentation required on a monthly basis (contribution reconciliation) and documentation required for the payment of claims. The guide cannot cover every eventuality, therefore should you encounter any situation that is not covered in the guide, please feel free to contact the administrators.

The members of the Fund and their employers contribute a percentage of the member's pensionable salary, as stipulated in the rules of the Fund, monthly until the retirement of the members or their exit from the Fund prior to retirement. A portion of these contributions are used to fund additional risk benefits provided by the fund, the balance is allocated into the member's individual account where savings are built up until the member retires or exits the Fund prior to retirement. The amount in the member's individual account is referred to as the "member's fund credit".

The risk benefits are underwritten by an insurer and each benefit is governed by a policy document. A risk benefit is only paid out once accepted by an Insurer. The Fund provides the following benefits:

Type of benefit	Benefit Payable
Retirement	Fund credit
Death	Fund credit + 2 x annual salary
Disability	Fund credit + 1 x annual salary
Resignation	Fund credit
Retrenchment	Fund credit
Dismissal	Fund credit
Funeral Benefits	
Member	R30 000
Spouse	R30 000
Child 14 - 21	R30 000
Child 6 - 13	R15 000
Child 1 - 6	R7 500
Stillborn	R3 750

In order to administer the Fund effectively, there are usually five main parties that are vital to the successful operation of the Fund.

The Members

The Employer

The Administrator

The Trustees

The Union/Employer Associations

This administration manual has been produced to assist the employer in their role in the management of the Fund.

CONTACT DETAILS OF THE ADMINISTRATOR

THE ADMINISTRATOR OF THE FUND IS NBC FUND ADMINISTRATION SERVICES (PTY) LTD

Administrator Physical Address: 14th Floor
Durban Club Chambers
303 Anton Lembede Street
Durban
4001

Postal Address: The Principal Officer
BCCCI Provident Fund
P O Box 2183
Durban
4001

Contact Person: Naseema Naidoo (Admin Manager)
Telephone No. (031) 366 7708
E-Mail naidoona@nbc.co.za

Contact Person: Mlungisi Mzila (Team Leader)
Telephone No. (031) 366 7718
E-Mail mzilam@nbc.co.za

Central Email Address: bcccinatalpf@nbc.co.za (all communication to be addressed to this contact address and the team leader to be copied)
bcccikznclaims@nbc.co.za – Claim queries

The NBC web site can be found at the following Internet address: <http://www.nbc.co.za>

THE PRINCIPAL OFFICER OF THE FUND IS DEREK FIELD

HOW THE BCCCI PROVIDENT FUND IS MANAGED

Once a Provident Fund (or Pension Fund), is registered with the Registrar of Pension Funds, in accordance with the provisions of the Pension Fund's Act (No 27 of 1956), it becomes an independent body capable in law of suing and being sued and therefore functions in much the same way as a company does. The Rules of the Provident Fund provides a method of controlling and managing the business of the Fund.

In South Africa currently, a body of trustees manages most funds. The number of Trustees as specified in the rules of the fund is democratically elected by the members of a Fund and is appointed by the employer to manage and control the business of the Fund. Hence a trustee is a person who is entrusted by others, and who, for a given period of time, is elected/appointed to control and manage the business of the fund.

• THE ROLE OF THE TRUSTEES

The board of Trustees consists of 6 Employer Trustees, 6 elected Member Trustees and 2 Independent Trustees.

The role of the Trustee's is broadly:

- a. To manage the affairs of the Fund in terms of the required legislation and rules of the Fund;
- b. To appoint the required service providers to take care of the various management aspects of the Fund e.g. administrators, investment managers, actuaries etc;
- c. To look after the member's interests.

• THE ROLE OF THE EMPLOYER

Each employer plays an important role in the smooth administration of the Fund. The employer is responsible for the following:

1. CONTRIBUTIONS:

- a. Making an employer contribution on behalf of employees to the Fund;
- b. Deducting the member contribution from the employee's wages/salary;
- c. Ensuring that the aforementioned monthly contributions are paid to the Fund timeously, i.e.: by the 7th of the month following the month of deduction.

2. MEMBER DATA:

- a. Provide the administrator with specific information for each employee who is a member of the Fund, or who joins the Fund.

CLAIMS:

- a. Informing the administrator of any retirement, withdrawal (resignation, retrenchment and dismissal), death, disability and/or funeral claims that may arise.

• THE ROLE OF THE ADMINISTRATOR

- a. Manage the administration of the Fund as per the instructions of the trustees, the rules of the Fund and in terms of Pensions Fund Act;
- b. Keep accurate member records;
- c. Update member records monthly;
- d. Allocation of contributions;
- e. Processing of all benefit claims;
- f. Produce membership certificates;
- g. Produce annual member benefit statements;
- h. Produce financial statements.

• THE ROLE OF THE PRINCIPAL OFFICER

In terms of the Pension Fund's Act, a privately administered Provident Fund is required to have a Principal Officer.

THE DUTIES OF THE PRINCIPAL OFFICER ARE:

1. When the Actuary's report is submitted to the Registrar, the Principal Officer must, along with the Trustees, sign the accompanying certificate to the effect that to the best of his knowledge and belief, the information furnished to the Actuary was correct and complete and, where applicable, that a copy of the report, or summary, was sent to every participating employer.
2. When the annual accounts and statements are submitted to the Registrar, the Principal Officer must, along with the Trustees, sign the accompanying certificate to the effect that to the best of the Principal Officer's knowledge the accounts and statements are true and correct.
3. The Principal Officer must be one of the signatories of all other documents deposited with the Registrar, which are required to be signed on behalf of the Fund. Where copies of documents are required to be deposited with the Registrar, the Principal Officer is required to certify their correctness.
4. The Principal Officer is responsible for submitting amendments and consolidated Rules to the Registrar.
5. In terms of Section 13A of the Act and regulation 33, the Principal Officer may be appointed the monitoring person and as such is required to report to the Registrar:

- a. any contravention of Section 13A of the Act (i.e. failure to pay contributions to the Fund within seven days of the end of the period in respect of which the contributions are being paid);
- b. the discontinuance of contributions by the employer for any reason forthwith.

