

SOUTH AFRICAN CRICKETERS' ASSOCIATION



PROVIDENT FUND BENEFIT STRUCTURE



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INDEPENDENT AND MULTIFACETED



ENABLING YOU TO ACHIEVE FINANCIAL FREEDOM NOW WITHOUT RISKING YOUR FUTUTRE

1. OVERVIEW OF THE BENEFITS PROVIDED

The Consolidated Benefit Provident Fund is an Umbrella Fund set up to streamline costs and administrative procedures for smaller employers. The Fund is therefore cheaper and easier to administer with fewer complications and delays in paying out of benefits and undertaking any administrative changes.

An overview of the benefits provided under the Consolidated Benefit Provident Fund is as follows:

Retirement Age:

Retirement from the Provident Fund: Age 32 (as approved by SARS)

- Members can continue to contribute to the fund after retirement age should they still be a professionally contracted player.
- Retirement from the Provident Fund will be subject to the Retirement Rules (please refer to Section 3).

Defined Contribution Fund

The Fund is a defined contribution scheme which offers employees a retirement savings vehicle.

- Death, debility, and funeral cover are currently offered to all professionally contracted cricketers with Momentum and these benefits fall outside of the Provident Fund.

Contributions

The contributions paid to the Fund are structured as follows:

- Division 1 players receive a monthly contribution of 5% of their domestic contract salary
- Proteas men & women receive a monthly contribution of 7.5% of their CSA contract salary
- While players are not mandated to make a fixed contribution, it is nevertheless strongly advised that they make additional voluntary contributions to the fund throughout the year, either in ad hoc lump sum payment or monthly contributions through payroll.
 - If you want to make an additional voluntary contribution, please notify your payroll contact and they can do this as part of your salary either once off or monthly ongoing.
 - The benefit of this is that the **tax deductibility** will reflect in the month you contribute.
- Division 2 players: need to make personal contribution arrangement with their union via SACA
 - Please contact I&M Financial Services for more information and guidance to assist you in making this tax efficient.

Tax Deductibility

Any contributions to the Provident Fund are made prior to your tax, specifically your PAYE deduction. Please see below example:

Gross Salary	R25 000	R25 000
Provident Fund deduction	R 1 250 (5%)	R 2 500 (10%)
Tax	R 3 300	R 2 975
Net Salary	R20 450	R19 525

Net Salary is R925 less and tax is R325 less. Additional contribution is R1 250. In essence SARS has contributed towards your retirement. This tax saving becomes more significant as you move higher up the various tax brackets.

Retirement Benefits

The accumulation of retirement benefits in a defined contribution fund consists of the value of contributions available for retirement savings plus the fund's investment returns strategy.

2. WITHDRAWAL ON LOSS OF CONTRACT OPTIONS

Members receive their share of the fund on loss of their professional cricket contract or retirement. At this stage, members have two options available regarding their Share of Fund:

Please refer to the "Withdrawal/Retirement form": Annexure 2 - pages 9-10

2.1. A cash option - Members will however pay tax

Members may withdraw their benefit as a cash lump sum. However, they will be taxed on this withdrawal as follows:

<i>The first R25 000</i>	-	<i>Tax-free</i>
<i>R25 001 – R630 000</i>	-	<i>Taxed at 18%</i>
<i>R630 001 – R930 000</i>	-	<i>Taxed at 27%</i>
<i>R930 000 plus</i>	-	<i>Taxed at 36%</i>

For example: Assuming that the members "Share of Fund" is R 500 000.00, and they elect to withdraw their full benefit of R500 000.00, the tax payable will be R85 950.00. An unnecessary amount to be giving away to the taxman!

IMPORTANT: A cash withdrawal from a retirement fund can have negative consequences on a member's future retirement planning. The sting in the tail, however, is that any lump sum that is taken upon resignation will reduce the tax-free portion of any lump sum that is taken at retirement/in the future.

2.2. Transfer to another Registered Retirement Fund - tax free!

As a first principle, remember that it is very important to try to preserve retirement savings when changing jobs.

