



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



011 339 2312



ecifund@nbcei.co.za



@ECIRegionAandB



068 210 6783

## THE ECI FUNDS OCTOBER 2022 NEWSLETTER

Dear Members

### **THE PURPOSE OF RETIREMENT FUNDS: IMPORTANT MESSAGE FROM THE BOARD CHAIRPERSON, MR MARK MOGOMOTSI MFIKOE**

- If you do not die, one day you will be old and your capacity to earn active income is going to be seriously curtailed. Even your rights as an Employee will be taken away from you. Your Employer would earn the right to terminate your services simply because you are too old irrespective of your knowledge and your state of health. Retirement happens. When you are retired you become extremely vulnerable and even the standard of your living is under threat.
- The ECI Funds are created to ensure that you Retire with Dignity and that you are able to look after yourself. When you do, in Setswana we say, "Wa ikgona" (self-sufficient/ you can afford yourself) and when you cannot fend for your needs in Setswana we say, "Wa ipalla" (you can't afford yourself). When people look at you and say "Wa ikgona", now that is dignity. When they say "Wa ipalla", there is no dignity in that. Your retirement cannot be celebrated because your last pay packet represents your last moment at a dignified life. When we describe you in Setswana we then say, "O palletswe!!" (you are a failed project!!)
- **Our duty as Trustees is to ensure that you Retire with Dignity. We will manage your money in such a manner that we deliver on this promise.** We will ensure that our collective efforts are such that your Employer makes the contributions that they are obligated to do. When they fail, we will force them to comply and we will tell you when they fail to pay your contributions across. When they pay your money in late, we will apply the applicable penalties and add the money to your contributions.
- We have employed the Bargaining Council to find Employees who should be Members of the ECI Funds who are currently not Members. If you know Employees in your company that should be Members of the Funds but they are not Members, please let us know. We will use the Bargaining Council to come and register these Employees so as they can benefit from the social security benefits of the Industry. The more Members we have under cover, the more money there will be available for investments and that will increase our ability to diversify more and take advantage of our size to reduce risks.
- Taking your money out to take care of present-day challenges is never a great option. It is an easy option which will punish you at the end. It is an option which will leave you worried about the future. It is an option which almost guarantees that people will look at you at retirement and say, "Wa ipalla!"
- That is not our game plan. Our game plan is to ensure that we actually create opportunities for you to increase contributions even if by a small amount. We call these Voluntary Contributions. A small sacrifice that may mean you drink less Savanna or eat less KFC but one which will ensure that what is available to you when you cannot work anymore results in a life of Dignity.

### **WE WILL DO OUR PART – DO YOURS.**

#### **Members your Share of Fund follows you wherever you may work in the Industry**

- As long as you remain employed in the Electrical Industry your money will be kept in the ECI Funds.

#### **TRUSTEES: BOARD OF FUNDS**

MM Mfikoe  
Chairperson

SM Maysela  
Vice Chairperson

M Straton

S Khola

R Mc Alpine

E van Zyl

D van Deventer

AM Van Niekerk

J Gill  
Independent

R Sheehan  
Principal Officer

### **Live Forums are being replaced by direct Engagements with Employers and Employees at your workplaces**

- The ECI Funds and Council have agreed that a more direct approach is needed, therefore going forward you can expect to see your Trustees at an office near you on dates which will be advised as soon as possible. The Developers from the Benefit Counsellor Application will be joining us on some visits to sensitise you to the great uses and convenience of this Application.
- Please keep a lookout for updates from your Employer/ your HR Department/ via Council's Website <http://www.nbcei.co.za/>, via the Funds' Facebook page, Twitter and TikTok; and via WhatsApp messages from Council's Call Centre.

### **What is Council's role at the ECI Funds, and in the Industry**

- The NBCEISA (the Bargaining Council), plays an important role in the operations of the ECI Funds. It is through negotiations at the Bargaining Council that the ECI Funds were established and this social security benefit was established. By securing this benefit for Employees in the Industry, it is the first step towards ensuring that Employees in the industry can one day Retire with Dignity.

