


## CONTACT INFORMATION

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 [Pension Fund Website](#)  
[Pension and Provident Fund Site](#)



# University of Johannesburg Pension Fund Member Booklet



*Please note:*

*Everything possible was done to ensure the accuracy of this booklet. However, the official rules in terms of which the benefits are provided will apply at all times if discrepancies arise. The rules of the fund can be viewed at the Pensions Office.*

## INTRODUCTION TO THE UNIVERSITY OF JOHANNESBURG PENSION FUND

Every day you become more aware of the need for security and independence when you retire. Unfortunately, you also must plan for the unforeseen, namely job changes, death, or disability.

The following expressions used in the booklet are explained below.

### **Dependant:**

A person for whom you are or would be legally liable for maintenance if you had not died, or for whose maintenance you are not legally liable, but whom you in fact support financially.

Your spouse and children are regarded as factual financial and legal dependants. Other dependants may be financial dependants.

This definition of dependant is as defined in the Pension Funds Act and not in accordance with the UJ Conditions of Service.



### **Transfer credit:**

The value of the assets transferred into the Fund from a previous fund on your behalf.



### **Equitable Share:**

The total value of your benefits in the UJ Pension Fund, is made up of:

- The full value of your own contributions,
- The University's contributions towards retirement savings,
- Voluntary contributions (if any),
- Any amount you transferred to the Fund,
- The Investment earnings on all these amounts, plus
- Less all expenses



### **Pensionable Salary:**

That portion of your package, which you have elected to be deemed pensionable. This represents between 60% and 80% of your total package.



### **Retirement Contributions:**

Your member contributions, plus employer contributions, less an allowance for the Fund's operational expenses, less the cost of benefits payable on death prior to retirement.



## Membership



You will become a member of the UJPF if:

- You are employed as a permanent employee or on a fixed-term contract or specialist basis for a minimum of three years, and you are above the age of 16 and under the age of 70.

Your membership will cease on the earliest of:

- Your death or
- Your withdrawal from the employer before you retire, or
- Your retirement, or,
- The dissolution of the Fund.

*Please note that you may not  
withdraw from the Fund  
while you are employed by  
the University of  
Johannesburg*

## Contributions



### Member Contributions

You, the member, contribute 7.5% of your monthly Pensionable Salary to the Fund.

### Employer Contributions

The employer contributes 13% of your monthly Pensionable Salary to the Fund.

### Additional Contributions

You can make additional voluntary contributions (AVCs) to the Fund in addition to the monthly contributions received by the Fund. This must be processed through the Payroll division.

### Retirement



Planning for your retirement is a continuous process that must start when you enter the world of work. It is recommended that you consult with a financial coach at least five years before your retire.

#### Retirement age

Subject to the written consent of your employer, you may retire at any stage on or after your 55th birthday but the normal retirement date is the last day of the calendar year in which you turn 65. You should consult the UJ “Policy on Retirement” as approved by the UJ Council.

#### Retirement Benefits

- Upon retirement you will receive your Equitable Share in the Fund and you must use this to purchase a pension with a registered insurer.
- You will have the choice to:
  1. Utilise your full Equitable Share to purchase a pension from a registered insurer of your choice. The benefit that is utilised to purchase a pension will be transferred to the insurer tax-free; the monthly pension income from the insurer will be taxable, **OR**
  2. Receive up to one third of your Equitable Share as a cash lump sum payment, subject to taxation, and thereafter, utilise the balance to purchase a pension from a registered insurer of your choice as above, **OR**
  3. To remain a deferred member and claim your retirement benefit at a later stage.

*As this is a defined contribution fund, you will not receive a pension from the UJ Pension Fund.*

When you retire, there is a set process that must be followed via UJ Human Capital Management (HCM).

It is therefore in your best interest to contact UJ HCM at least three months in advance of your proposed retirement date.

### Death Before Retirement

If you were to die while still employed by the University of Johannesburg, but prior to the normal retirement age, the following Fund benefits are payable:

- Your Equitable Share as at the date of death; PLUS
- An approved insured benefit of four times your annual Pensionable Salary as at the date of death.