Should members wish to avoid paying tax on their benefit, they can choose to transfer their benefit to one of the following types of Retirement Funds:

- The members new Employers Provident Fund
- A Retirement Annuity
- A Provident Preservation Fund

3. RETIREMENT OPTIONS

From 1 March 2021, provident funds & provident preservation funds will be bound by the rule that at retirement up to a max of 1/3rd may be received as lump sum. Certain exceptions apply to this rule:

- 'Vested benefits', i.e., the value before 1 March 2021 plus growth / fund return, will be protected
- Members 55 or older on 1 March 2021 will not be forced to annuitize a portion of the benefit, provided they remain in same fund until retirement.

3.1. Retirement Benefit (Option 1)

The retirement age of members of the Fund is 32 years of age. SACA received a special dispensation from the Receiver of Revenue to have the Fund rules amended to reflect a realistic retirement age relative to the career of a professional cricketer.

Therefore, if you are 32 years of age or older when you end your career as a professional cricketer, you will have the following options:

- Retire from the Fund – your benefit accrued as of 1 March 2021 plus the fund growth on the portfolio, will be paid in cash and you will receive preferential tax treatment (see Retirement Lump Sum tax table below) together with your benefit accrued post 1 March 2021 which will be paid as follows:
 - One third may be taken in cash; and,
 - Transfer the balance of your capital to an Annuity; alternatively,

- On retirement you may elect to be paid a portion of the capital in cash subject to tax and transfer the balance of your capital to an Annuity; or,
- You may choose to transfer your capital to a Retirement Annuity or a Provident Preservation Fund.

Members may withdraw their benefit as a cash lump sum. However, they will be taxed on this withdrawal as follows:

<i>The first R500 000</i>	-	<i>Tax-free</i>
<i>R500 001 – R700 000</i>	-	<i>Taxed at 18%</i>
<i>R700 001 – R1 050 000</i>	-	<i>Taxed at 27%</i>
<i>R1 050 001 plus</i>	-	<i>Taxed at 36%</i>

We would recommend that you seek expert advice on the options available and the best solution for you.

If you are under the age of 32 when your contract is terminated, you will not be able to benefit from the retirement provisions, and any withdrawal of funds will be regarded as a **withdrawal** from the Fund and the benefits will be payable as per option 2.1 above.

3.2. Retirement Benefit (Option 2)

If a member loses his professional cricket contract but keeps playing domestic cricket in the hope of securing a future professional contract, he can leave the benefit in the fund until such time that he secures a contract or retires from the game.

PROCESSING TIMELINES (refer to Questions and Notes)

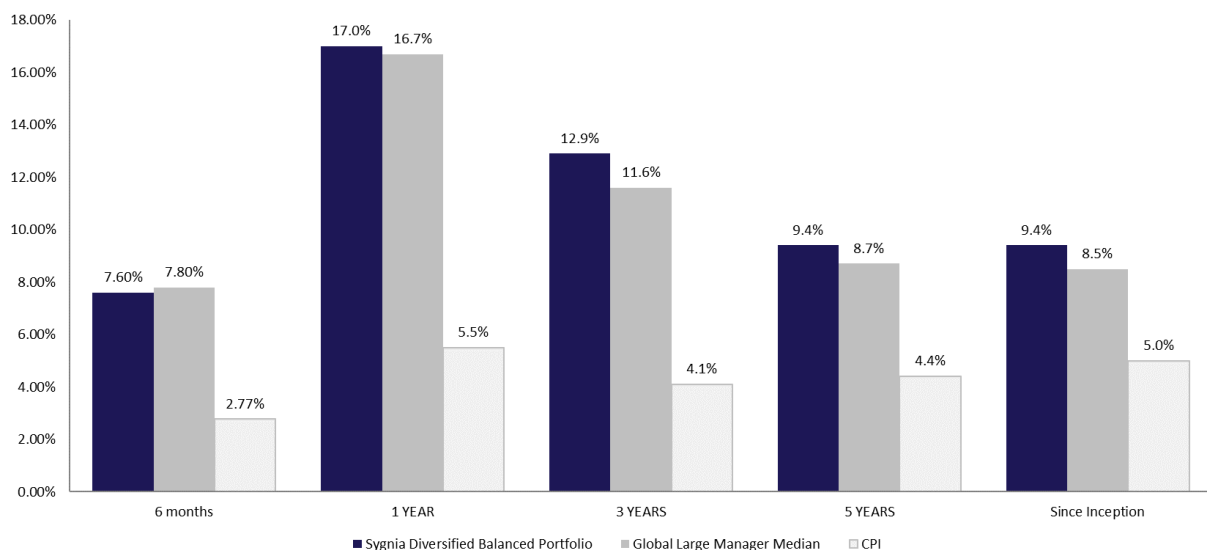
Provident Fund contributions are paid in arrears. I.e. the contribution reflecting on the member's January payslip will be paid by the 7th February. Thereafter, the fund is updated, and the claims process commences. The process can take up to eight (8) weeks depending on when the last contribution is made and if there are delays with SARS and/or if the member is transferring to another retirement fund.

