



**KWAZULU-NATAL JOINT MUNICIPAL
PROVIDENT FUND (12/8/32588/1)
REPORT ON STATUTORY ACTUARIAL
VALUATION AS AT 31 MARCH 2009**

Prepared by

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2 December 2009

**KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND
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PART A: EXECUTIVE SUMMARY

1. We have performed a statutory valuation of the Kwa-Zulu Natal Joint Municipal Provident Fund (the “Fund”) as at 31 March 2009 (“the valuation date”). This valuation complies with the requirements of the Financial Services Board and the Actuarial Society of South Africa. The previous statutory valuation was performed as at 31 March 2006 (the “previous valuation date”). A copy of this report must be submitted to the Financial Services Board.
2. At the valuation date and at the previous statutory valuation date the Fund covered the following membership:

	31 March 2006		31 March 2009	
	Number	Annual emoluments R'000	Number	Annual emoluments R'000
Males	3 148	229 767	5 697	507 216
Females	<u>1 332</u>	<u>107 717</u>	<u>2 280</u>	<u>218 343</u>
Total	<u>4 480</u>	<u>337 484</u>	<u>7 977</u>	<u>725 559</u>

3. The market value of the Fund’s assets was R 573 952 000 at the valuation date.
4. The valuation results in respect of service accrued up to the valuation date, and at the previous valuation, date were as follows:

	31 March 2006	31 March 2009
	R'000	R'000
Members’ Share Account - As per financials	365 389	575 459
- Adjustment*	<u>(343)</u>	<u>(742)</u>
	365 046	574 717
Reserve Accounts	<u>55 208</u>	<u>(765)</u>
Market value of assets	<u>420 254</u>	<u>573 952</u>

* 31 March 2006: Included in the Member’s Share Account is an estimated R 343 000 in respect of amounts that should have been deducted from lump sums transferred into the Fund and added to the Investment Reserve.

31 March 2009: Adjustment in respect of incorrect breakdown of benefits between the Member Share Account, Risk Reserve Account and Investment Reserve Account as well as incorrect provision in respect of transfer values receivable and payable.

5. The Fund self-insures its risk benefits and holds a Risk Reserve as a measure of protection against volatility in claims experience. Circular PF117 from the Financial Services Board sets KNJMPPF – Statutory Actuarial Valuation as at 31/03/2009

out the standards required of actuarial valuations. In terms of PF117, the balance required to be held in the Risk Reserve Account was determined to be R 13 165 000. We recommend that the Risk Reserve Account be set at this amount.

6. In order to provide a cushion against volatility in the investment markets, the Fund declares investment earnings on a smoothed basis and thus holds an Investment Reserve. The level of this Reserve is reviewed quarterly by the Committee of Management, taking into account market conditions. In the year prior to the valuation date, the Investment Reserve was released in full to reduce the impact of poor investment performance on bonuses credited to members. At the valuation date the Investment Reserve was therefore equal to 0% of the members' Full Benefits.
7. Benefits paid to members who exit the Fund include an equitable portion of the Investment Reserve, in accordance with the minimum benefits prescribed for defined contribution funds in the Pension Funds Act.
8. Allowing for the above, the Unallocated Assets of the Fund were negative at the valuation date and amounted to R 13 930 000, as follows:

	R'000
Share Account	574 717
Investment Reserve (0%)	0
Risk Reserve	13 165
Unallocated Assets	<u>(13 930)</u>
Total market value of assets	<u>573 952</u>