AUTHORISED SIGNATORIES

All documents submitted to the administrator of the Fund must be signed/submitted by the authorised person at the employer's office. This is to ensure that the information being submitted to the Fund is authentic.

- **AUTHORISED SIGNATORY FORMS – SAMPLE OVERLEAF**

Complete the form indicating who has been appointed as the authorised signatories on behalf of the employer. Sample signatures and passwords (where applicable) must be included. Affix the official employer stamp and date the form.

If there is a change in the authorised signatories, the employer must notify the Fund administrator of this change in writing.

Please note that this is a requirement by our auditors and we will not be able to process claims without verifying the specimen signatures. Therefore only authorised personnel may sign documentation sent to NBC.

SPECIMEN SIGNATURES

<u>FULL NAME</u>	<u>DESIGNATION</u>	<u>SIGNATURE</u>	<u>COMPANY STAMP</u>

DATE:

PAYMENT OF CONTRIBUTIONS

- **CONTRIBUTIONS**

Section 13(A) of the Pension Fund Act (the Act) prescribes that the employer of any member of a Pension/Provident fund shall pay the following to the Fund:

1. Any contribution, which in terms of the rules of the Fund, is to be deducted from the members' salary,
2. Any contribution for which the employer is liable in terms of the rules of the Fund,
3. The minimum information (data) to be furnished to the Fund by every employer with regard to the payments of contributions made by the employer shall be within fifteen days after the end of the period in respect of which the contribution is paid,
4. If the information (data) does not accompany the payment of a contribution, the information shall to be transmitted to the fund not later than 15 days after the end of the month in respect of which the payment was made,
5. Any contribution to a fund in terms of its rules, shall be transmitted directly to the fund's bank account, not later than seven days after the end of the month for which such a contribution is payable or shall be forwarded directly to the Fund in such a manner as to have the Fund receive the contribution not later than seven days after the end of that month.

The contributions payable in terms of the rules of the Fund are as follows:

Contribution type	Rates as a % of Pensionable Salary
Total Member contribution	6%
Total Employer contribution	6%

HOW TO PAY OVER THE CONTRIBUTIONS

The employer must make payment directly into the Fund's banking account:

Account Name: BCCCI PROVIDENT FUND
Bank: Standard Bank
Branch: Johannesburg
Account Number: 000080799
Branch Code: 000205
Reference: The company name (e.g. ABC Cleaning)

The employer must advise the administrator immediately once payment has been made by emailing a copy of the remittance advice form and the proof of payment for attention of:

Attention: Naseema Naidoo
Email: bcccinatalpf@nbc.co.za and naidoona@nbc.co.za

The contribution and schedule detailing the members' contributions as well as those of the employer in respect of each member must be sent to the administrator electronically.

FORM COMPLETION IN RESPECT OF MONTHLY DATA

- **REMITTANCE ADVICE FORM – SAMPLE OVERLEAF.**

Completing the Remittance Advice Form

- The remittance advice form must be completed both accurately and in detail.

The following salary rolls are required on the form:

- Salary Roll for Retirement Fund Contribution
(This is the salary on which the retirement funding contribution is based.)
- Salary Roll for Risk Contribution
(This is the salary on which the risk contribution is based, i.e. the member's basic risk salary for the month.)

Membership reconciliation must be accurately completed. This is verified against the records held on the administration system and the electronic data files submitted to the Fund.

- **ADJUSTMENT SCHEDULE– SAMPLE OVERLEAF**

This should be completed for any changes in salary that affect the current month's contribution. The changes will also be reflected on the electronic data file.

- **SUMMARY OF NEW ENTRANTS– SAMPLE OVERLEAF**

All new members joining the Fund for the first time must be listed on this form. These members must be indicated as new members in the current status column on the electronic data file for the month.

- **SUMMARY OF TERMINATIONS– SAMPLE OVERLEAF**

All terminations, e.g. resignations, deaths, etc. for the month must be listed on this form. This will be used to check that all applicable claim forms have been received. These members must be indicated as the specific exit type in the current status column on the electronic data file for the month.

- **INTERNAL TRANSFERS- SAMPLE OVERLEAF**

Indicate all members that have either left or joined your division without leaving the Fund. Transfers into your division are not to be treated as new entrants as these members already exist on the Fund. These members must be indicated as transfers in the current status column on the electronic data file for the month.

LEGAL REQUIREMENTS FOR CONTRIBUTIONS

IMPLICATION OF NON COMPLIANCE

- **INTEREST**

Interest on late payment of contributions and any unpaid contributions is payable if the payment is not received by the Fund within seven days after the end of the month for which the contribution was payable. The interest payable is calculated from the first day of the month following that period for which the contribution was payable. All references to days will be calendar days, which includes weekends.

Interest at the prescribed annual rate, compounded daily must be paid to the Fund on all late payments and unpaid amounts. The interest is regarded as an unpaid amount attracting further interest until date of payment. The interest is due and payable not later than two months after the month in respect of which the late payment was due. Where the outstanding amount of the contribution is not paid within the time allowed, penalties other than late payment interest could, in terms of the rules of a particular scheme be applied.