4. INVESTMENT PORTFOLIO

Diversified Balanced Portfolio:

A Global Balanced Fund where the investment managers are selected to achieve superior returns at below average risk. The benchmark return of the Diversified Balanced Fund is 5% above inflation per year over a rolling five-year period.

Gross returns to end of December 2021



5. QUESTIONS & NOTES

Can we make the contributions tax efficient?

Yes, as members will note in the Fund overview, they are able to structure the level of your contributions to the Fund by informing SACA in writing to adjust the percentage of their **pensionable salary** which will adjust their contribution towards the Fund. This will assist members to ensure that the contributions are not only tax efficient but also sufficiently meet their savings targets for retirement.

How long does the withdrawal or retirement process take?

Expected timelines of withdrawals depend on when the last contribution is paid and when all the withdrawal documents are received by I&M Financial Services.

The eight (8) week period is calculated from the end of the month when the last contribution is paid across to the fund.

Example 1:

If a member resigns effective end of April and submits all documentation at the end of April, then the estimated eight (8) week processing period will commence from 1 May.

Example 2

If a member resigns effective end of April and submits all documentation at the end of March or mid-April, then the estimated six (6) week processing period will still commence from 1 May.

If there are delays with SARS and/or if the member is transferring to another retirement fund.

Where does my Provident Fund benefit go to if I pass away?

All members should complete the beneficiary nomination form. In terms of the Pension Funds Act, a member's dependents and persons who are not dependents but who are nominated in writing by the member (i.e. nominees) must be considered by the Trustees when they decide in what shares lump sum benefits are to be paid on the death of a member of a registered pension or provident fund.

Please refer to the "Dependents and Nominees form" : Annexure 1 - pages 7 -8

Will I get benefit statements?

Benefit values are issued once a month to SACA after the final schedule has been completed. Members can however request a provisional benefit statement and any other information at any time. Please contact SACA or I&M Financial Services for this information.

For More Information:

Please Contact Ian Tindall, Nicole Hill or Chantal Hogendoorn of I&M Financial Services on:

Work: (011) 463 9336

Email: ian@iandmfs.cloud / nicole@iandmfs.cloud / chantal@iandmfs.cloud

Chairman:	Mr. Dave Rolland (Consulting Actuary - Independent)
Trustees:	Mr. K.J. Wolhuter (Chartered Accountant - Independent) Mr. M.A. Cochlovius Mr. I.C. Tindall
Principal Officer:	Mrs. B.D. Davidson
Management Committee:	Two members elected to liaise with the Fund
Administrators:	I and M Financial Services (Pty) Ltd
Auditors:	VVR & Company
Valuator:	Cadiant Partners
Investment Managers:	Sygnia Investments
Registered Address:	1st Floor, Block 2, 66 Peter Place, Hurlingham Ext 5, Sandton, 2196
Telephone Number:	(011) 463 9336
Email:	info@iandmfs.cloud

I&M FINANCIAL SERVICES INVESTMENT PHILOSOPHY

It is also important to understand our investment philosophy.