9. The liabilities therefore exceeded the market value of assets by R 13 930 000, or about 2,42% of the Share Account. A negative Investment Reserve from time to time is a feature of the smoothed bonus approach followed by the Fund. Subsequent to the valuation date, the Fund has recouped this deficit by declaring smaller bonuses than investment returns earned, such that no further action is required to eliminate the shortfall.
10. The Committee of Management of the Fund has taken note of the changes to the Pension Funds Act, in particular to the definition of "Fund Return". In this light the Committee is reviewing the smoothing approach that the Fund applies for granting investment returns to members and is considering granting actual monthly investment returns.
11. The contribution rate allocated towards risk benefits and expenses in the year following the valuation date is sufficient to cover the cost of these benefits and expenses.
12. The Fund self-insures the risk benefits. The amount in the Risk Reserve provides a cushion against fluctuations in claims experience.
13. There are material differences between the Share Account reflected in the financial statements and the Share Account from the data. We recommend that the Fund's Audit Committee review the procedures of the Fund with a view to aligning the value of the Share Account

reflected in the financial statements and the data. The Fund is moving to a new administration system, which should assist greatly in this regard.

14. Members are able to choose a rate of contribution between 5% and 9,25% of pensionable salaries. We note that 58% of members have chosen the lowest rate of contribution, which reduces the expected retirement benefit. We recommend that the Committee consider implementing an education programme on the longer term benefit of increasing their rate of contribution.
15. I am satisfied that the assets of the Fund are appropriate given the liabilities.
16. Subject to paragraph 9, I certify that the Fund was in a sound financial condition as at 31 March 2009.

**A R ELS (FIA CFP FASSA)
VALUATOR**

In my capacity as valuator to the Fund
and as an employee of Arthur Els & Associates

2 December 2009

**S HEYNEKE (FIA CFA FASSA)
ACTUARY**

In my capacity as actuary and as an
employee of Arthur Els & Associates

**REPORT TO THE COMMITTEE OF THE
KWAZULU-NATAL JOINT MUNICIPAL PROVIDENT FUND
ON THE STATUTORY ACTUARIAL VALUATION
AS AT 31 MARCH 2009**

INTRODUCTION

1. A statutory actuarial valuation of the KwaZulu-Natal Joint Municipal Provident Fund (the “Fund”) was performed as at 31 March 2009. This valuation complies with the requirements of the Financial Services Board and the Actuarial Society of South Africa. A copy of this report needs to be submitted to the Financial Services Board.
2. The last statutory valuation was performed as at 31 March 2006. Interim actuarial valuations of the Fund were also carried out as at 31 March 2007 and 31 March 2008.
3. The period between 31 March 2006 (when the last statutory valuation was performed) and 31 March 2009 is referred to as the “valuation period”.

PURPOSE OF THE VALUATION

4. The purpose of the valuation is to consider the financial soundness of the Fund in terms of the funding objectives laid down by the Actuarial Society of South Africa and as required by the Registrar of Pension Funds.
5. This requires that the following be determined:
 - (1) whether the existing assets of the Fund are sufficient to cover the Fund’s accrued liabilities towards its members for service prior to the valuation date;
 - (2) whether the nature of the assets of the Fund is suitable to match the nature of the liabilities of the Fund;
 - (3) whether the Fund is in a position to continue meeting the benefits and other commitments in terms of its rules;
 - (4) whether a further bonus should be declared; and
 - (5) whether the available contributions are sufficient to meet the costs of the death benefits and of administration.

OPERATIONS SINCE LAST STATUTORY VALUATION

6. (1) Investment earnings are credited to members’ Full Benefits by means of interim monthly bonuses and supplementary bonuses, on a smoothed bonus approach. The same level of bonuses applies to all members. When a member leaves the Fund, the Full Benefit is adjusted for the Investment Reserve at the date of exit. The Investment Reserve is also determined on a smoothed approach.