### **What day to day role does the Bargaining Council play within the ECI Funds**

- It ensures that your Employer pays over the pension fund contributions deducted from your salary to the Fund. If your Employer fails to pay over these deductions, the Bargaining Council will start legal action against the Employer, which will include criminal action for committing fraud. If you want to confirm whether your deductions are being received by the Bargaining Council and the Fund, please phone Nomsa Magagula on 0113392312/ e-mail at [nomsam@nbcei.co.za](mailto:nomsam@nbcei.co.za)
- The Bargaining Council assists Members with any general queries you may have about the Fund, including providing Fund Members with a copy of the Rules of the Fund. The Bargaining Council also provides you with details of the benefits that you enjoy through your membership of the ECI Fund.
- The Bargaining Council assists Members when they want to lodge any claim with the Fund. These claims are for: Member's funerals/ and for your immediate family; Member's death claims; or when a Member wants to lodge a disability claim. If Members/ or a family member has any queries regarding the above, please visit your nearest Bargaining Council office and they will assist you. If this is not possible, please phone Nomsa Magagula on 0113392312/ or you may e-mail her at [nomsam@nbcei.co.za](mailto:nomsam@nbcei.co.za) regarding any claim you may wish to lodge.
- The Bargaining Council ensures all Members receive a yearly Benefit Statement, generally after July of each year. Our Agents deliver all Benefit Statements to your Employer's offices. If you did not receive your Benefit Statement, please first ask your Employer if they have received it, if they have not, phone Nomsa Magagula on 0113392312/ or e-mail her at [nomsam@nbcei.co.za](mailto:nomsam@nbcei.co.za), and she will assist you in receiving your Benefit Statement.

### **What is a Paid-Up Member?**

- If your Employer terminates your employment you may choose to preserve your Share of Fund in the ECI Fund, until such time as you can Retire with Dignity,
  - **that means that you are a Paid-Up Member and your entire withdrawal benefit remains invested in the Fund and continues to earn interest.**
- It is important to notify the Fund via the Bargaining Council of your choice, and you will then be issued with a Paid-Up Member Certificate.
  - **It is important to visit Council's offices at the end of your employment to check your benefits and make an informed decision on whether to withdraw your benefits or opt for a Paid-Up Member Certificate.**
- A large majority of Members leave the industry without claiming their benefit money from the Fund, or opting for a Paid-Up Member Certificate.

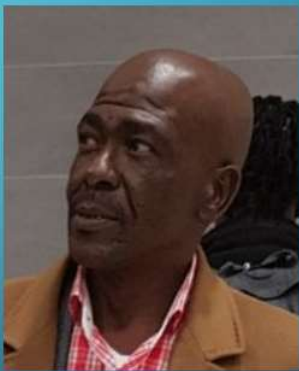
### **The Vested and Non-Vested Share of Fund\*\* (V-SoF/ NV-SoF)**

- A Vested Share of Fund refers to a Member's Share of Fund (\*\*applicable to Members under age 55 as at 1 March 2021), this money is protected, and can be taken as cash lump sum at retirement.
- The Non-Vested Share of Fund is all new contributions, **including the growth** from 1 March 2021 until retirement age/ date. At retirement **only one-third of the money can be taken as a cash lump sum**, two-thirds **must** be used to buy a pension (compulsory life annuity). **If the Non-Vested Share of Fund is less than R247,500**, the *de minimis* rule applies i.e., the full amount can be taken as cash lump sum.
- Provident Fund Members are required to have two separate records indicating accumulated retirement savings as at 1 March 2021 i.e., Vested Share of Fund, and after 1 March 2021 the Non-Vested Share of Fund.

**Members, we take this opportunity to introduce you to our Deputy Chairperson, Mr Siphon Mayisela.**

## SIPHO MAYISELA VICE-CHAIRPERSON

- I am the Labour Trustee to the ECI Pension and Provident Funds (Regions A and B).
- Over the years I have served as a Trustee for the ECI Pension and Provident Funds; the ECI-KZN Pension Fund and the Metal Industry Pension and Provident Funds (MIBFEA).
- At the ECI Funds I have served as the Chairperson of the Board of Trustees, currently I serve as the Deputy Chairperson of the Board; and Chairperson of the following Sub-Committees: Administration and Claims and Disposition.
- I regard Trusteeship as the fundamental principle of trust and integrity; to act in good faith towards the Funds; and, in the best interest of the Sponsor and our Members.



### **Please keep every single one of your Benefit Statements, especially the historical ones**

- Benefit Statements are issued once a year and details all the contributions made to the Funds for that year. If Members want to see all their contributions from when they started working, they should keep their annual Benefit Statements safe. Please ensure that your family members are aware of where your Benefit Statements are, as well as the claims processes, this will assist Members if you disagree with your Share of Fund.

### **Are you close to Retirement? If so, expect a telephone call from a Liberty Counselling Agent**

- Members close to retirement will be contacted by Liberty to provide counselling regarding their choices when retiring.
- It is important to note that in order for Liberty to do so, your personal information will be shared with Liberty. If you object to this, please notify the Funds immediately via email at [ecifund@nbcei.co.za](mailto:ecifund@nbcei.co.za)/ or contact the Funds via our Call Centre on 011 339 2312/ or via WhatsApp 068 210 6783.

