

MEMBER NEWSLETTER

Your news update - August 2022

MESSAGE FROM THE CEO/PRINCIPAL OFFICER

Members of NJMPF, greetings!

We are slowly but surely emerging from Winter and heading towards the warmer days that Spring brings - hopefully with better times ahead and which will put a proverbial "spring" in our steps. In the second quarter of 2022, I have had the rare privilege of being able to travel to different municipalities and interact with our members in those municipalities through our member engagement programme themed "Meet the Anchor the Steers the NJMPF Ship". I would like to thank all municipalities that accommodated me and the team in their premises and made this initiative a success. This allowed me to get direct feedback from members and it also created a platform where members can get information direct from the Fund's CEO, CFO, and the Communications team. As the year progresses, I will continue with this initiative, and hope that I will get the same reception in all the other municipalities.



Mr Bonginkosi Mkhize

Even if you missed this initiative in your municipality, please remember that we are an email or a phone call away. If you need help with an explanation of any of the Fund benefits and products, please email info@njmpf.co.za or call 031 279 5300 and ask one of our friendly and helpful Client Services Administrators to assist you. They are always available to assist with any queries that you may have which could include (but not limited to):

1. What is your Fund balance?
2. What is your surety value for the Pension backed housing loan?
3. What to do if you are resigning?
4. What is the best option at retirement?
5. How does the Fund's funeral policy work and its cover?
6. What is the process of updating your contact details and beneficiaries?

BENEFIT STATEMENT REVIEW SEASON

It's that time of the year again, where the Fund distributes benefit statements to all NJMPF members. I would like to remind members that in compliance with the Protection of Personal Information Act, the Fund no longer distributes physical copies of the benefit statements. Benefit statements are now distributed electronically to all members who have submitted their valid email addresses to the Fund. In order to cater for members who do not have email addresses, the Fund will email the statements to the municipal Human Resources office. I would like to encourage members to review their statements to monitor growth of their retirement savings. If there are any areas that members need clarity on, they are welcome to contact the Fund's Client Services department, where a friendly Client Services Administrator will assist them. Alternatively, members can submit an enquiry via the Fund's website (www.njmpf.co.za). Equal to ensuring that members monitor their Net Replacement Ratio, is the importance of ensuring that the Fund has your correct personal and beneficiary details.

RETIREMENT FUND COLLECTIVE AGREEMENT

NJMPF is currently regulated by the KwaZulu-Natal Joint Municipal Pension / Provident Fund Regulations (for Superannuation, Retirement and Provident Fund) and is therefore, not bound by the agreement and any component of the collective agreement which is not consistent with these Regulations. Should disputes arise between the Fund and the municipalities regarding the agreement with respect to payment of contributions to the Funds, this could give rise to litigation. NJMPF is registered with the Financial Service Conduct Authority (FSCA) and complies with the Pension Funds Act, therefore non-payment of contributions will be in breach of Section 13A of the Pension Funds Act.

KwaZulu-Natal Joint Municipal Pension/Provident Funds

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KNOW YOUR FUND

ACCESS TO YOUR RETIREMENT SAVINGS

National Treasury released the Draft Revenue Laws Amendment Bill of 2022 on 29 July 2022. The Bill proposes to introduce the “two pot system” for retirement funds with effect 1 March 2023. This is aimed at enabling retirement fund members to save for non-retirement emergencies through their retirement funds, whilst preserving more savings for retirement.

Here is what you need to know about the “Two Pot” system.

Retirement funds will be required to allocate contributions to a new “retirement pot” and a “savings pot” from the effective date, which is proposed to be, 1 March 2023.

To effect these changes, the Income Tax Act will include the following new definitions: “savings pot”, “retirement pot”, and “vested pot”.

Let us unpack what these definitions mean.

The Savings Pot

Up to 1/3 of contributions can flow to the “savings pot”, while the remainder must flow to the “retirement pot”.

There will be no transfer of a lump sum from the “vested pot” for immediate access.

Amounts contributed to the “savings pot” can be accessed annually but only one withdrawal can be made during any twelve-month period.