### Important Notes

- An approved insured benefit policy operates differently to individual insurance policies. All members with individual policies must submit medical evidence to qualify for any benefits under their policies. Under a group policy, all members are not required to submit medical evidence to the insurance company. The insurance company provides a limit based on the benefits provided, called the "Free Cover Limit", up to which all members enjoy automatic cover. Should your benefit be less than this amount, you will enjoy full cover without having to submit any medical evidence. However, should your benefit exceed this limit, you will be asked to submit medical evidence to the insurance company to qualify for benefits in excess of the limit. You will of course still enjoy all benefits up to the limit automatically. You will be informed if it is necessary for you to submit any medical evidence. Based on the medical evidence provided, the insurance company may restrict the level of your cover.
- The Trustees must decide on the distribution of the death benefit to your dependants and/or nominees in terms of Section 37 (C) of the Pension Funds Act. The Trustees have 12 months in which to trace any dependants unless there are circumstances that direct that this time period is exceeded. You are strongly encouraged to complete a "Nomination of Beneficiary Form" to guide the Trustees in understanding who your dependants are. It is further recommended that you update this form when your personal circumstances change for example when you get married, or a child is born. Please note that as part of the distribution process, the Trustees will consider your nomination form, but are ultimately guided by the Section 37 (C) process.

An additional benefit of 4 times your annual Pensionable Salary as at date of death, is payable from the University of Johannesburg Unapproved Group Life Policy. Benefits payable from this policy do not form part of your pension fund benefit. These benefits are paid to your nominated beneficiaries as stated on your most recent unapproved policy nomination form and are subject to the terms and condition of the UJ Unapproved Group Life Policy.

## Funeral Benefits

As a member of the University of Johannesburg Pension Fund, you also have funeral benefit cover. The cover available is as follows:

	Cover
Member	R 20 000.00
Insured Spouse / Partner	R 20 000.00
Child older than age 14*	R 20 000.00
Child older than age 6 but under age 14	R 20 000.00
Child older than age 2 but under age 6	R 10 000.00
Child under age 2	R 10 000.00
Stillborn baby	R 10 000.00

Regarding children, please note that you enjoy cover under an insured policy. The insured benefit policy covers children up to age 25 if they are registered for full time education and therefore are fully financially dependent upon you.

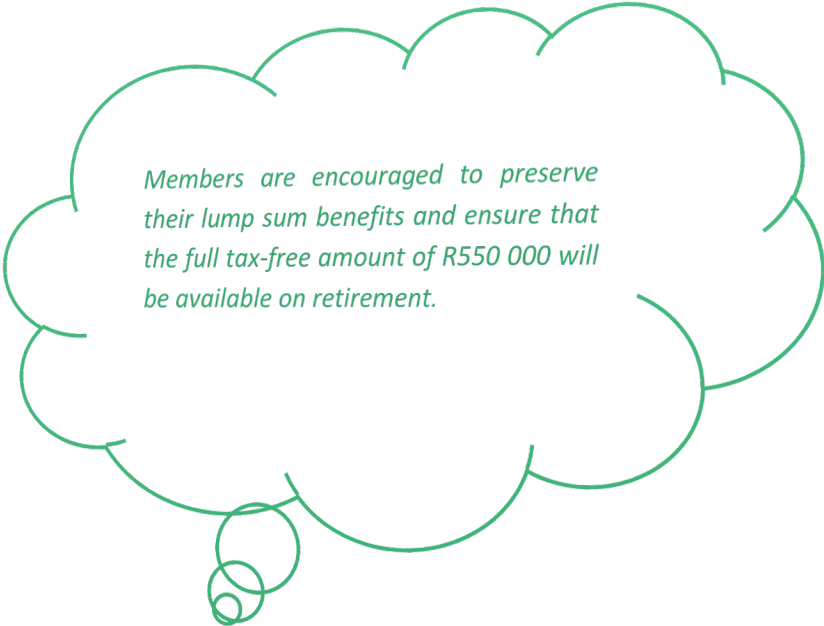
Important reminder: You are required to complete a funeral nomination form to indicate to whom your funeral benefits must be paid. Should you not complete such a form the benefit will be paid into your estate.

