



PENSION CIRCULAR NR :1 van 2024

**TO: ALL PARTICIPATING EMPLOYERS AND MEMBERS OF THE PREDIKANTE
AND AMPTENARE PENSION FUND**

PENSION CONTRIBUTIONS

I would like to remind you that the Predikante and Amptenare Pension Funds merged in October 2020. The merger between these two funds effected a cost saving and members of the then Amptenare Pension Fund, could also continue with the group and spouses cover after retirement. It also resulted in the compulsory membership of the Fund for all members of the previous Amptenare Pension Fund. I communicated more on this in my circular 9 of 2023.

As communicated in my first circular of 2023, there are however, still benefit and premium differences between the two funds and it is for this reason that the *predikante* are indicated as Category One and *amptenare*, as Category Two.

Except for the Sanlam administration fee and the investment consulting fee, costs came down for the approved risk benefits and remained the same for the unapproved benefits. For budget purposes, you can use the same premiums for all benefits as reflected on the Retirementfundweb. The administration costs, investment consulting fee and approved risk benefits have no impact on your budget. For the sake of completeness, the benefits are reflected in the table below. The multiples of benefits remain the same as for 2023.

Category 1 (Predikante)

<u>Type of benefit</u>	<u>Benefit payable</u>
In-fund death benefit (“approved” benefit and taxable when payable)	4 x pensionable salary
Disability Income benefit	75% of pensionable salary
Group Life Assurance (“non-approved” benefit, payable tax-free)	4 x pensionable salary
Spouse’s Cover	1,25 x pensionable salary
Lump sum disability benefit	3 x pensionable salary

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The premiums for the benefits mentioned previously are as follows:

Benefit	Premiums as at 1 March 2023	New premiums wef 1 March 2024 (Percentage of pensionable salary)
Group Life Assurance (<u>budget item</u>)	1,335%	1,335% Employer pays 50% and member pays 50%
Spouse's Cover (<u>budget item</u>)	0,2250%	0,2250% Member pays in full
Lump sum disability (<u>budget item</u>)	0,5420%	0,5420% Employer pays in full
Disability Income benefit (not a budget item)	1,0820%	0,9200%
In-fund death benefit (not a budget item)	1,4450%	1,2280%

Where a budget item is indicated, you must pay the premiums in addition to the contributions.

Contribution categories wef 1 March 2024 for employers and employees (remains the same):

	Contribution Categories						
	1	2	3	4	5	6	7
Employee contribution	4,2%	5%	6,1%	7%	7,5%	7,5%	7,5%
Employer contribution	9,3%	10%	11,4%	13%	15%	17,5%	20%
Total contribution	13,5%	15%	17,5%	20%	22,5%	25%	27,5%

Category Two: Amptenare

As is the case for predikante (because the fund is now treated as one fund) the good news is that after the latest review of benefits and costs, there is no change in premiums since last year March. For budgetary purposes, the same premiums can be used as it is currently indicated on the web.

For the sake of completeness, the information in table format is repeated below. The multiple of benefits are the same as for 2023.

<u>Type of benefit</u>	<u>Benefit payable</u>
In-Fund death benefit (“approved” benefit and taxable on payment)	3 x pensionable salary
Disability Income benefit	75% of pensionable salary
Group Life Assurance Benefit (“non-approved” benefit that is tax-free on payment)	2 x pensionable salary
Spouses Cover	1 x pensionable salary
Lump sum disability benefit	3 x pensionable salary

The premiums for the benefits mentioned above, are as follows:

Benefit	Premiums as at 1 March 2023	New premiums wef 1 March 2024 (Percentage of pensionable salary)
Group Life Assurance benefit (“approved” benefit – non budgetary item)	1,2690%	1,0790% Deducted from employer contributions
Spouses Cover (<u>budget item</u>)	0,972%	0,972% Member pays in full
Lump sum disability benefit (<u>budget item</u>)	0,156%	0,156% Employer pays in full
Disability Income benefit (non-budget item)	1,0820%	0,9200% Deducted from employer contributions
Death benefit – outside the fund (<u>budget item</u>)	0,8260%	0,8260% Deducted from employer contributions

Where a budget item is indicated, premiums must be paid in addition to the contributions.

Contribution categories wef 1 March 2024 for employers and employees (remains the same):

	Contribution Category					
	1	2	3	4	5	6
Employee	Closed	7,5%	5%	7,5%	7,5%	7,5%
Employer	Closed	13%	8,5%	15%	17,5%	20%
Total contribution	Closed	20,5%	13,5%	22,5%	25%	27,5%

General: for both categories: Predikante and Amptenare

Please note that monthly contributions and premiums are payable in arrears. This means that contributions and premiums are payable end of the month – effective beginning of the month. It is important to note that these premiums/contributions are payable at the latest by the 7th of the month following in which the contributions are payable. This is a requirement of the Pension Funds Act. If it is paid later than this, late payment interest will be levied at a rate determined by the Act.

