



FSCA REGISTRATION NUMBERS
12/8/4730/1 AND 12/8/36330/1

122 Queen Street
South Kensington
JHB, 2094

THE ELECTRICAL CONTRACTING INDUSTRY
PENSION & PROVIDENT FUNDS



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@ECIRegionAandB



068 210 6783

THE ECI FUNDS NEWSLETTER: JULY 2022

Dear Members

RETIREMENT WITH DIGNITY: IMPORTANT MESSAGE FROM THE BOARD CHAIRPERSON, MR MARK MOGOMOTSI MFIKOE

When you have worked as hard as you have until retirement, we want everyone in your community, and family to look at you, and see a person that has **Retired with Dignity**. We do not want your standard of living to drop, or for you to be destitute and go hungry. We do not want you to be unable to visit your grandchildren, or frown when they want to visit you because you cannot accommodate them. We want you to look back at your career and be able to say, **“working for the Electrical Industry ensured that I Retired with Dignity”**. We want others to look at your retirement and be motivated to save just like you did so they too can have a **dignified retirement**. We want you to work in this Industry, be able to take your kids to school, and look after your family but still have something to depend on, the day you retire. You will not **Retire with Dignity** if you do not let your money grow to a dignity delivering size by the time you retire.

There are instances that are part of our reality, and these we cannot avoid. Sometimes a retrenchment happens. Sometimes we resign or get dismissed out of misconduct. When these things happen, it is not the Fund that dismisses you. The termination of service is a matter between you and your Employer. For us, until you exit, you are a Member that must benefit from excellent service. You are a Member whose money we must look after and grow. Nothing excites us more in the Funds than delivering returns that will ensure that you have every chance possible to **Retire with Dignity**.

You contribute 7.5% of your salary to the Funds, which is deducted from your salary every month and gets sent to the Funds. Please check that we receive it. We have to receive it in order to grow it. When we have received it, leave it with us so as it can deliver your **dignified retirement**. If you can identify any extra money that you can save voluntarily, please do so, it will ensure that when you reach your retirement you have much more available to you to enjoy your life beyond retirement.

We want you to be well fed, well dressed and less stressed when you retire. Walk around with your head held high because you are having a well-planned and resourceful retirement. The buildings that you have electrified will benefit from your work long after you have retired. We want your savings to equally look after you long after you have retired. **Let us preserve and grow your money in the Funds**. Work with the Board of Trustees to ensure that this goal is secured. Commit with me to the end goal of securing your **dignified retirement**. In the next Newsletter I will share real experiences that show you how your money grows.

**LOOK AFTER YOURSELF AS YOU LIGHT UP THIS COUNTRY, AND ENSURE THAT THE
PATH TO YOUR OWN RETIREMENT, SHINES EVEN BRIGHTER**

Introducing: Mark Mogomotsi Mfikoe Board Chairperson



- I am the National Director of the Electrical Contractors' Association, acting Joint General Secretary of the NBCEI, and the Chairperson of the ECI Funds Board of Trustees; the Investment Sub-Committee, and of EXCO (Regions A and B).
- I have an LLB Degree (Unisa), BA Honours (Unisa), HED (Unisa), and a Post Graduate Diploma in Marketing Management (Unisa), to name a few.
- My primary intention is ensuring the Funds continue to prosper, delivering on its promises made to our Members.
- My priority and job is that of a caretaker of the Funds and its assets, always acting in the best interests of our Members.