The minimum withdrawal amount is proposed to be R2 000.00. These withdrawals will be subject to the fund rules allowing them.

Any funds available in the “savings pot” at retirement or death can either be withdrawn in full or transferred to the “retirement pot”.

The Vested Pot

There will be a “vested pot” applicable to the value of funds that exist prior to the effective date.

Individuals who resign from their employment will be able to access the value of their pension fund or provident fund as at 1 March 2023, plus any growth on that amount. Members of preservation funds will still be able to utilise their once-off withdrawal on amounts (and growth) within those funds.

All prior contributions and growth will have to be valued at the date immediately prior to the effective date to enable vesting of rights.

The vested rights provisions relating to members who were members of provident funds on 1 March 2021 will remain intact. No further contributions can be made to the “vested pot” of funds, except for members of provident funds who were 55 years or older on 1 March 2021, as they are able to contribute those funds until they either leave the fund or retire.

The Retirement Pot

Amounts contributed to the “retirement pot” cannot be accessed before retirement and must be paid in the form of an annuity (including a living annuity). The current minimum amount for purchasing an annuity (de minimus of R1 65 000) will apply to the retirement pot.

The Fund is closely monitoring developments around this Bill and will keep members informed and updated of any developments.

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IPHEPHANDABA LOKWAZISA AMALUNGA Izindaba zakamumva - Agasti 2022

UMYALEZO OVELA KUMPHATHI OMKHULU i-CEO/ PRINCIPAL OFFICER

Nginyanibingelela malunga eSikhwama iNJMPF!

Kancane kancane sebuyaphuma ubusika, sesibheke ezinsukwini ezifudumele zeNtwasahlobo - nginethemba lokuthi iNtwasahlobo iza nezikhathi ezingcono ezimpilweni zethu. Ngekota yesibili yonyaka ka-2022, ngibe nenhlalaha yokukwazi ukuvakashela omasipala abahlukene ngaphansi komkhankaso weSikhwama wokwazana kangcono namalunga onesiqubulo esithi "Meet the anchor that steers the NJMPF Ship". Lomkhankaso ungineke ithuba eliyinqayisivele lokukwazi ukuxoxisana namalunga eSikhwama akulabo masipala. Ngithanda ukubonga kakhulu kubo bonke omasipala abangamukele ngezandla ezimhlophe emagcekeni abo, ngiphinde ngibonge nethimba lakandaba zabantu elilekelelele ukwenza loluhlelo lwaba impumelelo. Loluhlelo lwanginika ithuba lokukwazi ukuthi ngithole imibono evela ngqo kumalunga futhi kwakhandeka nenkundla lapho amalunga engathola khona izimpendulo kimina ngqo njengomphathi weSikhwama, iku-CFO, kanye nakwithimba Lezokuxhumana leSikhwama. Njengoba unyaka uqhubeka, ngizoqhubeka nalolu hlelo, futhi ngithemba ukuthi ngizothola ukwamukeleka okufanayo kubo bonke abanye omasipala.



Mr Bonginkosi Mkhize

Noma ngabe uphuthelwe yilolu hlelo kumasipala wakho, sicela ukhumbule ukuthi siyatholakala nge-imeyili, siphinde sitholakale ngocingo. Uma udinga usizo ngencazelo yanoma yiziphi izinzuzo zeSikhwama, sicela uthumele i-imeyili ku-info@njmpf.co.za noma usishaye ku-031 279 5300 ucele omunye wethimba lethu lakwa-Client Services ukuba akusize. Bahlala betholakala ukuze bakusize nganoma yimiphi imibuzo ongase ube nayo engahlanganisa (kodwa akugcini nje kulokhu):

1. Ithini ibhalansi yeSikhwama sakho?
2. Singakanani isibambiso sakho semalimboleko yezindlu exhaswe yiSikhwama Somhlalaphansi?
3. Yikuphi ekufanele ukwenze uma wesula emsebenzini?
4. Iyiphi indlela engcono kakhulu uma usuthatha umhlalaphansi?
5. Usebenza kanjani umasingwabisa weSikhwama kanye nokuthi imaphi amalunga omndeni okwazi ukuwafaka?
6. Uyivuselala kanjani imininingwane yakho yokuxhumana kanye nokuqoka izindlalifa?