The current prescribed interest rate on late payment, underpayments or non-payment is 20% per annum in respect of amounts not exceeding R10 000.00 and 17% per annum in respect of amounts exceeding R10 000.00. **(MAKE SURE THE CORRECT EFFECTIVE DATES ARE USED)**

The Minister of Finance prescribes the interest rate on late payments, underpayments or Non-payment by Notice in the Gazette.

Example

March contribution payable on 07 April

March contribution paid on 20 April

Amount of contribution paid R500 000.00

Interest is due for the period 01 April to 20 April, i.e. 20 days

$$(R500\ 000.00 \times 17\%) \times (20/365) = R\ 4,657.53$$

Therefore the interest due is R 4,657.53

Note: The participating employer is liable for the interest payments due, i.e. the Fund will look to the participating employer to pay the late payment interest.

- **MEMBER CONTRIBUTION DATA REQUIRED – ELECTRONIC FORMAT**

NBC Holdings (Pty) Ltd. has recently acquired the licensing rights to a new integrated administration and accounting system (Everest) that allows us to offer client funds and their members best of breed retirement administration services.

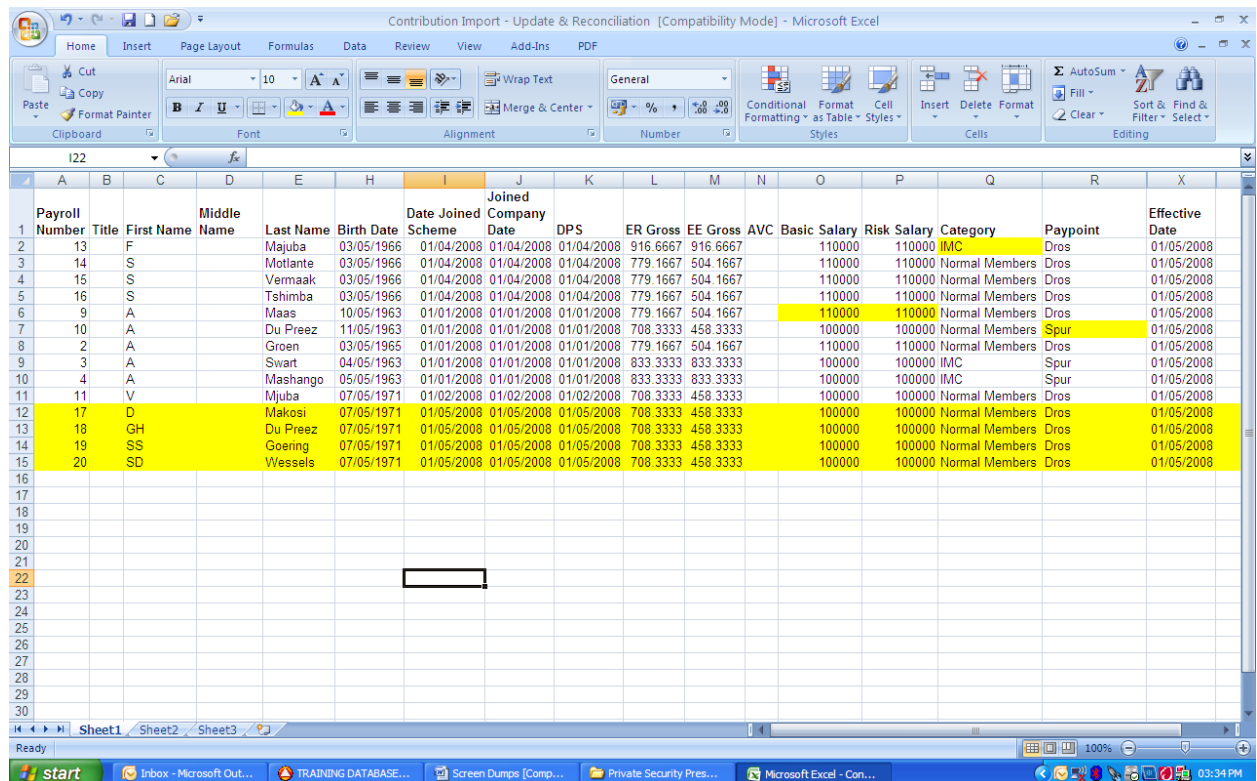
The Everest system caters for the administration of various types of fund structures:

- Defined Contribution funds – (DC)
- Defined Benefit funds – (DB)
- Hybrid Fund arrangements
- Umbrella arrangements
- Pensioner Payroll

Benefit Structure Flexibility within different fund types

- Specified parameters per Fund (error checking module, User access levels)
- Categories defined per Participating Employer
- Rules defined per category of membership
- Full flexibility regarding benefit structures, for example service related vesting scale on withdrawal, lump sum death benefits, and ranges of contribution rates for individual choice.
- Investment choice such as unitized, market related or guaranteed funds.
- Member choice in respect of risk benefits.

NBC Fund Administration has designed a monthly electronic data template which complies with legislation and NBC’s administration requirements. Should the client update this template fully the data requirements will be met.