TRUSTEES: BOARD OF FUNDS

MM Mfikoe
Chairperson

SM Mayisela
Vice Chairperson

M Straton

S Khola

R McAlpine

E van Zyl

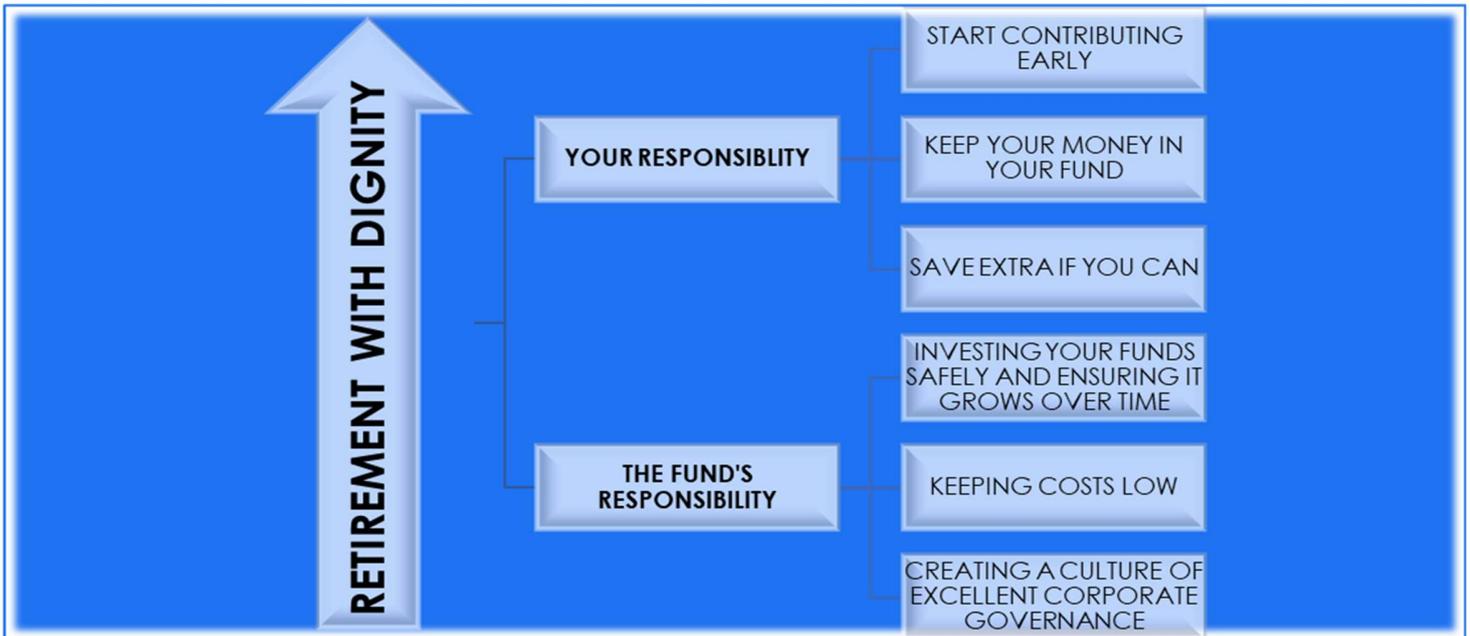
D van Deventer

AM Van Niekerk

J Gill
Independent

R Sheehan
Principal
Officer

ROADMAP TO RETIREMENT WITH DIGNITY



RETIREMENT WITH DIGNITY: YOUR RESPONSIBILITY



Start contributing early: the longer you save the bigger your chances of **Retiring with Dignity**.

Keep your money in the Fund: when you are unemployed do not withdraw your funds, it is a retirement fund, not an unemployment fund. The single biggest reason in South Africa for people who worked all their adult lives and saved for retirement to not **Retire with Dignity**, is that they withdraw their funds when they are temporarily unemployed.

Save extra if you can: if you can afford to contribute more your chances of **Retiring with Dignity** will greatly improve.

WHY DO MEMBERS' FUND VALUES DIFFER?

- Members' ability to **Retire with Dignity** may be prejudiced because of the province, city or town that they live, and work in. Currently, there are nine different contribution rates for each employment category of Fund Members, and your contribution rate depends on where you live, and work.
- Members in rural areas earn less, and therefore contribute less. Some urban, and even metropolitan areas also pay contributions far less than other areas, simply because of the lower wages in those areas.
- The lower contribution rate reduces your ability to save adequately for retirement. The Parties to the Bargaining Council are currently considering more equitable provisions that will hopefully enable all Members to contribute at equal rates, and to **Retire with Dignity** after a lifetime of serving the Industry, no matter where you live or work.

FUND INVESTMENT PERFORMANCE

- The Trustees' investment goals are to provide a Retirement with Dignity for members over the long term and therefore investment performance should always be compared over the long term.
- Viewed over a shorter term, external factors impact investments, such as COVID, the war in Ukraine and loadshedding.
- The below graph shows the Fund's investment performance compared with its target (benchmark) for different time spans from period 1 June 2019 to 31 May 2022.