All employers and members have the option of restructuring remuneration packages wef 1 March 2024, given any increases that have been granted.

You can move to a higher contribution category – or move down – any time in March and September of each year.

The Fund's operational costs (administration and consultation)

This office receives many queries about the fund's costs for administration, consultation and other benefits/services provided. These costs are indicated on the web in rand amount and not easily understood as the percentage of cost is not apparent. In the table below, these percentages are indicated. In accordance with the Act and as indicated elsewhere, these costs are deducted from the employer's contribution and therefore not a budget item:

Component	Premium/cost for March 2023	Premium/cost wef March 2024
Sanlam Administration (The same for both Predikante en Amptenare)	0,2660%	0,2800%
Consultation (The same for both Predikante en Amptenare)	0,1290%	*0,1290%

* Efficient Benefit Consulting's fee has been guaranteed for three years and remains the same for 2024

Simeka's investment consulting fee has slightly increased to 0,02% of the market value of assets wef 1 November 2023. The fund's investment returns are always nett of fees (after costs have been deducted).

Sanlam also levies an asset management fee and for the Sanlam Wealth Creation Portfolio (the new default portfolio wef 1 October 2022) this fees remains at 0,68% of assets. Members choosing their own portfolios are subject to a different fee structure. These fees are available on the web.

The medical free cover limits remain the same as last year. A few *predikante* were requested to provide proof of health for their spouses because these limits were breached. Please contact the office if you require more information on this.

Funeral Scheme

Wef 1 November 2023, the Fund appointed a new service provider for the funeral scheme. The new provider is Sanlam Group Risk. The previous provider was Sanlam Sky. A number of circulars have been sent regarding the benefits and Sanlam Group Risk have also communicated to employers. The premiums should have been payable from 1 November 2023 (payable at the end of November) to Sanlam Group Risk and linked to reference number that is unique to every employer. In summary, the premiums are as follows for the two available options and is valid for 2024:

Option 1	R16,80 per member per month
Option 2	R34,80 per member per month
Top up benefit	R18,00 per member per month

The Fund's operational costs (office and management)

You are reminded that a levy is payable for the pension office and management committee expenses. This levy is payable by every registered participating employer and is R100,00 per month per employer (not per member).

The account where this levy must be paid to is as follows:

- Account name: NG Kerk van Transvaal: Predikante en Amptenare Pensioenfonds
- Account number: 41-1240-3942
- Type of account: Cheque
- Branch name: ABSA Sandton City
- Branch code: 632005

You are welcome to contact Ms Classina Cornelius (previously with Goudland Sinode) for more information. She monitors the payments per employer list of every synod. Her e mail address is savannahpayroll@gmail.com

The levy remains the same for 2024.

Accuracy of data and beneficiary nomination forms

I remind you once again that finance officers/scribes and administrators at congregations and institutions that are responsible for the payment of contributions and premiums via the web, must please ensure that their members' personal details on the web, are correct. Part of their web-access

allows for this. It is of great importance that members' cell or mobile numbers and e mail addresses are captured on the web. This information will be used when communicating with members personally. Since October 2018, members can complete their beneficiary nomination forms directly on the web if they are registered. It would still be advisable, however, to keep a copy of the beneficiary nomination forms on file, at the office. (Any queries about the web may be directed to the web team at 0861 223 646).

New member guide and administration manual

We are close to finalising an updated member guide and administration manual. This will sent to you shortly but will also be available on the web.

Retirement and information sessions

This year, focus will be placed on information sessions and retirement sessions for those members within five years of retirement. A further circular will be sent to you indicating the dates and venues.

Investment returns

In accordance with the Life Stage model of investment, younger members' monies are invested more aggressively in growth assets (*Wealth Creation Portfolio*) and older members' monies are protected by systematically placing their monies in a guaranteed portfolio (*Capital Protection Portfolio* also known as the *Stable Bonus Portfolio*).

The management committee of the Predikante and Amptenare Pension fund is still satisfied that the Life Stage model of investing, delivers the best outcomes for members in the longer term. Detail about the various portfolios' exposure to asset classes, risk, returns, etc, is available on the web. You can also contact the office for monthly returns and fact sheets.

For easy reference, I attach the investment returns for the various portfolios for your perusal. The returns are for 2023 ending December last year. I also attach economic commentary for the past year.

Kind regards

TP Smith

TP SMITH

PENSION FUND MANAGER