- (2) The level of the interim monthly bonus and the balance of the Investment Reserve are determined quarterly in advance by the Committee of Management on the advice of the actuary. The interim monthly bonuses and adjustment for the Investment Reserve over the valuation period have been as follows:

	Interim bonus p.m.	Investment Reserve
Month	%	%
01/04/2006	3,0	7,0
01/05/2006 to 31/07/2006	0,0	7,0
01/08/2006 to 31/10/2006	1,0	7,0
01/11/2006 to 31/01/2007	2,0	7,0
01/02/2007 to 30/04/2007	3,0	7,0
01/05/2007 to 31/07/2007	1,0	7,0
01/08/2007 to 31/10/2007	0,0	7,0
01/11/2007 to 31/01/2008	1,0	7,0
01/02/2008 to 31/10/2008	0,0	7,0
01/11/2008 to 30/11/2008	0,0	0,0
01/12/2008 to 31/01/2009	-2,0	0,0
01/02/2009 to 31/03/2009	0,0	0,0

- (3) Supplementary and final bonuses have been credited during the valuation period as follows:

Date	Supplementary bonus
	%
31/03/2007	6,0
31/10/2007	5,1

- (4) The following annualised returns credited to members' Full Benefits during the valuation period are set out below. The actual investment returns earned are included for comparative purposes.

Year ending	Annual return credited	Annual return earned
	%	%
31/03/2007	26,4	29,6
31/03/2008	14,9	7,0
31/03/2009	(3,9)	(11,2)

The total return credited to members' Full Benefits during the valuation period therefore amounted to 39,5% (inclusive of all supplementary bonuses). The total returns earned during the valuation period amounted to 23,1% . In addition, the Investment Reserve available for smoothing the declaration amounted to 7% during the valuation period. The total income available for declaration was thus 30,1%.

The difference in the earned and credited returns is due to:

- (i) The interim bonus for April 2006 of 3% was funded from investment returns for the period ending January 2006, i.e. in the previous valuation period;
 - (ii) As per paragraph 21 an over-declaration of 2,42% was made and will be recouped from investment earnings after the valuation date; and
 - (iii) The final bonus of 2,9% in respect of investment earnings earned up to 31 March 2006 was incorporated into the 5,1% bonus granted as at 31 October 2007.
- (5) The Committee of Management of the Fund has taken note of the changes to the Pension Funds Act, in particular to the definition of “Fund Return”. In this light the Committee is reviewing the smoothing approach that the Fund applies for granting investment returns to members and is considering granting actual monthly investment returns.

PARTICULARS SUPPLIED

7. Particulars were supplied of –

- (1) audited financial statements (Appendix 1);
- (2) the assets held by the Fund at the valuation date (Appendix 2);
- (3) the members of the Fund at the valuation date (Appendix 3); and
- (4) the conditions governing the payment of benefits in terms of the rules of the Fund (Appendix 4).

8. At the valuation date and at the previous statutory valuation date the Fund covered the following membership:

	31 March 2006		31 March 2009	
	Number	Annual emoluments R'000	Number	Annual emoluments R'000
Males	3 148	229 767	5 697	507 216
Females	<u>1 332</u>	<u>107 717</u>	<u>2 280</u>	<u>218 343</u>
Total	<u>4 480</u>	<u>337 484</u>	<u>7 977</u>	<u>725 559</u>

9. The particulars were reconciled with each other. We are satisfied that the particulars provided by the Fund are sufficiently accurate for purposes of this valuation.

RESULTS OF VALUATION

Assets

10. Based on the audited financial statements the market value of the Fund's assets was R 573 952 000 at the valuation date.

Members' Share Account

11. The Share Account comprises the total of the Members' Full Benefits at the valuation date. The audited financial statements reflect the total Share Account to amount to R575 459 000. We have adjusted this value to allow for the following:
- (1) The correct breakdown of benefits accrued between the Member Share Account, Risk Reserve Account and Investment Reserve Account; and
 - (2) Transfer values for members who transferred into or out of the Fund and that were not provided for in full; or were not adjusted for investment returns to the valuation date.
12. Allowing for the above, the revised value of the Share Account shown in the financial statements is taken to be R 574 717 000.
13. The data provided for the valuation showed a total of R571 272 000 for the Share Account. The difference between this value and the revised Share Account value shown above, is mainly due to members who transferred into the Fund and whose records were not updated for the transfer values or where the transfer values were updated on the records at incorrect dates. A small difference also arose due to incorrect administration records.
14. It is thus seen that there are significant differences between the Share Account reflected in the financial statements and the Share Account from the data. There are material differences between the Share Account reflected in the financial statements and the Share Account from the data. We recommend that the Fund's Audit Committee review the procedures of the Fund with a view to aligning the value of the Share Account reflected in the financial statements and the data. The Fund is moving to a new administration system, which should assist greatly in this regard.