Studies prove that more than 90% of returns are generated by active asset allocation calls made by the portfolio managers hence our preference to place our clients into Balanced Portfolios. This allows the Asset Managers who are at the coalface to make the asset allocation calls rather than members having to make those calls.

So as an investor, how can members enjoy a smoother investment journey and make sure they are invested in the right asset class, at the right time? The answer lies in a balanced fund, also called an asset allocation fund, which gives members access to all the main asset classes (equities, property, bonds, cash and offshore assets) within one fund. This allows members to diversify their investments while reducing the risk of over-exposure in a single asset class. Equities are an essential component of any long-term investment portfolio, and the risk can be mitigated through a balanced, diversified approach, which adds other types of assets to the portfolio.

The ability of a balanced fund to invest in all the asset classes (equities, property, bonds, cash and offshore assets) in a single fund has major benefits to the individual investor. Having all the main asset classes at its disposal reduces the risk of being invested in only one asset class, while at the same time providing a portfolio suitably matched to an investor's goals, time horizon and risk profile. As members know, markets change, making the investment decision fairly complicated. Equities can become more or less attractive, interest rates can change, and offshore markets come calling. The vast choice of investment options available to investors can also be confusing. Often the fear of making the wrong choice can cause one to procrastinate and avoid the decision altogether. In a balanced fund, the decision to increase or decrease a member's exposure to an asset class is made by a team of dedicated investment professionals who are right there at the coalface and constantly monitoring markets. This also ensures that the decision to increase or decrease an asset class is done timeously and not "after the fact".

It is also imperative that in selecting the Asset Manager, cognisance is taken of the manager's ability to manage "the downside risk" of the portfolio. I&M prefers managers who subscribe to the notion of capital preservation. We found that managers that limit the downside during market downturns are able to generate better long-term returns.

The only question then is which balanced fund suits each particular member, as they all have slightly different mandates and investment philosophies. I&M Financial Services with over 100 years of combined experience in investment markets will assist in selecting the correct balanced fund.

Investing requires patience and diligence





Application Form - Member Information

New Member Details

Title	Initials	First Names	
Surname		Date of Birth	
ID Number		Gender	
Marital Status		Cellphone Number	
Spouse Name and Surname		Spouse contact number	
Date Joined Company		Date Joined Fund	
Job Description		Tax Number	
Annual Pensionable Salary		Annual Risk Salary (if different)	
Personal Email Address			
Residential Address			

Beneficiary Nomination

This nomination is needed to assist the Trustees in paying the benefits due in the event of your death.

I nominate the following persons to receive the benefits payable on my death:

Full Name of Nominee	Share of Benefit	Relationship to Member	Gender M/F	Identity Number	Contact Details

The following people are my financial dependents:

Full Name of Nominee	Share of Benefit	Relationship to Member	Gender M/F	Identity Number	Contact Details

Benefits are distributed in terms of Section 37C of the Pensions Fund Act, 1956 – Trustees have a final say over the distribution of benefits, but they must take your benefit nomination into account. I understand that I may change my nominated beneficiaries at any time.

Investment Portfolio

Alexander Forbes Investments – Real Return

Sygnia Investments – Diversified Balanced

Sygnia Investments – Active-Passive

Sygnia Investments – Sygnia Skeleton 70

Declaration and Signatures

- I warrant that the information provided herein is true and correct and that this application form has been completed correctly and fully.
- I understand and agree that the investment option I have selected is subject to market risk and the value thereof will fluctuate with the market.
- I warrant that I am capable of evaluating and understanding the investment (on my own-behalf or through independent professional advice), and understand and accept the terms, conditions and risks of the investments.

Signed at on / /

Employees Signature _____

Employer Signature _____

Company Stamp

DISPOSAL OF LUMP SUM DEATH BENEFITS (THIS EXPLANATION IS NOT A LEGAL DOCUMENT – THE WORDING OF THE ACT IS DEFINITIVE)

In terms of the Pension Funds Act, a member's dependants and persons who are not dependants but who are nominated in writing by the member (i.e. nominees) must be considered by the Trustees when they decide in what shares lump sum benefits are to be paid on the death of a member of a registered pension or provident fund.