SEKUFIKE LESO SIKHATHI SOKUBUYEKEZA IZINZUZO ZAKHO ESIKHWAMENI

Sekuyileso sikhathi sonyaka futhi lapho iSikhwama sithumela izitatimende zenzuzo (Benefit Statements) kuwo wonke amalunga e-NJMPF. Ngithanda ukukhumbuza amalunga ukuthi ngokulandela umthetho wokuvikela iminingwane eyimfihlo yamalunga (iProtection of Personal Information Act), izitatimende zenzuzo manje sezithunyelwa ngohlobo lwe imeyili kuwo wonke amalunga asithumele ama-imeyili awo asebenzayo.

Ukuze kubhekeleleke amalunga angenawo ama-imeyili, iSikhwama sizothumela izitatimende zalawo malunga nge-imeyili ehhovisi lakandabazabantu (HR) kubona bonke omasipala. Ngithanda ukukhuthaza amalunga ukuthi abuyekeze izitatimende zawo ukuze abheke ukukhula kwezinzuzo zawo zomhlalaphansi. Uma kukhona lapho amalunga adinga ukuchazeleka khona, ngiyagqagquzela ukuthi athintane nomnyango wethu wakwa-Client Services, lapho omunye wozakwethu ezokwazi ukuwalekelela khona ngesineke nagenhlonipho. Amalunga ayakwazi nokuthumela imibuzo nge webhusayithi yeSikhwama (www.njmpf.co.za).

Njengoba ukubalulekile ukuthi amalunga aqaphele i-Net Replacement Ratio yawo, kuphinde kubaluleke nokuthi amalunga aqinisekise ukuthi iSikhwama sinemininingwane yawo efanele yezokuxhumana kanye neyezindlalifa.

ISIVUMELWANO SOMFELAMDAWONYE WEZIKHWAMA ZOMHLALAPHANSI

I-NJMPF njengamanje ilawulwa imithetho nqubo ye-KwaZulu-Natal Joint Municipal Pension/Provident Funds Regulations (ye-Superannuation, i-Retirement ne Provident Fund) ngakho-ke ayibophezelekile esivumelwaneni nanoma iyiphi ingxenye yesivumelwano engahambisani nale mithethonqubo. Uma kwenzeka kuqubuka izingxabano phakathi kweSikhwama nomasipala mayelana nalesivumelwano okungaholela ekutheni umasipala ungawakhokheli amalunga eSikhwameni, leso senzo singabeka umasipala ecaleni ekungafanele lihanjiswa enkantolo.

i-NJMPF iphinde elawulwe imithetho yaka-Financial Service Conduct Authority (i-FSCA) futhi iyathobelana noMthetho Wezikhwama Zempesheni (iPensions Funds Act), ngakho-ke ukungakhokhi iminikelo yanyanga zonke yamalunga kuyobe kuphula iSigaba 13A soMthetho Wezikhwama Zempesheni.

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YAZI ISIKHWAMA SAKHO

UKUFINYELELA EMALINI YOMHLALAPHANSI SINGAKAFIKI ISIKHATHI

UMnyango Wezezimali Kazwelonke (I-National Treasury) ukhiphe uMthethosivivinyo Wokuchibiyela Uhlaka Lwemithetho Yemali Engenayo ka-2022 ngezi-29 kuJulayi 2022. UMthethosivivinyo uhlongoza ukwethula uhlelo "Iwezimbiza ezimbili" (i-Two Pot System) lwezikhwama zomhlalaphansi kusukela mhlaka-1 kuMashi 2023. Lokhu kuhloswe ngakho ukuthi amalunga ezikhwama zomhlalaphansi akwazi ukongela izimo eziphuthumayo ezingahlobene nomhlalaphansi wawo besebenzisa izikhwama zawo zomhlalaphansi, bebe futhi bonga imali eyengeziwe yokuthatha umhlalaphansi.