Risk Reserve

15. The Fund self-insures its risk benefits in excess of the Full Benefit. It therefore maintains a Risk Reserve Account as a measure of protection against volatility in claims experience. Circular PF117 from the Financial Services Board sets out the standards required of actuarial valuations.
16. In terms of PF117, the balance required to be held in the Risk Reserve Account was determined to be R 13 165 000. We recommend that the Risk Reserve Account be set at this amount.

Investment Reserve

17. In order to provide a cushion against volatility in the investment markets, the Fund holds an Investment Reserve. The level of this Reserve is reviewed quarterly by the Committee of Management, taking into account market conditions.
18. During the year prior to the valuation date the Investment Reserve was released to reduce the impact of poor investment performance on bonuses credited to members. At the valuation date the Investment Reserve was therefore equal to 0% of the members' Full Benefits.
19. Benefits paid to members who exit the Fund include an equitable portion of the Investment Reserve Account, in accordance with the minimum benefits prescribed for defined contribution funds in the Pension Funds Act.

Unallocated assets

20. Allowing for the above, the Unallocated Assets of the Fund were negative at the valuation date and amounted to R 13 930 000, as follows:

	31 March 2006	31 March 2009
	R'000	R'000
Share Account	365 046	574 717
Investment Reserve Account	25 553	0
Risk Reserve Account	6 382	13 165
Final bonus at valuation date	11 555	0
Interim bonus (April following valuation date)	11 718	0
Unallocated Assets (deficit)	<u>0</u>	<u>(13 930)</u>
Total market value of assets	<u>420 254</u>	<u>573 952</u>

21. The liabilities therefore exceeded the market value of assets by R 13 930 000, or about 2,42% of the Share Account. This is a feature of the smoothed bonus approach followed by the Fund. Since the valuation date, the Fund has recouped this deficit by declaring smaller bonuses than investment returns earned, such that no further action is required in this regard.
22. The Committee of Management of the Fund has taken note of the changes to the Pension Funds Act, in particular to the definition of "Fund Return". In this light the Committee is reviewing the smoothing approach that the Fund applies for granting investment returns to members and is considering granting actual monthly investment returns.

Contribution rate assessment

23. Each member can elect to contribute to the Fund at either 5%, 7% or 9,25% of his/her pensionable emoluments. The employer contributes 1,95 times the member's contributions.
24. Of the contribution by the Employer, 3,75% of pensionable emoluments is applied to meeting the cost of the risk benefits and expenses.
25. The fund self-insures the lump sum death benefit in excess of the Full Benefit. The actual cost of the self-insured portion of the death benefit was as follows during the valuation period:

Year ending	% of emoluments
31/03/2007	1,93%
31/03/2008	2,70%
31/03/2009	2,16%

26. We have investigated the mortality experience of the Fund over the valuation period. Our investigation revealed that:
- The actual male mortality experience was higher than the assumptions used in the previous statutory actuarial valuation the especially at ages younger than 40; and
 - The female mortality assumption was consistent with the actual mortality experience.
27. We therefore increased the mortality assumptions for males as set out in Appendix 5.
28. Assuming that the age profile of the membership remains the same, the expected contribution required to provide death benefits for one year following 31 March 2009 is estimated to be equal to 2,16% of pensionable emoluments.
29. The table below sets out the administration fees as a percentage of emoluments during the valuation period.

