

Benefits of Membership within IVPD Provident Fund 2025



Fund Structure



Responsible Employers Caring for Staff

The fund has been structured to provide Risk Benefits and Retirement Asset as separate entities. There are 4 independent roles.

- Fund administrator in terms of section 13B of Pension Fund Act (LifeSense)
- Advisor with independent FSP licence (Brian Shear / Shannon Winnaar - MoneyLine)
- Group risk provider (Discovery Group Risk)
- Asset manager (Sygnia)

Monthly returns are done via a web-based application.

Asset Management



- Default funds are set for members based on current age and number of years to retirement
- Alternatively, members may choose from several funds with varying risk profiles.

IVPD Provident Fund - Risk Benefits



Life cover

- 3 X Annual Salary paid as tax free lump sum to your family or nominated beneficiaries to age 70.



Global Education Protector [On death of principal member]

- From Grade 0 to completion of 3-year undergrad degree
- Education costs paid to the institution (refer to rules)
- Residence allowance for tertiary education up to 30% of Tertiary fees.
- Book Allowance for tertiary education up to 10% of tertiary fees.
- Private school upgrade for vitality members Blue and higher.



Income Continuation

- 75% of Scheme salary after 3 month waiting period.
- Temporary income protection paid at 75% of scheme salary
- Permanent Disability upgraded income benefit increases to 100% of scheme salary
- Benefit is tax free.
- Benefit is payable from claim event until the earlier of:
 - Retirement age (65)
 - Return to work
 - No longer Disabled
 - Death
- Full body system coverage including “own occupation” [including professionals]
- Benefit increases on anniversary by the lesser of CPI or 7.5%
- Waiver of premium for company contribution to retirement 5%
- Additional benefits for Vitality members
 - *Mortgage protection* (dependent on vitality status, up to 24 months.) on death or disablement
 - *Performance Bonus protection* will pay up to 100% of past bonuses for a maximum of 24 months, depending on Vitality status
 - *Enhanced benefits* for spending through Discovery Card
 - *Contribution protection* pays up to 33% of monthly benefit for Discovery risk products and medical schemes for up to 24 months on disability



Severe Illness benefit

- Lump sum of 1 x Annual Salary based on the severity of illness to age 65
- Non accelerated, Tax Free benefit.
- Multiple claims allow for successive claims provided funds are available.
- Severity Levels covered include Severity A to G, payout from 5% to 100%.
- Child Severe Illness benefit for children younger than 18 years are covered for the same illnesses as the principal.

LifeTime Capital Disability Lump-Sum Benefit

- Pays a Lump-sum of up to 36 times the Income Continuation Benefit for Category A Capital disability, which is *medical impairment and activities of daily living*.



Family Funeral benefit

- Member, Spouse and child over 14, under 21 R25 000
- Child 6 to 13 years R12 500
- Child below 6 years R7 500
- Stillborn R3 125
- The plan covers up to 3 spouses and 5 children
- Risk Benefits cease when the member leaves IVPD



Continuation Option

Note: All risk benefits cease when the member leaves the company. Members may retain the Benefits through the **Continuation Option** at standard personal rates, free of medical underwriting. There is no Continuation Option for Funeral Benefits

Free Cover Limits

This is the amount of cover that is automatically granted free of medical underwriting

Life Cover <i>lumpsum</i>	3 150 0000
Income Continuation Benefit <i>monthly</i>	42 000
Severe Illness Benefit <i>lumpsum</i>	630 000

IVPD Provident Fund - Retirement Benefits

- Employee 5% of scheme salary
- Employer 5% of scheme salary
- Risk and admin fees are paid by the Employer
- 100% allocation to retirement.



Note: Provident Fund money vests with the member and may be transferred to a personal Preservation fund, exempt from tax, when leaving IVPD before retirement

2 Pot System

With the implementation of the 2 Pot system, current IVPD members will have three pots. All contributions to the fund up to 31st of August 2024 will vest with the members and will be dealt with according to the “old rules”. Contributions to the fund after the 1st of September will be subject to the new “**two-pot system**” which provides “Savings” and “Retirement” components

Total Costs

The total cost of membership of the IVPD Provident, expressed as a percentage of scheme salary

○ Administration	1.15%
○ Governance Fee	0.1158%
○ Risk	2.93%
○ Employee contribution to retirement	5.00%
○ Employer contribution to retirement	<u>5.00%</u>
○ Total	14.196%
○ Family Funeral Fund	R27.14
○ Benefit Counsellor (Including Vat)	R4.50

The company pays the full amount to the Fund and claims tax deduction on the contribution.

The employee contribution is recovered from the members’ salary.

The member pays fringe benefit tax on the employer

Employee gets immediate tax relieve on total retirement contribution

About



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