

CATEGORY C (RETIREMENT FUND) INFORMATION BROCHURE

THE NFMW IS THE FUND OF CHOICE IN LOCAL GOVERNMENT!

The **National Fund for Municipal Workers (NFMW)** has grown to the largest fund within local government and with a membership base of **more than 56 000 (employees and councillors)** throughout South Africa, it is clear that we are the **fund of choice**.

Our members are at the centre of what we do, our decisions, our behaviours and the strategies that we employ in the management of the fund.

We pride ourselves in providing **excellent service** and the administration **cost is of the lowest in the industry**, this translates to less of our members' contributions towards cost and more towards **retirement savings**.

Our **excellent long-term investment** performance track record puts it on par with the best global balanced managed portfolios in South Africa and **ahead of its peers** in Local Government.

This brochure contains information about the fund, its benefits, payment options when leaving employment as well as the services we provide to our members. If you need more detailed information, you can contact one of our communication consultants directly, or the fund on the details provided in this document. Remember we are always here to help!

SAVING TOWARDS YOUR RETIREMENT

The NFMW is a defined contribution fund where you have your own account in the Fund, called the fund credit. The fund credit consists of your contributions plus the employer contributions plus investment returns earned, minus the cost. When you end service, whether it is due to resignation, dismissal, death, disability or retirement, the fund credit is payable.

● The Fund receives monthly contributions

On a monthly basis your and the employer's contributions are paid to the fund. Members contribute between 7.5% and 9% and the employer 18% of pensionable salary, dependent on your conditions of service.

● The administration cost and risk cover costs are deducted

The risk cover costs (death, disability, and funeral cover costs) as determined by the risk option selected, and the administration cost which goes towards the day-to-day running of the fund, are 0.5% deducted from the employer contributions. The Fund understands the impact that high costs can have on a member's retirement savings and therefore always endeavours to keep it to a minimum.

● Investment returns are added

It is important to note that you carry the investment risk. This means that good investment returns will have a positive effect on your fund credit and negative returns the opposite effect.



INVESTMENTS

LIFE STAGES The Fund applies a default life stage model which automatically takes members through various investment portfolios with different risk profiles i.e. aggressive to more conservative portfolios as they approach retirement age. The life stages are provided below:

Members **younger than age 55**
- Aggressive Growth portfolio

Members **aged 55 and older, but younger than age 62**
- Capital Growth portfolio

Members **aged 62 and older**
- Stable Growth portfolio

The Fund uses a phasing-in approach for default switches. The first 25% switch to the new recommended portfolio will commence at the end of a member's birthday month. As a result, it will take 12 months for a total portfolio switch to be completed. After the 12-month phase-in period, all future member contributions will automatically accrue to the new default life stage portfolio.

MEMBER INVESTMENT CHOICE The Fund also allows flexibility in providing our members with the option to elect any of the individual investment portfolio options available.

Aggressive Growth Portfolio

Investment objective: To maximise capital growth over a long-term investment horizon. Members should acknowledge that this strategy could deliver volatile and negative returns over the short-term. This strategy is suitable for members with more than 10 years to retirement.

Capital Growth Portfolio

Investment objective: To target capital growth over a medium to long-term investment horizon. Members should acknowledge that this strategy could deliver volatile and negative returns over the short-term. This strategy is suitable for members with 5 to 10 years to retirement.

Stable Growth Portfolio

Investment objective: To target stable returns over a medium-term investment horizon with low volatility and a low probability of negative returns. This strategy is suitable for members with 1 to 5 years to retirement.

Capital Protector Portfolio

Investment objective: To provide capital security with very low volatility and an extremely low probability of negative returns. This strategy is suitable for members with less than 1 year to retirement where capital protection is absolutely necessary.

Shari’ah Portfolio

This portfolio is suitable for Muslim investors requiring a Sharia-compliant investment portfolio. The portfolio will be invested in a variety of domestic and international asset classes. The underlying investments will comply with Shari’ah requirements as prescribed by the Auditing Organisation for Islamic Financial Institutions. The portfolio targets capital growth over the long-term while limiting short term market fluctuations.

- Members have the option to switch between the different portfolios and are encouraged to obtain financial advice, to ensure that they make informed investment decisions.
- The latest investment returns, including the fund fact sheets are available on the fund’s website www.nationalfund.co.za.

NFMW BENEFITS

Members and their family members benefit from the NFMW’s superior value proposition. This talks to the Fund’s vision of positively impacting the lives of our members, their families and communities, today and tomorrow.