Year ending	% of emoluments
31/03/2007	0,91%
31/03/2008	0,89%
31/03/2009	0,94%

The slight increase in the administration fee percentage in the final year is due to a new administration and information technology platform that has been commissioned by the Committee of Management in that year.

30. The expected cost of the risk benefits and expenses in the year following the valuation date is thus 3,1% (2,16% plus 0,94%) of pensionable emoluments. This is covered by the

available contribution of 3,75%, so that in the coming year the contribution is expected to be sufficient to meet the risk benefit costs and expenses.

31. Over the longer term, the adequacy of the available 3,75% contribution to cover the cost of risk benefits and expenses is harder to predict. The adequacy of the contribution rate and any possible reduction in risk benefits is investigated during each annual valuation.

CONCLUSIONS

32. The market has been very volatile over the past year. This resulted in the release of the Investment Reserve to reduce the impact of the poor investment earnings on bonuses credited to the Share account. Despite this, the Fund reflected a deficit of R 13 930 000 as at the valuation date. A negative Investment Reserve from time to time is a feature of the smoothed bonus policy followed by the Fund. Subsequent to the valuation date, the Fund has recouped this deficit by declaring smaller bonuses than investment returns earned, such that no further action is required to eliminate the shortfall.
33. The Committee of Management of the Fund has taken note of the changes to the Pension Funds Act, in particular to the definition of “Fund Return”. In this light the Committee is reviewing the smoothing approach that the Fund applies for granting investment returns to members and is considering granting actual monthly investment returns.
34. The Unallocated Assets were negative at the valuation date, and I therefore recommend that no final bonus be declared on the members’ Full Benefits for the year to the valuation date.
35. Subsequent to the valuation date, the investment markets have performed well. However, the market is still very volatile and fluctuations in asset values can be expected.
36. The Fund self-insures the risk benefits. The rate of contribution to the Fund is sufficient to meet the cost of the risk benefits and the cost of administration. The amount in the Risk Reserve provides a cushion against fluctuations in claims experience.
37. There are material differences between the Share Account reflected in the financial statements and the Share Account from the data. We recommend that the Fund’s Audit Committee review the procedures of the Fund with a view to aligning the value of the Share Account reflected in the financial statements and the data. The Fund is moving to a new administration system, which should assist greatly in this regard.
38. Members are able to choose a rate of contribution between 5% and 9,25% of pensionable salaries. We note that 58% of members have chosen the lowest rate of contribution, which reduces the expected retirement benefit. We recommend that the Committee consider implementing an education programme on the longer term benefit of increasing their rate of contribution.

ACTUARIAL CERTIFICATE

39. I certify that:
- 39.1 I am satisfied that the assets of the Fund are appropriate given the liabilities.
- 39.2 The contribution rate allocated towards risk benefits and expenses in the year following the valuation date is sufficient to cover the cost of these benefits and expenses.
40. Subject to the adjustment in paragraph 32, I certify that the Fund was in a sound financial condition as at 31 March 2009.

A R E L S (FIA CFP FASSA)
VALUATOR

In my capacity as valuator to the Fund
and as an employee of Arthur Els & Associates

2 December 2009

S H E Y N E K E (FIA CFA FASSA)
ACTUARY

In my capacity as actuary and as an
employee of Arthur Els & Associates

ACCOUNTS OVER VALUATION PERIOD

The audited financial statements show the following:

	R'000	R'000
Fund at 31 March 2006 (at market value)		420 254
Income		493 859
Expenditure		<u>(340 161)</u>
Fund at 31 March 2009 (at market value)		<u>573 952</u>

We have been advised that the breakdown of benefit payments shown in the audited statements over the last two years is incorrect. We have restated the breakdown of benefit payments based on the data supplied. Allowing for the latter, we have based the valuation on the following figures.

