

**KWAZULU NATAL**  
**CLOTHING INDUSTRY**  
**PROVIDENT FUND**

**INFORMATION BOOKLET**

**METRO**

**The Fund's name:** KWAZULU NATAL CLOTHING INDUSTRY PROVIDENT FUND. (Provident Fund Reg No. 12/8/37816)

**Object of the Fund:** In terms of the Rules of the Fund to provide retirement and other benefits to employees and benefits in the event of their death.

**Registered Office:** The registered office of the Fund is Ground Floor, James Bolton Hall, 127/129 Magwaza Maphalala Street (Gale Street), Umbilo, Durban. 4001. The official postal address is P.O. 18354, Dalbridge. 4014. Tel: 031/3620700 : Fax 031/3013955. [www.kzncipf.org.za](http://www.kzncipf.org.za)

**Membership of the Fund:** All employees within the Clothing Manufacturing Industry should be members of the Fund. No new member may be admitted to the Fund at 60 years of age or older.

**Member's Contributions:** The employer shall deduct from the wages of each of his employees who have worked nine (9) ordinary hours or more during any pay week or part thereof, the percentage of 6.5% of the employee's basic weekly wage. This amount will be allocated to the member's account of the member's fund credit. Provided - that no deduction shall be made from the wages of any employee after Normal Retirement age, unless he has elected to defer his retirement.

**Employers Contributions:** Each employer shall contribute to the Fund for each of his employees.

**Employers Contribution rate:** 5.25% of basic weekly wage towards retirement funding and 2.25% for risk funding.

**Members are not covered for risk if contributions are not up to date by the Employer.**

**Beneficiaries and Nominees:** Every member is required to nominate their dependants or nominees on the Beneficiary Nomination form provided. This form must be forwarded to the Fund. The form is provided by the fund every year and members should update this form frequently. In case of the death of the member, this form will be a guideline for the Trustees of the Fund. The Trustees shall have absolute discretion as to the apportionment and amounts of benefits payable between deceased's dependants and nominees.

**Bereavement Benefit:** In the event of the death of a member in service prior to his normal retirement age, a bereavement benefit to the value of **R7,500** shall become payable in addition to the death benefits.

This benefit will be paid if member is covered for risk and contributions are up to date by the Employer.

**Cessation of Membership:** A member shall not be permitted to withdraw from the Fund while he remains an employee. If a member becomes a member of another company's approved Provident Fund after leaving the Industry, he may transfer his full fund credit to that fund.

**Claims:** Once a member leaves the Industry, he may apply for his benefits. The following supportive documentation to be provided: **identity document, tax reference number, record of service card and a bank statement.** Once claims are due, the Fund will obtain a tax directive from SARS. The claim is then processed and payment is transferred electronically into member's bank account.

**Our Commitment:** Our commitment is to give excellent service to members and their dependants. The Fund takes all complaints seriously and our aim is to resolve all complaints promptly via the complaints resolution procedure.

## **BENEFITS**

### **1 Total Fund Credit**

The "Total Fund Credit" in respect of a member includes the sum of:

- The member's transferred fund share (from the old fund as at 31.8.94).
- The Employer's transferred fund share (from the old fund as at 31.8.94).
- All of the member's contributions.
- All of the employer's contributions.
- The full rate of growth as declared by the fund (from time to time in terms of the rules) – on the above sums of money.

#### **LESS:**

The costs of providing for risk benefits and administration costs.

### **2 Retirement**

Retirement age is 60 years for both males and females. When you retire you will be paid:

- Total Fund Credit if applicable or
- All payments are paid in accordance with the provisions of the 2021 retirement reform which are as follows:

If you are:

- under 55 years as at March 2021
- accumulated a total savings of R247,500 from 1 March 2021 till the date of your retirement
- your insured disability portion is greater than R247,500

Then your benefit will be split in the following manner:

**Lumpsum Cash Payout** = all contributions and interest from date of employment to 28 February 2021 plus 1/3 of all contributions and interest after 1 March 2021.

**Compulsory Annuitisation** = 2/3 of all contributions and interest after 1 March 2021 to date of retirement if applicable 2/3 parts of the insured benefit payout in disability claims.

### **3 Disability**

If you are seriously ill or disabled and cannot work anymore, you must apply for a Disability benefit. If your claim is accepted after six (6) months you will be paid:

- Your Total Fund Credit as described above, plus
- Insured Amount in terms of the rules.
- Disability Benefit payment is subject to acceptance of claim by insurers.
- **Disability claims are paid in accordance with the provisions of the retirement reform.**

**(The disability insured amount reduces by 20% per year for employees aged above 55).**

**This benefit will only be paid if contributions have been received from your employer and risk premiums have been paid.**

**The factory or employee must notify the Fund within 9 months of a claim or the claim may be declined.**

### **4 Death**

If you die while you are still employed in the Clothing Industry and have been contributing to the Fund, your family will be paid:

- Your Total Fund Credit as described above, plus
- Insured Amount in terms of the rules.
- Death Benefit payment is subject to acceptance of claim by insurers.

**This benefit will only be paid if contributions have been received from your employer and risk premiums have been paid.**

**The factory or beneficiaries must notify the Fund within 12 months of a claim or the claim may be declined.**

### **5 Retrenchment**

If you are retrenched and not re-employed in the Clothing Industry after a period of three (3) months, you will be paid:

- A refund of your own contributions, plus
- 100% of your employer's contributions, plus
- The full interest earned on the above amounts.

### **6 Withdrawal**

If you leave your company and the Clothing Industry (that is if you have not retired, been disabled or been retrenched), after a period of six (6) months, you will be paid:

- A refund of your own contributions, plus
- 100% of your employer's contributions, plus
- The full interest earned on the above amounts.

**N.B. This summary does not replace, nor in any way modify, the official rules of the fund. This document is subject to potential error and if there is an inconsistency between the information booklet and the Fund rules. The rules of the Fund take precedence. (The rules of the fund can be found on the fund's website [www.kzncipf.org.za](http://www.kzncipf.org.za))**