ELC PENSION FUND



ESTABLISHED BY UNITED EVANGELICAL LUTHERAN CHURCH IN SOUTHERN AFRICA

INFORMATION GUIDE

MANAGEMENT

The ELC Pension Fund is the responsibility of a Board of Trustees consisting of at least 6 persons. This Board has appointed a Manager to manage and administer the Fund.

The Trustees are appointed by the Council of the United Evangelical Lutheran Church in Southern Africa. The Trustees must satisfy themselves that the objects and purposes of the Fund are carried out in accordance with the rules, as well as the statutory requirements of the Pension Funds Act and other applicable legislation.

MEMBERSHIP

If you are an employee in the permanent full-time or permanent part-time service of an employer who participates in the Fund, and you do not already receive a pension from the Fund, it is a condition that you become a member of the Fund as from the day on which you became an employee.

CONTRIBUTIONS

Each member pays 7,5% of their pensionable salary as contributions towards their Fund Credit (share in the Fund). Each member's Employer also contributes 7,5% (9,5% by some Employers) of their pensionable salary towards their Fund Credits.

Members may contribute an additional, voluntary amount to their share each year. Presently the tax-free limit per annum is R1 800.

MEMBER'S SHARE

A **Member's Share** is made up of the Member's own contributions plus the Employer's contributions towards their retirement benefits, increased or decreased by the monthly net investment return of the Fund.

WITHDRAWAL BENEFITS

Resignation/ Dismissal / Retrenchment

Members who are below the age of 65 (Normal Retirement Age) who leave the service of their Employer, will be paid-out their full share in the Fund, less any tax payable thereon.

The Member may opt to preserve their Share within the Fund until retirement. This deferred share will be credited / debited with the same investment returns of the Fund as active members' shares.

A Member may also transfer their Share (tax free) into an approved pension scheme of an insurance company.

N.B. Once a Member has reached Normal Retirement Age (65), they may not withdraw from the Fund - they may only retire from the Fund.

Retirement

Normal Retirement Date is the last day of the month during which a member attains age 65 years. During the 15 years preceding the normal retirement date a member may, with the Employer's consent, retire on pension. With the consent of the Employer you may also continue in service after reaching your normal retirement date, but not later than the age of 70 years.

On retirement, the Fund's Actuary will calculate the amount of the pension that can be bought by the value of the member's share in the Fund.

Should the share in the Fund be less than the limit set by relevant legislation from time to time (currently R75 000), the whole amount can be taken as a lump-sum cash payment. If it is greater than this limit then, in terms of the regulations of the South African Revenue Services the member may elect to take one third of their share as a **cash lump sum.** This amount may be subject to tax. The pension calculated by the Actuary will then be reduced proportionately. Any amount so granted will also be subject to any amount owing in respect of a housing loan from a Banking Institution, if the Fund has guaranteed the loan.

The pension is paid to a pensioner as long as he/she lives. On the **death** of a pensioner, if there is an eligible spouse, a pension of 75% of the pensioner's pension at date of death will be paid to such spouse. Dependant children will qualify for a children's pension as provided for in the death benefits for Active Members. The pension to the eligible spouse will be paid as long as he/she lives. If on the death of the surviving spouse there are dependent children, the children's pension will be doubled.

The Pension Increase Policy of our Fund provides for an increase of 70% of the increase in the Consumer Price Index, subject to a maximum of what the Fund can afford.

DEATH BENEFITS

The Benefits that accrue in the event of the death of an Active Member of the Fund are:

1) A lump sum equal to twice the member's annual pensionable salary at date of death or their Share in the Fund at date of death, whichever is greater;

2) A monthly pension to the member's surviving eligible spouse equal to 30% of the member's pensionable salary at the date of death;

3) A monthly pension in respect of dependent children will be paid. This pension will be equal to 7,5% of the member's pensionable salary at date of death per child, up to a maximum of 4 children, and subject to the conditions set out below:

    a) If no spouse's pension is payable, the children's pension will be doubled.

    b) The children's pension is payable whilst the child is unmarried and under the age of 18 years or if the child is a full-time student and unmarried, until the age of 25 years.

    c) Should you have a dependent disabled or mentally impaired child, this must be reported to the Fund and adequate arrangements for such child should be made.

The Benefits that accrue in the event of the death of an Active Member of the Fund ***after*** Normal Retirement Age are:

1) A lump sum equal to one third of his Share at date of death

plus

2) A pension paid to the qualifying spouse and dependent children as determined for the death of a pensioner, calculated as if the member had retired on the day immediately prior to the date of death and had elected to commute for cash the maximum of one third of the Share.

Should there be no qualifying surviving spouse or qualifying child to receive the pension benefit in (2) above, then the member's full Share at date of death will become payable.

DISABILITY BENEFITS

Should a member, whilst in the service of the Employer, become totally and permanently disabled to follow an occupation for which in the opinion of the Trustees the member is reasonably suited (due to education, training and experience), the member will retire and become entitled to a monthly disability pension.

If the member is younger than 55 at disablement, the pension will be equal to 60% of the members pensionable salary at disablement. If the member is 55 and older, this pension will be adjusted on a proportionate basis, depending on your age at disablement, to ensure that on attainment of normal retirement age the member would be in receipt of a pension as calculated for Normal Retirement.

On the death of a Disability pensioner a spouse's pension will be payable at the same level as that for other pensioner's spouses.

RIGHTS AND OBLIGATIONS

Rights

Each member is entitled to an annual benefit statement. They are also entitled to inspect without charge, at the offices of the Fund:

1) The Rules of the Fund;
2) The last revenue account and balance sheet;
3) The Valuation Report.

Against payment of the prescribed fee you may obtain copies of the documents referred to in 1) and 2) above.

Obligations

In their own interests, the member is required to inform the Fund of any changes in their family status, which could be relevant in determining how benefits should be payable in the event of death. In this regard a beneficiary form, obtainable from the Fund's offices, should regularly be updated.

The Fund also needs to be informed of changes of address and given copies of ID documents, should there be changes.

N.B: Please note that this booklet does not replace the rules of the Fund and for correct interpretation the rules must be consulted.

If you have any questions about the content of this document, you can contact the Fund on:

Tel: (033) 845-9222
Email: gisela@elcsa.co.za or ilene@elcsa.co.za
Fax: (033) 845-9210
Postal Address: P.O. Box 101003
Scottsville
Kwa-Zulu Natal
3209

Should a dispute arise, the Rules and Policy documents of the ELC Pension Fund will take precedence.