

MEMBER NEWSLETTER

Your news update - June 2024

MESSAGE FROM THE CEO/PRINCIPAL OFFICER

Members of NJMPF, greetings !

I want to take this opportunity to extend my warmest regards to all members that attended the Annual Information Meeting held at the Durban ICC iNkosi Albert Luthuli ICC Complex, 45 Bram Fischer Rd, Durban, 4001 on Friday 12 April 2024 and those that joined us virtually. The meeting was a huge success thanks to your valued contribution. For those members that could not be part of the meeting on the day and those that wish to remind themselves of points that were discussed during the meeting, kindly click on the link <https://youtu.be/iu7rh-PegVI?si=IfqIJKwkOLdDTWtk> to watch the full recording of the meeting.



Mr Bonginkosi Mkhize

The Two Pot System implementation date is drawing closer, as we all know the implementation date is the 1st of September 2024. I would like to encourage all members to attend the Fund's member presentation roadshows, read the Fund Insight, and ensure that the Fund has your most recent contact details to ensure you do not miss out on any important updates related to Two Pot System and any other industry updates. Remember, on the implementation date members will be eligible to apply for a minimum withdrawal of R2000 from their savings component. There will be a once of seed capital injected in the savings component from the vested pot which will be the lesser of 10% or R30 000 from the vested component. Effective 1 September 2024, monthly contributions will be split into two, one third of members contributions will be allocated in the savings component and two thirds of member contributions will be allocated in the retirement component. Members will only have immediate access to funds sitting in the savings component, the retirement component is only accessible at retirement. The vested component will consist of member's total benefit accumulated from the date joined fund up to the end of August 2024. Once the seed capital is deducted from this component, members will not have access to this component until they cease to be a member of the Fund. Should a member resign before retirement, they will only have access to funds available in the vested and savings component. Should a member pass away while still in service, that members death benefit will be calculated based on the total of all three component available as at death. Trustees will apply Section 37 C of the Pension Funds Act when apportioning benefits amongst dependents and nominees, who may elect to receive lump sum in cash or purchase one or more annuities. It is important for members to ensure that they keep their tax affairs in order to avoid delays when they claim their funds available in the savings pot. Pre-retirement withdrawals from the savings component will be taxed at marginal rates, like all other income.

PENSION BACKED HOUSING LOANS

In our previous newsletter, we advised members that due to administrative issues, iThala Bank is currently restricted from issuing pension backed housing loans to members. The only banks available are First National Bank and Standard Bank. We have been receiving requests from members in municipalities where there is no payroll agreement signed with Standard Bank. I would like to notify members that the Fund has sent Standard Bank payroll agreements to all municipalities, once each municipality signs the agreement – we will send communication to members in that municipality notifying them that they can start applying for pension backed housing loans with Standard Bank. If you are unsure which bank has a signed payroll agreement with your municipality, kindly feel free to enquire with your payroll office or contact the Fund's Client Services Department.

Ensuring security for your loved ones: death benefit distribution explained

The thought of leaving your loved ones behind can be overwhelming, especially considering the rising costs of daily essentials. However, finding solace in knowing that your member share and death benefit will be distributed to your qualifying beneficiaries can provide some peace of mind.

KwaZulu-Natal Joint Municipal Pension/Provident Funds

CONTACT: Client Services | **TEL:** 031 279 5300/0861 065 673 | **EMAIL:** info@njmpf.co.za | **POSTAL ADDRESS:** P.O. BOX 33, Westwood, 3633
STREET ADDRESS: 5 Derby Place, Derby Downs Office Park, University Road, Westville, 3629 | **WEBSITE:** www.njmpf.co.za | **Facebook:** Natal Joint Municipal Pension Fund

KNOW YOUR FUND

DEFINING QUALIFYING BENEFICIARIES

When completing or updating your beneficiary nomination form, it is essential to consider who your qualifying beneficiaries are. Section 37C of the Pension Funds Act governs the legal provisions for the payment of death benefits. The responsibility of determining who qualifies for the benefit lies with the Fund's Board of Trustees.

GUIDING THE TRUSTEES

Your Beneficiary Nomination Form serves as a valuable guide for the Trustees, although they are not solely bound by it. According to the Pension Funds Act, Trustees must investigate the actual financial circumstances of dependants and make efforts to identify any dependants not mentioned on the nomination form.

CONSIDER DEPENDENTS CAREFULLY

When completing your Beneficiary Nomination Form, it is crucial to genuinely consider those who depend on you. Including multiple beneficiaries or nominees does not increase the amount of funds payable; instead, it means that the available death benefit will be divided among more individuals. By carefully considering your beneficiaries and keeping your nomination form up to date, you can help the Trustees make informed decisions and ensure that your loved ones are provided for in the unfortunate event of your passing.

TAKE THE NECESSARY STEPS TO PROTECT YOUR FAMILY'S FUTURE

Updating your nomination form can significantly expedite the death claim investigation process, ensuring a faster pay out to your beneficiaries. While most claims are processed promptly, some complex cases may take more than 12 months for finalization.

THE IMPORTANCE OF HAVING A VALID WILL AND TESTAMENT

Although your Will and Testament doesn't directly determine how your death benefit within the Fund will be paid, it provides valuable guidance to the Trustees regarding your other assets. It ensures that your assets are distributed according to your specific wishes. Without a valid Will and Testament, the Intestate Succession Act of 1987 governs asset distribution, which may not align with your actual intentions.

SURVIVING IN THE MEANTIME

In the unfortunate event of your passing, your family (spouse or children) may be eligible to claim a death benefit from the Unemployment Insurance Fund (UIF). This tax-free benefit can provide crucial financial support to your loved ones during the waiting period for your NJMPF death benefit or other policies to be paid out.

STEPS TO CLAIM THE UIF DEATH BENEFIT

Ensure that your designated family member (usually your spouse) contacts your HR department to request the required documents such as:

- UI-19 for claims concerning a spouse or,
- UF-127 for claims involving a minor child.

It's vital to note that the UIF death claim must be submitted within six months of your passing. Your family can seek guidance from the Labour Centre on the specific claim form to complete. Remember, if you have any questions or require assistance regarding your Fund benefits, you can always reach out to the NJMPF Client Services department on 0861 065 673 or info@njmpf.co.za.

By taking these steps and providing the necessary information to your loved ones, you can help ensure their financial security during a challenging time.

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