	A	B	C	D	E	H	I	J	K	L	M	N	O	P	Q	R	X
	Payroll Number	Title	First Name	Middle Name	Last Name	Birth Date	Date Joined Scheme	Date Joined Company	DPS	ER Gross	EE Gross	AVC	Basic Salary	Risk Salary	Category	Paypoint	Effective Date
2	13	F			Majuba	03/05/1966	01/04/2008	01/04/2008	01/04/2008	916.6667	916.6667		110000	110000	IMC	Dros	01/05/2008
3	14	S			Motlante	03/05/1966	01/04/2008	01/04/2008	01/04/2008	779.1667	504.1667		110000	110000	Normal Members	Dros	01/05/2008
4	15	S			Vermaak	03/05/1966	01/04/2008	01/04/2008	01/04/2008	779.1667	504.1667		110000	110000	Normal Members	Dros	01/05/2008
5	16	S			Tshimba	03/05/1966	01/04/2008	01/04/2008	01/04/2008	779.1667	504.1667		110000	110000	Normal Members	Dros	01/05/2008
6	9	A			Maas	10/05/1963	01/01/2008	01/01/2008	01/01/2008	779.1667	504.1667		110000	110000	Normal Members	Dros	01/05/2008
7	10	A			Du Preez	11/05/1963	01/01/2008	01/01/2008	01/01/2008	708.3333	458.3333		100000	100000	Normal Members	Spur	01/05/2008
8	2	A			Groen	03/05/1965	01/01/2008	01/01/2008	01/01/2008	779.1667	504.1667		110000	110000	Normal Members	Dros	01/05/2008
9	3	A			Swart	04/05/1963	01/01/2008	01/01/2008	01/01/2008	833.3333	833.3333		100000	100000	IMC	Spur	01/05/2008
10	4	A			Mashango	05/05/1963	01/01/2008	01/01/2008	01/01/2008	833.3333	833.3333		100000	100000	IMC	Spur	01/05/2008
11	11	V			Mjuba	07/05/1971	01/02/2008	01/02/2008	01/02/2008	708.3333	458.3333		100000	100000	Normal Members	Dros	01/05/2008
12	17	D			Makosi	07/05/1971	01/05/2008	01/05/2008	01/05/2008	708.3333	458.3333		100000	100000	Normal Members	Dros	01/05/2008
13	18	GH			Du Preez	07/05/1971	01/05/2008	01/05/2008	01/05/2008	708.3333	458.3333		100000	100000	Normal Members	Dros	01/05/2008
14	19	SS			Goering	07/05/1971	01/05/2008	01/05/2008	01/05/2008	708.3333	458.3333		100000	100000	Normal Members	Dros	01/05/2008
15	20	SD			Wessels	07/05/1971	01/05/2008	01/05/2008	01/05/2008	708.3333	458.3333		100000	100000	Normal Members	Dros	01/05/2008

It is important to note that Everest is **salary driven** and it is therefore of utmost importance that the employer provides us with salaries.

The minimum information to be furnished by every employer to the Fund with regard to payments of contribution shall consist of at least the following:

Initial contribution information (data)

- a. Name of the Fund
- b. Registration number of the Fund
- c. Period in respect of which the contributions are payable
- d. Name and address of the employer
- e. Contact person at the employer

Subsequent contribution statement

- a. Full names of member
- b. Date of birth/ID number
- c. Employee pay number
- d. Date of membership
- e. Pensionable salary
- f. Amount of contribution, split between member, employer, additional voluntary contributions, and risk benefit contributions paid if applicable.

A sample of the layout of the electronic data file detailing the requirements per member in respect of the monthly data is over leaf.

Column A to Q of the template layout is compulsory and must be provided on a monthly basis.

All data fields must in the format of **DD/MM/YYYY**.

It is recommended that you consult your payroll consultant as most payroll systems can accommodate the automatic generation of this report requirement.

The file must be in ASCII format. It can be a fixed length text file, tab delimited file, comma separated file or an excel file. Each detail line must appear on a separate line and each field must appear in the same column throughout the file.

The file may be sent via an email attachment to reach the Fund preferably by the 7th of the month but no later than the 15th of the month.

The file must be virus-free and the fields must be in the valid format.

MEMBERSHIP OF THE BCCCI PROVIDENT FUND

NEW MEMBERS – ADMISSION TO THE FUND

Each employee that joins the Fund must complete an admission form. Each employer designs their own forms. The employer retains the completed form in the member's personnel file.

- **NEW MEMBERS – SUMMARY OF NEW ENTRANTS – SAMPLE OVERLEAF**

Using the Admission forms, the employer is to complete a new entrant statement for all new members joining the Fund each month.

Details of new members may be provided as per the electronic data requirements itemised in the electronic data file layout. The member's status must be reflected as "New member" on the monthly electronic data file. The member's status will change in the following months to "Active".

NOMINATION OF BENEFICIARIES – SAMPLE OVERLEAF

Each member on joining the Fund must complete a "Dependants & Nominees" form, detailing their beneficiaries and an indication of allocation of the benefit due in the event that the member dies whilst a member of the Fund.

CURRENT MEMBERS

Details of current members must be provided as per the aforementioned data requirements itemised in the data layout over leaf.

- **TRANSFERS BETWEEN PARTICIPATING EMPLOYERS**

A member of the Fund may be transferred between participating employers without leaving the Fund.

In this instance, do not complete a claim form but advise via electronic data that the member has transferred from the one employer to the next. The status on the electronic data should reflect as "Transferred".

- **CHANGE IN PERSONAL DETAILS – SAMPLE OVERLEAF**

This form advises the administrator of any changes to the particulars of the member, e.g. change in surname due to marriage, etc.

If any particulars of the member change, it is the responsibility of the employer to notify the administrator of the Fund. This form must be accompanied by certified copy of the relevant document, e.g. a marriage certificate.

- **EXCEPTION REPORTING**

Once a file is received and loaded by the administrators, a report is system generated indicating member records that have incorrect/inconsistent information, e.g. change in surname, employee number, incorrect id number, etc.