PLEASE LIST YOUR DEPENDANTS AND ANY NOMINEES ON THE FIRST PAGE OF THIS FORM AFTER YOU HAVE READ THE FOLLOWING NOTES:-

Briefly, the position is as follows:-

- a) the following categories of persons will be dependants;
 - (i) persons for whose maintenance the member is legally liable;
 - (ii) person whom the trustees consider to have been dependent upon the member at the time of his/her death;
 - (iii) the spouse and children (both minor and major) of the member; and
 - (iv) persons for whose maintenance the member would have become legally liable if he or she had not died (for example an unborn child);
- b) if there are dependants and no nominees, the Trustees must consider all dependants and allocate a portion of the benefit to one, all or some of the dependants;
- c) if there are no dependants but there are nominees, the benefit (or a portion thereof) shall be paid to the nominees. Provided that if the members estate is insolvent the debt shall be set-off against the benefit and the remainder (if any) shall be paid to the nominees.
- d) if there are dependants and there are nominees, the Trustees shall consider all such dependants and nominees and then determine the proportion which is to be paid to each dependant and/or each nominees (a proportion of zero may be allocated);
- e) if there are no dependants and only to the extent that payment is not due to a nominee in accordance with a written designation, any balance remaining shall be paid to the deceased member's estate or, where appropriate, the Guardian's Fund;
- f) trustees have the right to pay the benefit to a trust for the benefit of a dependants and/or nominees;
- g) lump sums can be paid in the form of installments over a period of time to dependants or nominees, (agreement in writing must be obtained from major dependants or major nominees).

NOTES:

- i. any income tax payable, as well as any amounts payable in terms of section 37A and D of The Pension Funds Act (including home loans and court orders) will be deducted from lump sum benefits due to dependants and nominees;
- ii. the fact that a person is classified as a dependant or nominees does not mean that the Trustees must award him or her any portion of the benefit from the Fund;
- iii. an institution (e.g. an old-age home) can be chosen as a nominee;
- iv. the requirements set out above do not apply to pensions payable to spouses or dependants in terms of specific provisions of the rules: such pensions are payable as described in the rules;
- v. the requirements set out above do not apply to any insurance or life cover provided outside of the Fund.

ANNEXURE 2:



RETIREMENT/ WITHDRAWAL NOTIFICATION

Dear member

As an exiting member of the Consolidated Benefit Provident Fund, I&M Financial Services would like to ensure that you are fully aware of the options available to you upon termination of your membership; as well as the implications of each option so that you are able to make an informed decision which benefits you in the best way possible upon retirement.

ALWAYS SEEK FINANCIAL ADVICE

Members are often unaware of the options they have upon withdrawal and more importantly, the long-term implications of these options. Every effort should be made to seek advice on these options and I&M Financial Services can assist in this regard.

WHAT ARE YOUR OPTIONS WHEN LEAVING YOUR EMPLOYER?

You have the following options when you leave your employer, namely: -

- 1. Cash Withdrawal**
 - a. you may elect to take your benefit in cash, but you will be taxed on this benefit according to the retirement fund withdrawal tax tables
 - b. This has many negative implications for your retirement prospects and the way you will be taxed later. Please seek advice before you decide to take your money in cash.

- 2. Preservation**
 - a. It is recommended that wherever possible, you preserve your benefit by leaving it in the CB Provident Fund or transferring it to another approved Retirement Fund, Preservation Fund or Retirement Annuity fund.
 - b. This can be done tax free and preserves your benefit for what it was originally intended for; a pension in retirement. You can speak to a I&M Financial Services' adviser to assist you with this option.

WHAT WE NEED FROM YOU.

Members typically leave a fund through resignation, dismissal or retrenchment. In such cases, we require a fully completed withdrawal notification form signed by the member and approved by the employer together with the following supporting documents:

- Proof of banking details
- Certified copy of Identity Document

It is essential that the option selected on termination of employment is clearly indicated on the withdrawal form.

YOU MUST HAVE AN INCOME TAX REFERENCE NUMBER.