Nakhu okudingeka ukwazi mayelana nohlelo "Iwezimbiza ezimbili".

Izikhwama zomhlalaphansi kuzodingeka zihlukanise iminikelo, eminye iye ebhodweni elisha ekuzoba "ibhodwe lomhlalaphansi" eminye iye kwelinye ekuzoba "ibhodwe lokonga" kusukela ngosuku lokuqala olubekiwe, okuhlongozwa ukuba lube, u-1 kuMashi 2023.

Ukuze kwenziwe lezi zinguquko, uMthetho Wentela Yemali Engenayo (i-Income Tax Act) uzofaka lezincazelo ezintsha ezilandelayo: "ibhodwe lokonga", "ibhodwe lomhlalaphansi", kanye "nebhodwe elibekiwe".

Ake sibheke ukuthi lezi zincazelo zisho ukuthini.

Ibhodwe Lokonga

Inani elize lifike ku1/3 leminikelo lizofakwa "ebhodweni lokonga", bese iminikelo esele kumele ingene "ebhodweni lomhlalaphansi".

Ayikho imali eyisamba ezothathwa ifakwe "ebhodweni elibekiwe" ukuze ithatheke ngokushesha.

Izimali ezifakwe "ebhodweni lokonga" zingathathwa minyaka yonke kodwa lokhu kuzokwenzeka kanye ngonyaka phakathi nenkathi yezinyanga eziyishumi nambili.

Inani elincane lemali engathathwa kuhlangozwa ukuthi libe ngu-R2000.00. Lokhu kuthathwa kwezimali kuzohambisana nemithetho yesikhwama ekuvumelayo lokhu.

Noma yiziphi izimali ezizobe zisele "ebhodweni lokonga" uma usuthatha umhlalaphansi noma ushona zingakhishwa ngokugcwele noma zidluliselwe "ebhodweni lomhlalaphansi".

Ibhodwe Elibekiwe

Kuzoba "nebhodwe elibekiwe" elisebenza enanini lezimali ebese zongiwe ngaphambi kosuku lokuqala kwaloluhlelo.

Amalunga azosula emsebenzini azokwazi ukuthatha inani lezinzuzo zawo zesikhwama sempesheni noma se-provident fund kusukela ngomhlaka-1 Mashi 2023, kanye nanoma yikuphi ukukhula kwezinzuzo zaleyo mali. Amalunga e-preservation fund asazokwazi ukusebenzisa ilungelo lawo lokukhipha kanye yonke imali yawo (kanye nezinzuzo).

Yonke iminikelo yangaphambilini kanye nokhula kwayo kuyodingeka kuhlenganiswe ngosuku lokugcina ngaphambi kosuku lokuqala kwaloluhlelo, ukuze kunikezwe amalungelo okubekwa kwalemali.

Izinhlizweko zamalungelo agunyaziwe okubekwa kwemali yamalunga abengamalunga esikhwama se-provident fund kusuka ngomhla ka-1 Mashi 2021 azohlala enjalo. Ayikho enye iminikelo engenziwa "ebhodweni elibekiwe" lezikhwama, ngaphandle kwamalunga esikhwama se-provident fund abeneminyaka engama-55 noma ngaphezulu ngomhla ka-1 Mashi 2021, njengoba wona ekwazi ukunikela kulesi sikhwama aze ashiye isikhwama noma athathe umhlalaphansi.

Ibhodwe Lomhlalaphansi

Izimali ezinikelwe "ebhodweni lomhlalaphansi" azikwazi ukuthintwa ngaphambi kokuthatha umhlalaphansi futhi kufanele zikhokhelwe ngohlobo lwempesheni yanyangazonke (lokhu kuhlenganise ne-living annuity). Inani eliphansi lamanje lokuthenga impesheni lisazoqhubeka lisebenze ebhodweni lomhlalaphansi.

iSikhwama siqaphe ngeso lokhozi zinguquko kulo Mthethosivivinyo futhi sizogcina amalunga enolwazi olwanele mayelana nanoma yikuphi okwenzekayo.

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