These inconsistencies will be advised to the contact person at the employer via email or fax. A reply to the query will be expected by the Fund within 5 days of the query being dispatched. Should no reply be received this will be escalated to a senior person at the employer, allowing another 5 days for a response. If the administrator's attempts fail at this level the issue will be referred to the Board of Trustees.

SUBMISSION OF CLAIMS

When a member retires, resigns, is made redundant or is dismissed from employment or is disabled or dies, the administrator must be advised so that the benefit due to the member or beneficiary can be paid. This notification is provided both electronically on the monthly data file and by completing and submitting the required documentation.

RETIREMENT CLAIMS

- **QUALIFYING CRITERIA**

Normal retirement age for member is 65 years

Early retirement age for member is 55 years

Late retirement age for member is after 65 years and a maximum of 70 years but insured benefits (death, disability and funeral) cease at age 65.

(INSERT CORRECT AGES PER RULES, CHECK IF LATE RETIREMENT IS ALLOWED)

- **BENEFIT DUE**

On retirement from the Fund the member is due the member's full fund credit as at date of retirement as defined in the rules, i.e. all his contributions plus the employer's contributions allocated to retirement funding and the investment growth earned/lost.

- **OPTIONS ON RETIREMENT**

On retirement a member has the following options:

Take his full fund credit in cash;

Take part of his fund credit in cash and purchase an annuity with the balance;

Purchase an annuity using his full fund credit. (On purchasing an annuity the member will receive a monthly pension).

- **PROCEDURE PRIOR TO A MEMBER RETIRING**

NBC will inform the employer of members who are due to retire at least 2 months prior to retirement age. The employer must inform the members, in order for them to get Financial Advice so they may make informed decisions regarding the payment of their benefits.

- **FORM COMPLETION**

The following forms are to be completed for the payment of a retirement benefit from the Fund:

1. Retirement Claim Form – online
2. The completion of this form is self-explanatory.
3. All retirees choosing to receive an annuity must sign the “Release of Obligation” Form. This form must accompany the other 2 forms.
4. Please note that it is required that all claims are electronically notified via the monthly data files. This forms part of the verification process carried out by the Fund administrator.

- **SUPPORTING DOCUMENTATION REQUIRED**

1. Copy of the member’s Identity document
2. Proof of the member’s bank account details

- **TURN AROUND TIME**

Application for a tax directive within three working days of calculation of benefits; Payment within five working days of tax clearance being received and on receipt of all relevant documentation.

DISABILITY CLAIMS

- **QUALIFYING CRITERIA**

Total and Permanent Disability is defined as:

The total and permanent and continuous inability in the opinion of the insurance company (not NBC or the trustees of this fund) of a member, due to injury or illness, to engage for remuneration or profit in his own occupation or any other occupation which he is suited or for which he is or could reasonably be expected to become qualified by virtue of his knowledge, training, education, ability and experience, or the permanent impairment of a member's mental or physical condition to such extent that he is unable to attend to his normal bodily functions.

- **WAITING PERIOD**

There is a 6 month waiting period from the date of disablement to the payment of the benefit. The underwriter/insurance company may, at its discretion, assess the claim in a shorter period and payout the claim sooner. The initial medical report and examination and report is paid for by the member. If the underwriter/insurance company requests the member to go for any further medical examinations or reports the underwriter/insurance company is responsible to pay for those medicals.

- **QUALIFYING FORM COMPLETION**

The following forms are to be completed for the payment of a Disability benefit from the Fund:

- **CLAIM FORMS**

1. The employer's declaration.
2. The employee's declaration
3. The confidential medical report
4. The retirement claim form once the Disability claim has been admitted as a permanent total disability.
5. The authorised signatory as appointed by the employer must sign the employe/r declaration and retirement claim form.
6. The employer must affix the employer 's official stamp.
7. Please note that it is required that all claims are electronically notified via the monthly data files. This forms part of the verification process carried out by the Fund administrators.

- **SUPPORTING DOCUMENTATION REQUIRED**

1. Copy of the member's identity document
2. Copy of the member's pay slip
3. Job description
4. Sick leave records
5. Copies of sick leave certificates
6. Proof of banking details

- **SUBMISSION PERIOD**

Claims must be notified to the fund within 9 months from date of disability. For the insurer to consider a valid claim these must be notified to the underwriter within 9 months of the date of disability and all the required documents must be submitted within 12 months of the date of disability and any additional documentation must be submitted within 60 days of request by the insurer. Any claims received after this period will be declined.

- **TURN AROUND TIME**

The time standards are dependent on the underwriter as an independent insurance company underwrites the benefit.

The claim will be finalized between 6 to 8 weeks subject to receipt of the following documentation:

- Final assessment by the Underwriter admitting the claim
- Receipt of Retirement claim form, copy of members ID and bank statement

- **NOTE REGARDING RISK PREMIUMS**

Note that a full month's contribution is required in order for this benefit to be paid i.e. if a member dies on the 5th of March; the full contribution for March is required.

If the risk premium is only paid up until February, no Risk benefits will be paid. Also note that there is no pro rata premium permissible. If no contributions or risk premiums are paid, the member is not covered. During the waiting period (while the disability claim is being assessed by the insurance company) the employer must continue to pay risk premiums, to cover the member in the event of death.

- **NOTES REGARDING DISABILITY EXCLUSIONS**

There are a number of exclusions in the policy document, which may lead to a claim being repudiated, such as: –

- ❖ Actively at work requirement for all new employees
- ❖ War, riot, biological and nuclear war
- ❖ Pre existing condition – 6 months prior and recurring 12 month after joining
- ❖ Pilot's license
- ❖ Drivers

Let's look at these exclusions in more detail.