Retirement with Dignity: The Fund's responsibility

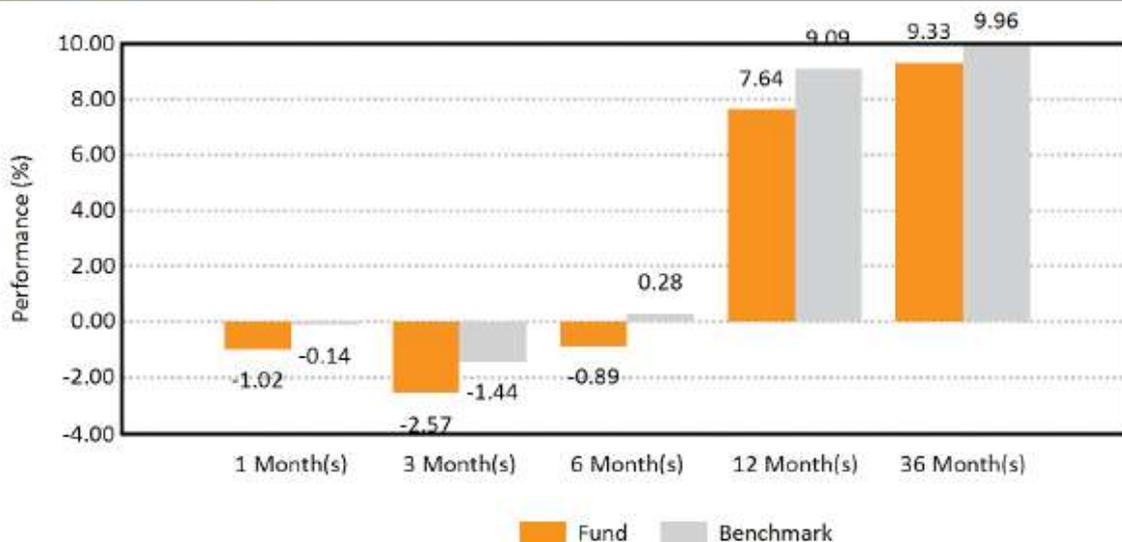


Investing your Funds safely and ensuring that it grows over time: The Trustees regularly review your investments to ensure that your money grows to help you on the road to **Retiring with Dignity**.

Keeping costs low: your money in the Fund: The Trustees regularly reviews the cost of insured benefits (death, disability and funeral benefits) and the cost of administering the fund to better your chances of **Retiring with Dignity**.

Creating a culture of excellent corporate governance: The Fund has a separate Governance Committee that ensures that the Fund is ethically managed, improving your chances to **Retire with dignity**.

Performance over time



Returns over 12 months are annualised.

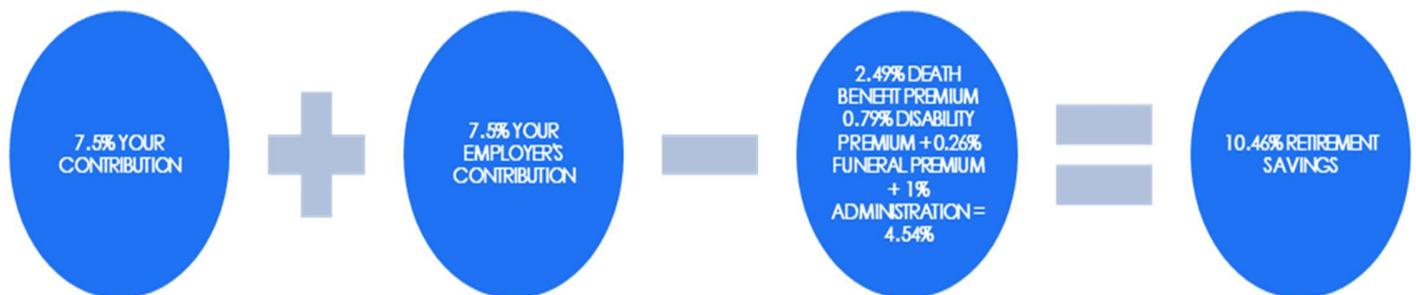
WHICH COSTS ARE DEDUCTED FROM MY CONTRIBUTION MONEY?

- Your 7.5% contribution is 100% invested in your Fund.
- The largest deduction is from your Employer's 7.5% contribution, it is the premiums paid to insured benefits such as your death, funeral and disability benefits.

Member booklets are available
Please download a full colour copy via Council's website <http://www.nbcei.co.za/> or request a printed booklet/ or a PDF booklet by emailing the Funds at ecifund@nbcei.co.za; or contact the Funds via our Call Centre on 011 339 2312/ or via WhatsApp 068 210 6783/ or via Facebook/ or via Facebook Messenger (search for @ECIRRegionAandB).