Death and disability benefits

In the case of the unforeseen happening, like death or disability, it is important to know that your family will be financially taken care of.

The Fund provides our members with the option to elect the amount of death and disability cover, by choosing between the four available categories. Where no Category is elected, the member will be placed on the Default risk cover option, which is C5.

CATEGORY	DISABILITY COVER	DEATH COVER
C0 No cost	Choice of no cover, only fund credit payable	Choice of no cover, only fund credit payable
C1 - Total cost 0.821%	A lump sum of 1 x annual pensionable salary + fund credit	A lump sum of 1 x annual pensionable salary + fund credit
C3 - Total cost 2.447%	A lump sum of 3 x annual pensionable salary + fund credit	A lump sum of 3 x annual pensionable salary + fund credit
C5 - Total cost 3.612%	A lump sum of 3 x annual pensionable salary + fund credit	A lump sum of 5 x annual pensionable salary + fund credit

- Members have the option to decrease their risk cover option twice a year effective 1 January or 1 July and increase their risk cover when their personal status changes i.e birth of a child, marriage, within 3 months from the date of the event. Medical underwriting may be required.
- In the event of an active member’s death or disability before retirement age, the funeral cover will continue until such time that the member would have reached normal retirement age.
- The disability benefit reduces with 1.67% per month from age 60 to 65. A disability claim is subject to the approval in accordance to the policy conditions.
- Death, disability and funeral cover cease when a member ends service or at normal retirement age.

MEMBERS MUST ENSURE THAT THEIR BENEFICIARY INFORMATION IS UPDATED REGULARLY. THE INFORMATION IS TREATED AS STRICTLY CONFIDENTIAL BY THE FUND AND THE FORMS ARE AVAILABLE ON THE FUND’S WEBSITE, FROM THE FUND’S OFFICES AND CAN BE UPDATED ON THE SANLAM ONLINE PLATFORM.

IMPORTANT REMINDER! Death benefit payments are subject to Section 37C of the Pension Funds Act, which means the last will and testament, although considered for information purposes, does not determine how the death benefit is distributed. The nomination form, however, plays an important role as it is used as an important guideline when the trustees decide on who the benefit should be paid out to.

NFMW
Fund of choice!

Funeral cover

All members and their qualifying family members are covered for the following funeral benefits irrespective of the risk category elected: Funeral cover cost: 1.079% of pensionable salary.

Main member	R 48 500
*Qualifying spouse/life partner	R 48 500
Qualifying child 6 to 21 years (Qualifying child 21 to 26 years must be a full-time student, unmarried and/or disabled)	R 24 250
Qualifying child from 26 weeks of pregnancy until 6 years	R 11 000

REPATRIATION BENEFIT – This is an included service available on the death of a member or qualifying family members. It is available 24 hours a day, seven days a week and offers the service of transporting the deceased, by land and/or air to place of burial within South Africa. To claim, please contact the insurer on 086 0004 080, quote the name and ID of the deceased, name of fund and place where death occurred.

*The qualifying spouse/life partner must be younger than the age of 75 when the member joins the Fund to qualify for the funeral benefit. Members must ensure that their life partners are registered with the Fund, by completing and submitting the Application for Registration of a Life Partner-form to qualify for the funeral benefit.

VALUE ADDED BENEFITS

THE HEALTH HEROES SERVICE

The Health Heroes service can assist NFMW members and qualifying family members with counselling and support services in their personal life and at work and is available 24 hours a day, seven days a week, 365 days a year. They can assist with marital, family and relationship problems, incapacity and disability, personal and work-related stress, suicide/homicidal threat, alcohol and substance abuse as well as other psychosocial issues and health challenges. Contact Health Heroes on 0800 333 048 or e-mail healthheroes@kulapartners.co.za or USSD *120*1080#

ABSA WORKPLACE BENEFITS

ABSA offers NFMW-members financial service solutions, which include exclusive discounts on vehicle finance, home loans and personal loans. For more information contact Workplace Banking Direct on 0860 556 556. Remember your NFMW-membership card or latest benefit statement when engaging with ABSA and to quote the NFMW-group scheme code: 10682. Terms and conditions apply.

SANLAM REALITY ACCESS LOYALTY PROGRAMME

NFMW-members automatically qualify for benefits and savings through the Sanlam Reality Access loyalty programme which rewards members for living a financially responsible life. Benefits include funeral support, legal assistance emergency medical support, trauma, assault and HIV assist, discounted coupons, online calculators, and tools. Contact 0860 732 548/9 for more information on how to access these and other exclusive lifestyle benefits.