Actively at work

A new employee must be at work attending to and capable of doing all his normal duties on the first working day on which his cover (membership) commences.

If a new employee is not actively at work on the first working day then disability cover will be delayed until he/she submits evidence of good health and the insurer is satisfied or until he/she completes 8 (eight) consecutive weeks' Service without absence.

War, riot, biological and nuclear war

A member will not receive a disability benefit if the disablement occurred directly or indirectly through: –

- Active participation in war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military action or usurped power; or

The use of nuclear, biological or chemical weapons, or any radioactive contamination, or attacks on or sabotage of facilities (including, but not limited to nuclear power plants, reprocessing plants, final repository sites and research reactors) and storage depots, which lead to the release of radioactivity or nuclear, biological or chemical warfare agents, irrespective of whether any of the aforesaid has been performed with the specific use of information technology.

Pre existing condition

No disability benefit will be paid to a member who during the first 12(twelve) months after joining the fund is disabled as a result of any injury, illness or condition that the member knew about, or could reasonably be expected to have known about or was diagnosed with or was treated for, or displayed symptoms of within 6(six) months prior to the date on which he / she joined the fund.

Please note: – that the insurance company as per the policy can change these exclusions.

RESIGNATION CLAIMS

- **FORM COMPLETION**

The following form is to be completed for the payment for a resignation benefit from the Fund:

1. Online Claim Form.
2. Please note that it is required that all claims are electronically notified via the monthly data files. This forms part of the verification process carried out by the Fund administrator.

- **SUPPORTING DOCUMENTATION**

1. Copy of the member's Identity document.
2. Proof of the members bank account details.

- **TURN AROUND TIME**

Application for a tax directive within three working days of calculation of benefits; Payment within five working days of tax clearance being received and on receipt of all relevant documentation.

DISMISSAL CLAIMS

- **FORM COMPLETION**

The following form is to be completed for the payment of a resignation benefit from the Fund:

1. Online Claim Form
2. The completion of this form is self-explanatory.
3. Please note that it is required that all claims are electronically notified via the monthly data files. This forms part of the verification process carried out by the Fund administrator.

- **SUPPORTING DOCUMENTATION**

1. Copy of the member's Identity document.
2. Proof of the members bank account details.

- **TURN AROUND TIME**

Application for a tax directive within three working days of calculation of benefits; Payment within five working days of tax clearance being received and on receipt of all relevant documentation.

RETRENCHMENT

- **FORM COMPLETION**

The following form is to be completed for the payment of a resignation benefit from the Fund:

1. Online Claim Form
2. The completion of this form is self-explanatory.
3. Please note that it is required that all claims are electronically notified via the monthly data files. This forms part of the verification process carried out by the Fund administrator.

- **SUPPORTING DOCUMENTATION**

Copy of the member's Identity document.
Proof of the members bank account details.

- **TURN AROUND TIME**

Application for a tax directive within three working days of calculation of benefits; Payment within five working days of tax clearance being received and on receipt of all relevant documentation.

DEATH CLAIMS

The following form is to be completed for the payment of a Death benefit from the Fund:

1. Death Claim Form.
2. The completion of this form is self-explanatory. Refer overleaf for a sample of a fully completed form.
3. The employer's authorised signatory must sign the death claim form.
4. The employer must affix the official employer stamp to the form.
5. Please note that it is required that all claims are electronically notified via the monthly data files. This forms part of the verification process carried out by the Fund administrator.

- **SUPPORTING DOCUMENTATION**

1. 2 X Original certified copies of the computerised death certificate
2. Copy of the member's identity document
3. Copy of the member's pay slip
4. Copy of the "Dependant & Nominee" form
5. Certified copy of marriage certificate
6. Affidavit regarding the difference in name i.e. Widow/spouse maiden name and married name.
7. Birth or Baptismal certificate in respect of children
8. Certified copies of ID/Passport of widow/guardian
9. Proof of guardianship from Magistrate court
10. Proof of dependency
11. Letter from institution confirming student status
12. Proof of banking details of beneficiaries and guardians
13. Disposal of "death benefit procedure guide".

Note: Certified copies mean documentation certified by a Commissioner of Oaths. The said document with the original certified stamp and the original signature of the Commissioner of Oaths must be provided.

There is a war, riot, biological and nuclear war exclusion under the policy

A member's dependants will not receive a death benefit if the death occurred directly or indirectly through: –

- Active participation in war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military action or usurped power; or

The use of nuclear, biological or chemical weapons, or any radioactive contamination, or attacks on or sabotage of facilities (including, but not limited to nuclear power plants, reprocessing plants, final repository sites and research reactors) and storage depots, which lead to the release of radioactivity or nuclear, biological or chemical warfare agents, irrespective of whether any of the aforesaid has been performed with the specific use of information technology.

- **DEATH CERTIFICATES**

Only the following official death certificates are acceptable when submitting death and funeral claims:

1. A formal death certificate if it is computer produced; or
2. BI 1663 a formal death certificate if it is manually produced

Note:

1. The various insurance companies will accept no other certificates.
2. Also note that a commissioner of oaths must certify these certificates i.e. copies of death certificates with the original certification are the only copies that will be accepted.

- **TURN AROUND TIME**

Payment within 6 to 8 weeks of the trustee resolution on distribution being received provided that all the requirements to make payment have been received.