	R'000	R'000
Fund at 31 March 2006 (at market value)		420 254
Income		429 570
member contributions	100 399	
employer contributions	195 778	
transfers from other funds	20 702	
investment proceeds	110 698	
other income	278	
unclaimed benefits	<u>1 715</u>	
Expenditure		(275 872)
lump sums on retirement	(73 640)	
lump sums on death	(69 728)	
lump sums on withdrawal	(92 401)	
general administration expenses	(14 457)	
investment administration expenses	(9 480)	
retirement fund taxation	(1 667)	
transfers paid	<u>(14 499)</u>	
Fund at 31 March 2009 (at market value)		<u>573 952</u>

We are satisfied that the data provided is consistent with the above statements.

APPENDIX 2

ASSETS

2.1 The total market value of the assets was R 573 952 000 as at 31 March 2009, as follows:

	Market value R'000	Percentage
Stocks	35 351	6,16%
Ordinary shares	370 299	64,53%
Derivative Market Instruments	(5 252)	(0,92%)
Collective Investment Schemes:		
- inside the Republic	13 552	2,36%
- outside the Republic	57 134	9,95%
Other	21 002	3,66%
Deposits	110 409	19,24%
Cash at bank	(5 380)	(0,94%)
Current assets	<u>18 558</u>	<u>3,23%</u>
	615 673	107,27%
Less: Current liabilities	<u>(45 805)</u>	<u>(7,98%)</u>
Total as per Financial Statements	569 868	99,29%
Adjustment in respect of transfers in and out	<u>4 084</u>	<u>0,71%</u>
Total	<u>573 952</u>	<u>100,00%</u>

2.2 The total market value of the assets was apportioned to the various accounts by crediting and debiting the various income and expenditure items to the various accounts. The amounts of the accounts were as follows:

	Market value R'000
Members' Share Account*	574 717
Risk Reserve Account	13 165
Investment Reserve Account	0
Unallocated Assets	<u>(13 930)</u>
	<u>573 952</u>

* Adjusted as explained in the main report in paragraph 10.

2.3 In Appendix 6, the above reserve and account balances are reconciled to the valuation reserves and accounts.

APPENDIX 3

MEMBERSHIP

- 3.1 The number of members at the valuation date, their pensionable emoluments and their Full Benefits including interim bonuses up to that date were as follows:

MALES

Age	Number	Pensionable Emoluments (R)	Full Benefit (R)	Average per member	
				Pensionable Emoluments (R)	Full Benefits (R)
< 25	327	24 610 999	4 178 741	75 263	12 779
25 - 30	994	84 644 385	24 065 643	85 155	24 211
30 - 35	1281	121 215 662	54 374 107	94 626	42 447
35 - 40	1032	92 656 912	59 590 971	89 784	57 743
40 - 45	697	60 920 722	46 768 134	87 404	67 099
45 - 50	581	54 751 143	58 494 092	94 236	100 678
50 - 55	366	31 764 436	54 611 834	86 788	149 213
55 - 60	286	25 321 790	57 804 284	88 538	202 113
60+	133	11 329 598	29 445 805	85 185	221 397
Total	5 697	507 215 647	389 333 611	89 032	68 340

FEMALES

Age	Number	Pensionable Emoluments (R)	Full Benefit (R)	Average per member	
				Pensionable Emoluments (R)	Full Benefits (R)
< 25	132	10 150 934	1 755 155	76 901	13 297
25 - 30	468	44 681 130	16 178 450	95 473	34 569
30 - 35	540	53 589 269	30 148 404	99 239	55 830
35 - 40	397	40 376 299	32 007 044	101 704	80 622
40 - 45	259	24 404 050	26 156 643	94 224	100 991
45 - 50	212	19 481 520	22 892 938	91 894	107 986
50 - 55	134	11 863 853	22 277 969	88 536	166 254
55 - 60	90	8 435 555	19 947 678	93 728	221 641
60+	48	5 360 696	14 019 307	111 681	292 069
Total	2 280	218 343 306	185 383 587	95 765	81 309