- In addition, there are administration fees for running the Fund as well as the cost of governance services such as Investment Advisors, Actuaries, Auditors and FSCA levies.
- Currently 10.46% of your total contributions are invested in your retirement fund, while 4.54% is paid towards risk premiums and administration costs, which is in line with industry standards.



RISK BENEFIT PROVISION AND ADMINISTRATION COSTS		
Type of Benefit	Benefit	Premium/Cost
Death benefit (approved)	3x annual min wage	2.49% of minimum wage
Disability	55% of minimum wage	0.79% of minimum wage
Funeral Benefit		
Main Member (up to age 65)	R20 000	R20
Spouse (up to age 65)	R15 000	
Unmarried Children aged between 14 and 21	R10 000	
Unmarried Children aged between 6 and 14	R7 500	
Children under 6 and stillborn babies	R3 500	
Administrative Fees		1% of minimum wage

HOLLARD IS THE FUNDS NEW INSURANCE PROVIDER

Hollard's purpose is to enable more people to create and secure a better future by partnering to deliver the win-win-win; and, as a Hollard customer, you can expect to be treated with respect, dignity, and above all, a sense of common humanity.



We expect to be held to the highest standards, and whilst we certainly cannot claim to always get it right, we try our absolute best to deliver on your expectations.

Please remember that the claims process is done via the Funds' Call Center:



011 339 2312



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LIBERTY PROVIDES YOU WITH RETIREMENT BENEFIT COUNSELLING AT NO COST TO YOU

- As you get close to retirement, a consultant from Liberty Holdings Limited will be in contact with you, and talk you through the advantages of purchasing a tax-effective retirement investment from Liberty (or you may choose any other service provider) i.e., an annuity or monthly pension. Each annuity can be tailored to better meet Member's individual needs. Purchasing an annuity will provide you with a regular income during your retirement.
- All or a portion of your contribution may qualify for a tax deduction thereby reducing your tax bill, whilst the growth in the retirement is tax free. Additionally, because the money can only be accessed at retirement (from age 55), it helps you improve your investment discipline. Your money is protected from creditors to safeguard your retirement savings.

Policies which impact you directly

The POPIA (Protection of Personal Information Act); PAIA (Promotion of Access to Information Act); and the TCF (Treating Customers Fairly) Policies can be viewed via/ downloaded from Council's website <http://www.nbcei.co.za/> or you are welcome to email the Funds at ecifund@nbcei.co.za for a copy/ or contact the Funds via our Call Centre on 011 339 2312/ or via WhatsApp 068 210 6783/ you are also able to view the Policies via the Funds' Facebook page Facebook handle ECI Pension & Provident Fund/ YouTube handle ECI_Pension&Provident_Fund/ Twitter handle @EciFund/ Tik Tok handle @eci_provident_fund/ Instagram handle ECI_PensionFund.

WE WANT TO HEAR FROM YOU!!

Would you like to see the Newsletter in languages other than English?

Is our Newsletter informative and easy to understand?

Is there anything we should add?

Please reach out to us, by emailing the Funds at ecifund@nbcei.co.za or contact the Funds via our Call Centre on 011 339 2312/ or via WhatsApp 068 210 6783

LIVE FORUMS

- The next Live Forums will be taking place in Gqeberha on **5 and 6 August 2022**. Please lookout for updates via Council's Website <http://www.nbcei.co.za/>, and via invite emails from our Call Centre.
- Live Forums were held in the Northern Cape, in Kathu in May 2022, and in Rustenburg in July 2022. Our Members made it clear to us that although they enjoy receiving communications from the Funds, we need to communicate more information to you, especially with regards to *how to grow your Share of Fund*; and *how we as the Funds can assist you to preserve your Money*. We have heard your requests and will include this information regularly.



ARREST MADE FOR CONTRAVENTION OF THE PENSION FUNDS ACT

- In 2014 a new law made it a criminal act to not pay over pension contributions to a pension fund. Although it has taken several years, this crime is finally being actively investigated, and the Hawks recently arrested Gert van Rooyen, a director of a Free State based Security Firm, the Defensor Security Company.
- The Defensor Security Company owes Private Security Pension Fund more than R14 Million, of which R11.1 million relates to outstanding contributions, and the balance relates to late payment interest. The case against Van Rooyen was postponed to July 2022.
- The article is available at <https://www.saps.gov.za/journal/sdetails.php?jid=15301>
- When Employers fail to pay over your contributions it directly impacts you, and therefore it negatively impacts your savings and your right to Retire with Dignity. Please alert the Funds immediately should you suspect that your contributions are not being paid over.