- **SUBMISSION PERIOD**

Claims must be notified to the Fund within 6 months from date of death. For the insurer to consider a valid claim these must be notified to the underwriter within 3 months of the date of death and all the required documents must be submitted within 12 months of the date of death. Any claims received after this period will be declined.

FUNERAL CLAIMS

The following form is to be completed for the payment of a funeral benefit from the fund:

1. Funeral Claim Form.
 2. The completion of this form is self-explanatory. Refer overleaf for a sample of a fully completed form.
 3. The employer's authorised signatory must sign the funeral claim form.
 4. The employer must affix the official employer stamp to the form.
 5. Please note that if the funeral is in respect of a member, it is required that all claims are electronically notified via the monthly data files. This forms part of the verification process carried out by the Fund administrator.
- **SUPPORTING DOCUMENTATION IN RESPECT OF DECEASED MEMBER**
 1. Original certified death certificate.
 2. Copy of the member's identity document.
 3. Proof of banking details of beneficiary.
 - **SUPPORTING DOCUMENTATION IN RESPECT OF DECEASED SPOUSE**
 1. Original certified copy of the computerised death certificate
 2. Copy of the member's identity document
 3. Copy of the deceased's identity document
 4. Copy of the "Dependant & Nominee" form
 5. Certified copy of marriage certificate or
 6. Note from the tribal authority confirming relationship or
 7. Affidavit confirming relationship
 8. Affidavit regarding the difference in name i.e. Widow/spouse maiden name and married name.
 9. Proof of banking details.

- **SUPPORTING DOCUMENTATION IN RESPECT OF MEMBER'S DECEASED CHILDREN**

1. Original certified copy of the computerised death certificate
2. Copy of the member's identity document
3. Copy of the deceased's identity document
4. Copy of the "Dependant & Nominee" form
5. Birth or Baptismal certificate in respect of children
6. Affidavit confirming relationship
7. Letter from institution confirming student status
8. Proof of banking details

Note: Certified copies mean documentation certified by a Commissioner of Oaths. The said document with the original certified stamp and the original signature of the Commissioner of Oaths must be provided.

There is a war, riot, biological and nuclear war exclusion under the policy:

Neither the member nor his dependants are covered for a Funeral benefit if the death occurred directly or indirectly through: –

- Active participation in war, invasion, acts of foreign enemies, hostilities, warlike operations (whether war declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military action or usurped power; or
- The use of nuclear, biological or chemical weapons, or any radioactive contamination, or attacks on or sabotage of facilities (including, but not limited to nuclear power plants, reprocessing plants, final repository sites and research reactors) and storage depots, which lead to the release of radioactivity or nuclear, biological or chemical warfare agents, irrespective of whether any of the aforesaid has been performed with the specific use of information technology.

- **DEATH CERTIFICATES**

Only the following official death certificates are acceptable when submitting death and funeral claims:

1. A formal death certificate if it is computer produced; or
2. BI 1663 form – a formal death certificate if it is manually produced

Note: The various insurance companies will accept no other certificates.

Also note that a commissioner of oaths must certify these certificates i.e. copies of death certificates with the original certification are the only copies that will be accepted.

- **TURN AROUND TIME**

Payment within 3 working days of receipt of all the required documents by the underwriter. Please allow for time for the transmission of documents between the administrator and the underwriter.

- **SUBMISSION PERIOD**

Claims must be notified to the fund within 6 months from date of death. For the insurer to consider a valid claim these must be notified to the underwriter within 3 months of the date of death and all the required documents must be submitted with 12 months of the date of death. Any claims received after this period will be declined.

Please note: risk cover (death, disability and funeral) automatically stops when the member reaches age 65, which is normal retirement age.

OPTIONS ON EXITING A FUND

BCCCI PROVIDENT FUND OPTIONS TO MEMBERS ON EXITING THE FUND

The Rules of the BCCCI PROVIDENT FUND provide benefits for members leaving the Fund upon retirement, withdrawal, dismissal or retrenchment. In terms of the Rules of the Fund, members will receive a benefit and must make certain decisions regarding this benefit. The BCCCI PROVIDENT FUND is a registered fund and therefore, the rules legally govern the operation of the fund.

Should there be a conflict between this document and the rules, the rules will prevail.

The aim of this document is to provide members with details of their options on exiting the Fund. This document will hopefully help you understand the alternatives available to you when you leave the BCCCI Provident Fund. However, this is only a guide and you should not use it as the only basis for any decision that you may make.

We strongly encourage you to contact a financial planner who will be able to assist you with an overall financial planning strategy, taking into account your current financial situation, your immediate and future needs.

- **RETIREMENT FROM THE FUND**
- In terms of the Fund's Rules, all members are required to retire at the normal retirement age, being age 65.

At this date, you become entitled to a retirement benefit calculated in accordance with the Fund Rules. This benefit is an annuity/pension equal to the annuity/pension that can be purchased with your full Fund Credit.

Your Fund Credit is equal to the retirement contributions paid by you and your employer to the Fund together with the investment return earned on such monies.

You may elect to invest all or a part of your Fund Credit in an annuity/pension from a registered insurer.

Or

You may elect to take all of your Fund Credit as a lump sum cash amount.

The tax payable was amended in terms of the Taxation Laws Second Amendment Act in October 2007 and is now calculated as follows:

Taxable Amount	Rate of Tax
Not exceeding R500 000	Tax free
Exceeding R500 001 to R700 000	18% of the amount exceeding R500 000
Exceeding R700 001 to R1 050 000	R36 000 plus 27% of the amount exceeding R700 000
Exceeding R1 050 000	R130 500 plus 36% of the amount exceeding R1 050 000.