### Resignation

If you leave the service of the University of Johannesburg for any reason (including resignation, dismissal, or retrenchment) before you reach retirement age, a lump sum equal to your Equitable Share will be payable. You have the choice of:

1. Receiving the total benefit in cash, **OR**
2. Receiving the total or any part thereof in cash and transferring the balance to a retirement annuity, **OR**
3. Transferring the total benefit to a preservation fund, where after you have a once-off option to take any part of it in cash, **OR**
4. Transferring your benefit or part thereof to the retirement fund of your new employer, **OR**
5. You may become a paid-up member in the UJ Pension Fund.

When you withdraw your Equitable Share, you should be aware of the tax consequences of the options above. It is always best to seek professional financial advice.



*Members are encouraged to preserve their lump sum benefits and ensure that the full tax-free amount of R550 000 will be available on retirement.*

### Disability

If you become unable to do your job, and you provide medical proof of your disability to the satisfaction of the insurer of the benefits, you may, after a three-month waiting period, receive a disability income equal to:

- 82.5% of your monthly Pensionable Salary

From this benefit, an amount equal to 7.5 % of your monthly Pensionable Salary will be paid to the Fund on your behalf as your member contribution. Employer contributions to the Fund will continue while you are in receipt of the disability benefit. You therefore continue to be a contributing member of the Fund and will still be entitled to all the benefits provided by the Fund.

The insurer of this benefit will require regular proof of your continued disability. If you recover or recover partially and can continue an occupation, the disability income will cease or be reduced.


The disability income will also cease:

- On your death **OR**
- When you reach your normal retirement age in terms of the Rules of the Fund.

### General Fund Matters

#### **Benefit Statements:**

You will receive an annual benefit statement indicating the benefits payable in the case of your withdrawal, death or disability, and a projection of the benefits you could expect to receive on retirement, based on various assumptions.

These statements are e-mailed to each member annually and are prepared as at 31 December each year. The Fund uses Infoslips  to provide you with these statements and to protect your personal information.



### Tax Implications

The lump sum cash benefits you receive upon withdrawal from the Fund, will be subject to tax as determined by the Income Tax Act.

Any amount that you transfer to an approved pension or retirement annuity fund on termination of employment before you retire will be transferred tax-free.

### Financial Planning

Members are encouraged to seek financial advice from a suitably qualified financial planner.

To select a qualified financial planner, please log onto the Financial Planning Institute's website ([www.fpi.co.za](http://www.fpi.co.za)) to access a list of financial planners. The UJ Pensions Office can also assist in arranging a meeting with a financial planner.

#### ***Where can you find more information about your Fund?***

The rules of the fund, trustee reports, rule amendments and other useful information may be found on the UJ pension fund website or the designated intranet page:

- [Pension Fund Website](#)
- [Pension and Provident Fund Site](#)

You can view your current balance of your Fund online at [www.afonline.co.za](http://www.afonline.co.za) – click on register and follow the instructions.

## Queries/ Complaints



Should you have any queries regarding your fund, please contact the Principal Officer:

Dr Evette Vanrenen-Linford

Tel: 011 559 4898

E-mail: [evettevl@uj.ac.za](mailto:evettevl@uj.ac.za)

Office address: APK, Pension Fund office, E Ring Ground floor- Opposite the student centre entrance

One of the aims of the Board of Trustees is that members are confident in the service provided by the Fund and its appointed service providers. Part of this aim is access to a complaints process. A written complaint should be lodged with the office of the Principal Officer. Your complaint will be acknowledged within 72 hours. The steps taken on your complaint as well as the expected date of resolution of your complaint will be made known to you. The final outcome of the complaint will be advised four weeks from the date the complaint has been lodged.