3.2 MEMBERSHIP RECONCILIATION PER DATA

Membership at 31 March 2006		4 480
New Members		4 869
Transfers In		152
Exits		(1 524)
Resignations	(806)	
Dismissals	(105)	
Deaths	(330)	
Ill-health	(44)	
Superannuation	(113)	
Retrenchments	(1)	
Transfers	(114)	
Adjustments ¹	(11)	
Membership at 31 March 2009²		<u>7 977</u>

1. Duplicate records deleted

2. Includes 1 deferred pensioner

3.3 Members are able to choose to contribute at different rates. At the valuation date members were contributing as follows:

Member's rate of contribution (% of pensionable emoluments)	No. of members
5%	4 626
7%	1 633
9,25%	1 718

APPENDIX 4

BENEFITS AND CONDITIONS

4.1 The principal benefits and conditions of the Fund at the valuation date are described below.

Member's contributions	Until 30 June 2000 each member contributed 5% of pensionable emoluments. With effect from 1 July 2000 members have the option of contributing at either 5%, 7% or 9,25% of pensionable emoluments.
Local authorities' contributions	An amount equal to 1,95 times the contributions paid by the members. Of this amount, 3,75% is used to meet the cost of the risk benefits and expenses of administration, and the balance is allocated to the members' Full Benefits.
Full Benefit	Initial transfer plus member's contributions plus local authorities' contributions for Full Benefits plus interim, special and final bonuses.
Pension age	65 years
Earliest retirement age	58 years
Benefit on retirement after earliest retirement age	Full Benefit
Benefit on retirement because of ill-health	Full Benefit
Benefit on death in service	Full Benefit plus 0,7% of annual pensionable emoluments for each month from date of death to the date on which the member would have attained the pension age (subject to a maximum of 2,1 times annual pensionable emoluments).
Withdrawal	Full Benefit.

APPENDIX 5

VALUATION ASSUMPTIONS FOR MEMBERS - DEATH

Age	Average annual rate of death (per cent) between age stated	
	Males	Females
	%	%
20	1,07	0,50
25	1,43	0,75
30	1,79	1,00
35	2,32	1,25
40	1,90	1,05
45	2,26	1,35
50	2,62	2,10
55	3,21	2,10
60	4,05	2,10
65		

APPENDIX 6

RESERVE ACCOUNT BUILD-UP FROM 31.03.2006 TO 31.03.2009 (R'000)

	Full Benefit	Risk Reserve	Investment/ Unallocated Reserve	Total
Balance as at 31/03/2006 (previous statutory valuation)	386 796	6 382	27 076	420 254
INFLOW				
Contributions				
- Member	100 399			100 399
- Employer retirement	136 412			136 412
- Employer risk and expenses		59 366		59 366
Transfer received	15 459		5 243	20 702
Other Income		278		278
Unclaimed benefits			1 716	1 716
Investment proceeds			110 698	110 698
OUTFLOW				
Administration expenses		(14 457)		(14 457)
Investment manager's fees			(9 480)	(9 480)
Retirement Fund Tax			(1 668)	(1 668)
Lump sums on death	(25 607)	(37 241)	(6 879)	(69 728)
Lump sums on retirement	(65 428)		(8 212)	(73 641)
Lump sums on withdrawal	(85 665)		(6 724)	(92 389)
Transfers paid	(12 179)		(2 320)	(14 499)
Investment Income Allocated	123 850		(123 850)	0
Balance as at 31/03/2009 as per accounts	574 037	14 328	(14 400)	573 964
Release of Risk Reserve		(2 495)	2 495	
Interim bonus April 2009	0		0	
Adjustments to Financials over valuation period	680	1 333	(2 027)	(14)
Balance as at 31/03/2009 as per valuation	574 717	13 166	(13 932)	573 951

LIMITATIONS TO USE OF REPORT

This report has been prepared for the Committee of Management of the KwaZulu-Natal Joint Municipal Provident Fund. Its contents and conclusions should not be used by any other party, as the purpose for which this report has been prepared may not be appropriate for other uses.

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