The monthly annuity/pension that you will receive will however be taxed as income. These tables are subject to change in accordance with the Income Tax Act.

- **WITHDRAWAL PRIOR TO RETIREMENT FROM THE FUND**

If you leave the BCCCI Provident Fund before retirement, you will receive a benefit from the Fund. You have a number of options surrounding the treatment of this benefit, these are:

- Transfer to a preservation Fund;
- Transfer to a retirement annuity Fund;
- Transfer to your new employer's Fund; or
- Take the benefit in cash.

Research has shown that only 1 in 10 people who are members of a pension or provident fund can rely totally on the benefit emerging from their retirement fund when they retire. The main reason for this is that they take their Fund balance in cash when they change jobs. It is therefore essential to ensure that members make their payment decisions having taken account of all their available options.

It is strongly recommended that you consult a Financial Advisor before you leave the fund and exercise any one of the following options.

Some advantages and disadvantages of the various options are set out below;

- **Transfer to a preservation Fund**

You may elect to transfer your Fund balance to a preservation fund in your own name.

Advantages

1. No tax is paid on the transfer thereby preserving the full fund balance for retirement;
2. Members have the option to make 1 (one) withdrawal from a preservation fund (which can be the full fund value);
3. You have control over where your preservation fund value is invested. A personal financial planner can spend some time with you helping you to understand your risk profile and helping you select the most appropriate portfolio.

Disadvantages

1. It has been suggested that having access to this money is a disadvantage as you can reduce this value before you retire. Should you elect to make a withdrawal before retirement, this amount will be taxed.

- **Transfer to a retirement annuity;**

You may elect to transfer your Fund balance to a retirement annuity in your own name.

Advantages

1. No tax is paid on transfer, thereby preserving the full value for when you retire;
2. You have control over where your balance is invested. A personal financial planner can spend some time with you helping you to understand your risk profile and helping you select the most appropriate portfolio.

Disadvantages

1. You can only access the monies in a retirement annuity when you reach age 55;
2. Upon access, you can only take up any portion of the benefit in cash; the balance is to be used to buy an annuity, which is to provide you with a monthly income.

- **Transfer to your new employer's Fund**

You may elect to transfer your Fund balance to your new employer's Fund should this be an option. Your benefit will only be taxed should you transfer from a Pension Fund to a Provident Fund.

Advantages

1. Your Fund Balance is saved for when you retire;
2. No tax is payable, unless you transfer from a Pension Fund to a Provident Fund.

Disadvantages

1. You will not have access to this money until you leave your new employer,
2. You may not have control over where your money is invested in your new fund,

- **Take the benefit in cash.**

You may take the benefit in cash. This is not recommended as you are losing your retirement provision.

Advantages

1. You have the cash in your hands.

Disadvantages

1. You have not saved your money for when you retire,
2. Your benefit will be taxed heavily... R 25 000.00(per life time WEF 01/03/2014) plus the total member contributions made to a Provident Fund will be tax free, and you will pay tax on the balance at your average rate of tax.

It is important to keep in mind that the earlier that you start saving, the better off you will be at retirement age. Small amounts invested years before retirement are going to be worth much more when you are older due to the effect of compound interest and investment returns. Please think about this before taking your benefits in cash, as saving for retirement now is going to be worth much more to you at retirement than cash would be now!

General Notes

Online Claim Submissions

Please note that online claim forms are also accepted from the designated HR persons responsible. This is the only time where NBC Holdings (Pty) Ltd will accept copies of the claim forms for Withdrawals and Retirements. Death and Disability claims, originals must be sent.

The following original documentation are still required:

1. Original certified death certificate with serial number
2. Copy of the member's original certified identity document or Smart ID Card (NB. a certified copy of both the front and the reverse of the Smart ID card is required and not just the front)
3. Copy of the beneficiary original certified identity document or Smart ID Card (NB. a certified copy of both the front and the reverse of the Smart ID card is required and not just the front)

Proof of banking details of beneficiary.(Bank statement not older than 1 month)

Protection of Personal Information Act

The Protection of Personal Information Act, No. 4 of 2013 ("POPI") is the first piece of South African legislation that consolidates the principle of Personal Information. POPI identifies certain types of information as Personal Information and sets conditions as to the manner in which such Personal Information may be processed or used.

In terms of POPI, Personal Information is information that relates to an identifiable, living natural person or an identifiable existing juristic person. Personal Information is defined broadly as including race, gender, marital status, religion, sex, culture, language, physical or mental health, date of birth, etc. POPI goes further to classify certain information as Special Personal Information, for example, race or ethnic origin, religious or philosophical beliefs, trade union membership, etc.

POPI affords individuals the following rights:

- The right to control how much of one's Personal Information is in the public domain
- The right to object if the information is inaccurate
- The right to know how Personal Information is to be used, and if it is to be accessed by others
- The right to request a copy of the Personal Information held
- The right to report abuse of ones right to privacy

Verification of Smart ID Card

Know Your New Smart ID Card



- RSA Flag
- Text 'ID' in Braille
- Fine line background design printed as a rainbow image
- Date of Birth - Tactile engraving
- Optically Variable Device
- Signature and information fields
- ID Design - Optically Variable Ink
- Invisible design printed as a rainbow image. (Can be viewed when exposed to an ultra-violet light source)
- Fine line background design printed as a rainbow image
- Multiple layer image containing two elements being 'RSA' and a security number
- Card number
- Line ID Barcode (Code 39)
- Secondary Image
- PDF417 Type Barcode
- Invisible design printed as a rainbow image. (Can be viewed when exposed to an ultra-violet light source)