### **Investment Performance**

- It is important to know that investments for the Pension and Provident Fund are aimed to target long-term growth, therefore negative growth over the short-term should be viewed in light of the economy during a specific period in time.

- In 2022, the world and South Africa faced many events that impacted the short-term performance of investments in general. The ECI Funds were affected no differently, as the graphs below show.
- **Pension Fund Investment Performance Compared with its Benchmark (Target Performance) as at 30 June 2022**

**Performance over time**



- **Provident Fund Investment Performance Compared with its Benchmark (Target Performance) as at 30 June 2022**

**Performance over time**



**Members, completing and signing your Nomination Form, and submitting it to Council is vital**

- In the unfortunate event that a Member passes away, the Trustees are required to decide who your Dependants are and how to distribute your money (including the death benefit accepting that all your contributions are up to date). To assist the Trustees, it is vital that you complete a Nomination Form and list all your Dependants. It is also vital that you update your Nomination Form every time a major life event such as a marriage or a new child happens.
- The form can be downloaded from Council's website <http://www.nbcei.co.za/>, or you are welcome to email the Funds at [ecifund@nbcei.co.za/](mailto:ecifund@nbcei.co.za/) or contact the Funds via our Call Centre on 011 339 2312/ or via WhatsApp 068 210 6783.

**Annual Financial Statements 2021**

- The Annual Financial statements for 2021 were completed for both Funds and submitted to the FSCA in June and July 2022 respectively. These will be available on the website by the end of November 2022.

- There were no changes in the investment strategy in 2021; and Fund returns and measurement against benchmark were discussed in the Investment Performance paragraph, above.

**Continuing our practice of being transparent, below is an extract from the Pension Fund AFS 2021**

**ELECTRICAL CONTRACTING INDUSTRY PENSION FUND**

**SCHEDULE F  
STATEMENT OF NET ASSETS AND FUNDS  
AS AT 31 DECEMBER 2021**

	Note	Current year R	Previous year R
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	2	1,930,216,788	1,664,668,478
<b>Current assets</b>			
Accounts receivable	3	3,908,223	5,837,522
Arrear contributions	9	-	12,349,574
Cash at bank		37,852,466	8,592,125
<b>Total assets</b>		<b>1,971,977,477</b>	<b>1,691,447,699</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Members' funds and surplus account</b>			
Members' individual accounts	15	1,606,643,832	1,321,924,628
Amounts to be allocated	17	60,385,484	89,088,368
<b>Reserves</b>			
Reserve accounts	16	33,970,788	22,895,119
<b>Total funds and reserves</b>		<b>1,701,000,104</b>	<b>1,433,908,115</b>
<b>Non-current liabilities</b>			
Unclaimed benefits	7	197,590,034	169,014,562
<b>Current liabilities</b>			
Transfers payable	5	813,612	2,655,237
Benefits payable	6	49,507,778	73,975,622
Accounts payable	8	19,356,889	11,894,163
Contributions refundable	9	3,709,060	-
<b>Total funds and liabilities</b>		<b>1,971,977,477</b>	<b>1,691,447,699</b>

**Below is an extract from the Provident Fund AFS 2021**

**ELECTRICAL CONTRACTING INDUSTRY PROVIDENT FUND**

**SCHEDULE F  
STATEMENT OF NET ASSETS AND FUNDS  
AS AT 31 DECEMBER 2021**

	Note	Current period R	Previous period R
<b>ASSETS</b>			
<b>Non-current assets</b>			
Investments	2	71,136,680	69,484,743
<b>Current assets</b>			
Accounts receivable	3	1,009	211,916
Cash at bank		1,527,512	4,098,746
<b>Total assets</b>		<b>72,665,201</b>	<b>73,795,405</b>
<b>FUNDS AND LIABILITIES</b>			
<b>Members' funds and surplus account</b>			
Members' individual accounts	13	55,612,436	49,382,843
Amounts to be allocated	15	1,668,509	670,443
<b>Reserves</b>			
Reserve accounts	14	783,691	564,969
<b>Total funds and reserves</b>		<b>58,064,636</b>	<b>50,618,255</b>
<b>Non-current liabilities</b>			
Unclaimed benefits	6	11,931,117	14,339,236
<b>Current liabilities</b>			
Transfers payable	4	716	716
Benefits payable	5	1,588,512	7,426,263
Accounts payable	7	1,063,318	1,222,508
Contributions refundable	8	16,902	188,427
<b>Total funds and liabilities</b>		<b>72,665,201</b>	<b>73,795,405</b>