

# SATAWU NATIONAL PROVIDENT FUND

## INFORMATION LEAFLET



### INTRODUCTION

The SATAWU National Provident Fund was established in 1 February 1995 with the objective of providing retirement funding, death and disability benefits to its members and their dependants in return for the contributions paid by members and employers.

The fund is a tax approved provident fund, which is registered with both the Financial Services Board (12/8/31808) and the South African Revenue Services (18/20/36806).

### MANAGEMENT OF THE FUND

In terms of the Pension Funds Act, a board of trustees must control and manage the fund within the framework of the various laws and principles governing the fund. It is the objective of the board of trustees to fulfil its obligations keeping the following in mind:

- To act in terms of the law, rules of the fund and policies of the insurer
- To act in good faith
- To act with due care and diligence
- To avoid a conflict of interest
- To exercise discretion in a proper manner
- To call upon outside expertise when required

Furthermore:-

- The fund is a separate legal entity to the employer and the South African Transport and Allied Workers Union
- The Fund belongs to members and is governed by the trustees, currently 17 trustees who are member elected and sector appointed
- The trustees appoint the administrators and all other service providers who deal with day-to-day responsibilities of the Fund
- The trustees are also charged with fiduciary duty to act with utmost good faith for the benefit of all members and whose duty is to comply with legislation and the registered rules of the Fund

### THE OBJECTIVE OF THE FUND

This Fund has been set up to provide members and dependants with the following benefits while a member is on the fund:

- Retirement benefits for the member
- Death benefits for dependants should a member die
- Funeral benefits should a member or family member die
- Disability benefits should a member become disabled
- Termination benefits should a member leave service
- Loans should a member wish to borrow money for housing purposes only.  
The money will be loaned from an approved home loan credit provider.

## FUND MEMBERSHIP

The membership of the fund is made up of the following sectors:

- Road Freight
- Passenger
- Maritime
- Independent employers
- Cleaning with exemption from the National Contract Cleaning Fund
- Security with exemption from the National Private Security Fund

## BENEFIT STRUCTURE AVAILABLE TO MEMBERS

The Fund is an “umbrella fund” and various employers called “participating employers” have the option to join the Fund. Once a “Participating Employer” has decided to participate in the Fund, all members who qualify must become members of the SATAWU National Provident Fund.

The “participating employer” will then contribute a percentage of the members’ salary to the fund on behalf of the member that will include the premiums for the death and disability cover and the fee for administering the fund. The member will also contribute a percentage of salary towards retirement.

These rates vary from time to time and will be agreed at the time of participation.

## ADMINISTRATORS TO THE SATAWU NATIONAL PROVIDENT FUND

The trustees of the SATAWU National Provident Fund appointed Robson Savage (Pty) Ltd. in October 2005 to provide administration and consulting services to the Fund.

The aim of the administrator and consultant is to ensure that:-

- claims are settled quickly and efficiently
- accurate membership records are held by the Fund
- the trustees are informed and educated on all legal and regulatory issues to ensure that the Fund remains compliant
- the Fund is managed in line with legislation and the Pension Funds Act

## INSURED BENEFITS FOR DEATH AND DISABILITY

Each participating employer will, together with the members, will agree an insured benefit structure to ensure that each member has cover in the event of death or disability.

The options available to members until retirement age are as follows:-

<b>Death Cover (Group Life)</b>	1, 2, 3 or 4 x member’s fund salary (the dependants will also receive the member’s full share of fund)
<b>Total Temporary Disability</b>	75% of a member’s fund salary will be paid to the member on a monthly basis if the insurer finds the member to be disabled. This benefit will be paid by the insurer for a period of 6 or 12 months
<b>Total Permanent Disability</b>	1, 2, 3 or 4 x member’s fund salary will be paid to the member if the insurer finds the member to be permanently disabled. The member will also receive his full share of fund
<b>Family Funeral Benefit (For the member and immediate family)</b>	Cover options for the main member are R3 000, R5 000, R7 500, R10 000, R15 000 and R20 000 (a sliding scale of benefits will apply to immediate family members). <b>Paid-up and a Burial Repatriation Benefits are included</b>

## FUND INVESTMENTS

The objective of the trustees is to ensure that, over the long term, the Fund assets outperform inflation as measured by the Consumer Price Index (CPI). If this is achieved, the growth of the Fund would be faster than inflation and a member's retirement savings would grow in "real" terms. i.e. the buying power of your money will increase over the long term.

To achieve their investment objective, the trustees diversify the Fund assets by making use of various registered asset managers. The current investment strategy is:

75% Absolute Return Funds

15% Equity Funds

10% Social Responsibility Funds

The trustees meet on a quarterly basis to review their investment strategy.

The SATAWU National Provident Fund has provided members with above-average investment returns over the past 5 years as shown below:

<b>Date Declaration was made</b>	<b>Declared Bonuses to members</b>
01/02/2006 – 31/01/2007	20.50%
01/02/2007 – 31/01/2008	15.0%
01/02/2008 – 31/01/2009	09.0%
01/02/2009 – 31/01/2010	10.5%
01/02/2010 – 31/01/2011	10.0%

### **MEMBER AND EMPLOYER COMMUNICATION**

It is important to ensure that proper communication reaches the members and the employers who participate in the Fund. The Fund achieves this through:

- Member benefit statements issued as at 31 January every year, and delivered by early October
- Member annual newsletter and trustee report issued in benefit statement packs together with a beneficiary nomination form and a summary of the fund benefits
- Ongoing member communication through site visits
- Issuing of membership cards to new members

If you would like to belong to the SATAWU National Provident Fund, please contact the administrator or the Principal Officer.

<b>Principal Officer</b>	<b>Administrator</b>
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