If you are not satisfied with the outcome, you can lodge a complaint with:

### **The Office of the Pension Funds Adjudicator**

**Telephone:** 012 346 1738 / 012 748 4000

**Email:** [enquiries@pfa.org.za](mailto:enquiries@pfa.org.za)

**Website:** [Pension Funds Adjudicator](#)

### **FAIS Ombud**

**Telephone:** 012 762 5000

**Email:** [info@faisombud.co.za](mailto:info@faisombud.co.za)

**Website:** [FAIS Ombud](#)

**Important Notes:**

Section 37C of the Pension Fund's Act sets out the disposition of pension benefits upon the death of a member:

- “(1) Notwithstanding anything to the contrary contained in any law or in the rules of a registered fund, any benefit (other than a benefit payable as a pension to the spouse or child of the member in terms of the rules of a registered fund, which must be dealt with in terms of such rules) payable by such a fund upon the death of a member, shall, subject to a pledge in accordance with [section 19\(5\)\(b\)\(i\)](#) and subject to the provisions of [sections 37A\(3\)](#) and [37D](#), not form part of the assets in the estate of such a member, but shall be dealt with in the following manner:*
- (a) If the fund within twelve months of the death of the member becomes aware of or traces a dependant or dependants of the member, the benefit shall be paid to such dependant or, as may be deemed equitable by the fund, to one of such dependants or in proportions to some of or all such dependants.*
- (b) If the fund does not become aware of or cannot trace any dependant of the member within twelve months of the death of the member, and the member has designated in writing to the fund a nominee who is not a dependant of the member, to receive the benefit or such portion of the benefit as is specified by the member in writing to the fund, the benefit or such portion of the benefit shall be paid to such nominee: Provided that where the aggregate amount of the debts in the estate of the member exceeds the aggregate amount of the assets in his estate, so much of the benefit as is equal to the difference between such aggregate amount of debts and such aggregate amount of assets shall be paid into the estate and the balance of such benefit or the balance of such portion of the benefit as specified by the member in writing to the fund shall be paid to the nominee.*
- (bA) If a member has a dependant and the member has also designated in writing to the fund a nominee to receive the benefit or such portion of the benefit as is specified by the member in writing to the fund, the fund shall within twelve months of the death of such member pay the benefit or such portion thereof to such dependant or nominee in such proportions as the board may deem equitable: Provided that this paragraph shall only apply to the designation of a nominee made on or after 30 June 1989: Provided further that, in respect of a designation made on or after the said date, this paragraph shall not prohibit a fund from paying the benefit, either to a dependant or nominee contemplated in this paragraph or, if there is more than one such dependant or nominee, in proportions to any or all of those dependants and nominees.*

*The Act also defines a dependant and nominee as follows:*

***Dependant***, in relation to a member, means -

- (a) a person in respect of whom the member is legally liable for maintenance;*
- (b) a person in respect of whom the member is not legally liable for maintenance, if such person -*
  - (i) was, in the opinion of the board, upon the death of the member in fact dependent on the member for maintenance;*
  - (ii) is the spouse of the member;*
  - (iii) is a child of the member, including a posthumous child, an adopted child and a child born out of wedlock.*
- (c) a person in respect of whom the member would have become legally liable for maintenance, had the member not died;*

***“Nominee***, means a person designation by the member in writing to the fund to receive such a portion of his / her benefit as designated by the member

*The Board of trustees must make the final decision and the nomination form completed by the member is a guideline indicating the deceased’s final wishes, which the Pension Fund’s Adjudicator has indicated should not be ignored. When making an equitable distribution amongst dependants and nominees, the Board also considers the following factors (based on Sithole v ICS Provident Fund And Another (2000) 4 BPLR 430 (PFA)):*

- *The age of the dependants*
- *The relationship with the deceased*
- *The extent of dependency*
- *The wishes of the deceased placed either in a nomination and/or his last will and*
- *Financial affairs of the dependants including their future earning capacity.*