VOLUNTARY FUNERAL COVER

NFMW-members have the option to make use of additional voluntary benefits for funeral cover. The cover is completely voluntary and you can structure it to best suit your individual needs. The monthly premium is payable directly by the member to the provider. The number of family members you wish to insure, the amount of cover and/or the package you choose, will determine the monthly premium payable. Please refer to the brochure and policy document for the cost and the applicable terms and conditions.

- Burial packages structured around your individual needs (Kgatso Funerals 087 160 0568);
- Funeral cover for parents/parents-in-law and extended family members; and
- Funeral cover conversion which allows members to continue with the funeral cover when they resign, are retrenched, or retire (Sanlam 0860 222 556).

PENSION-BACKED HOUSING LOANS

The Fund understands the need for housing and therefore provides housing loan guarantees based on a maximum percentage of a member's Fund credit. The loan is subject to approval by the relevant credit provider and must be used for housing purposes i.e. renovating of property, purchasing of property and /or a plot and/or for the settlement or partial settlement of an existing bond. Standard Bank is one of the financial credit providers that offers the pension-backed home loan facility. Please note that your employer must have an agreement with the respective financial credit provider, in order to apply for the home loan guarantee facility.

For further information and assistance with the home loan application process please contact:
Standard Bank Pension Backed lending on 086 100 9429 or Pblloanorigination@standardbank.co.za

BENEFITS PAYABLE WHEN ENDING SERVICE

ON RESIGNATION (ENDING SERVICE BEFORE AGE 55)

- No penalties
- If you resign voluntarily or are dismissed, the full fund credit will be paid as a lump sum.
- Benefit is subject to tax.
- Option to become a deferred member or transfer benefit into an approved fund.
- **NB! Members who end service and immediately take up employment at another participating employer, will not be entitled to withdraw their benefits and must, in terms of Fund Rules, continue with their Fund membership at the new employer.**

AT RETIREMENT

• **Normal retirement** – at age 65 years or as per conditions of service

Early retirement – from age 55 years

- Members who were 55 years and older on 1 March 2021 will have the option to have the full retirement benefit paid to them as a lump sum (if they remain a member of the NFMW until they retire).
- Members who were younger than 55 years on 1 March 2021 can choose to have their benefits accumulated before 1 March 2021 plus interest on that benefit, paid as a cash lump sum, when they retire. However, only one-third of the benefit accumulated after 1 March 2021 can be paid as a cash lump sum and two thirds must be used to purchase a pension. If the benefit accumulated after 1 March 2021 is less than R247 500, the member can choose to only take the total/full benefit as a cash lump sum.
- Category E members may only take one-third of the benefit as a cash lump sum and two-thirds must be used to purchase a pension. If the benefit accumulated is less than R247 500, the member can choose to be paid the total/full benefit as a cash lump sum.
- Benefit payments are subject to tax.
- Members who have reached normal retirement age can defer their retirement, subject to the conditions by the employer. Contributions will continue to be paid during this time.

NFMW post-retirement products: The NFMW offers two post-retirement products. The NFMW Golden income with profits life annuity underwritten by MMI and the NFMW Trustee endorsed living annuity (out-of-fund)

The NFMW offers holistic retirement benefit counselling, financial planning and advice to all members of the Fund during members' working life, including post-retirement. Contact Portfolium on (012) 880 5981 and INfund Solutions on (012) 880 5983 for more information or to speak to one of the INfund counsellors or financial advisors.

OUR SERVICES

- We bring the fund to you through regular employer visits.
- SMS-communication with instant notification of upcoming events, fund updates and latest fund values.
- Regular monthly newsletters.
- Benefit statements.
- Annual report.
- Educational videos.
- An interactive website with a **#datafree** facility.
- Mobile application: Register at <https://cp.sanlam.co.za/cplogin> or download the Sanlam My Retirement application.

CONNECT WITH US

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IT IS IMPORTANT TO NOTE THAT THE NFMW STAFF ARE NOT QUALIFIED TO PROVIDE FINANCIAL ADVICE AS CONTEMPLATED IN THE FAIS-ACT AND MEMBERS SHOULD ALWAYS SEEK FINANCIAL ADVICE FROM A QUALIFIED FINANCIAL ADVISOR.