Any cash benefit paid to the member on withdrawal prior to reaching retirement age is taxable. If a member elects to take their benefit in cash, then a tax directive must be applied for. I&M Financial Services will extract the tax directive via the online EB TAX system on behalf of the member. There is a charge levied for this service by the service provider. In order to do this, we require the member's tax number. If a member is not registered for tax purposes, they are requested to approach SARS for an income tax reference number before submitting their forms. No payment of benefits can be made before a tax directive has been received.

HOW LONG DOES THE WITHDRAWAL PROCESS TAKE?

The withdrawal process takes up to eight (8) weeks to be completed from date of receipt of all required documents.

FOR ANY QUESTIONS

Please speak to your employer or contact I&M Financial Services on (011) 463 9336

WITHDRAWAL FORM

Personal Details

Surname & Full names: _____

Employee number: _____

Gender:

M

F

Identity number: _____

Date of Birth: _____

Tax number: _____

Tax office: _____

Email Address: _____

Date joined company: _____

Date joined fund: _____

Residential address: _____

Postal address: _____

Contact number: _____

Annual income: R _____

Annual Income: All income for e.g. Salary, remuneration, earnings, emolument, wages, bonus, fees, gratuities, commission, pension, overtime payments, royalties, stipend, allowances and benefits, interest, annuities, share of profits, rental income, compensation, honorarium.

Tax Number: SARS requires all individuals to be registered for tax to receive a lump sum benefit

Indebtedness

Divorce agreement: _____ (Please attach copy of agreement)

Other: _____

Note: A benefit may only be payable to a third party in the event of a housing loan, divorce or in the event of fraud, where a court judgment has been obtained or the member has admitted liability in writing.

Fund Details

Date of withdrawal: _____ Retrenchment Resignation Retirement

Date of last contribution: _____

***A dismissal is treated as a resignation**

Benefit Options

- I am not sure how I would like my benefit to be dealt with; I would like a Financial Planner to contact me.
- I would like to take my benefits in cash. I understand that in electing this option, my benefit will be subject to tax.
- I would like to leave my benefit in the CB Provident Fund, please send me the Paid-up Member Form
- I would like to transfer my benefit to:

My new Employer's Retirement Fund A Retirement Annuity Fund A Preservation Fund

Living Annuity/Life Annuity

If a portion is taken in cash, please specify amount R _____

Name of Fund: _____

Policy Number: _____

Contact Person: _____

Contact Number: _____

Contact email address: _____

- I am interested in converting my group risk benefit covers into personal policies. I would like a financial planner to contact me.

Member's Signature: _____

Bank Details

Bank: _____ Code: _____ Branch: _____

Account No.: _____ Type: _____ Account Holder: _____

***Payment will not be processed without a copy of the member's proof of account**

Company declaration

We hereby certify that, to the best of our knowledge, the above information is true and correct.

Name: _____ Designation: _____ Company stamp:

Contact number: _____ Date: _____

Authorised signature: _____ This form will not be processed without a signature

ANNEXURE 3:

RETIREMENT FUND REFORM: Changes to Provident Funds

Effective from 1 March 2021

A lot has been written in the press about the annuitization of provident funds which comes into effect on 1 March 2021. In this communication we explain the changes.

Firstly, it is best if we once again explain the difference between a pension and provident fund.

The difference between provident funds and pension funds is that provident fund members can take up to 100% of their provident fund benefits in cash at retirement, if required, while pension fund members are required to use at least two-thirds of their benefits to purchase a product that will provide them with an income in retirement. However, if at retirement your fund credit in the pension fund is less than R247 500 you may take the full amount as cash. Currently, this the only difference. This difference also applies to provident preservation funds and pension preservation funds.

The harmonisation of pension funds and provident funds began on 1 March 2016. Prior to 1 March 2016 there was also a difference in the tax deductibility of contributions to provident and pension funds. To start the harmonisation process, the tax deductibility of contributions was aligned in 2016.

Now to complete the harmonisation process, benefits from contributions made to provident funds from 1 March 2021 onwards will be subject to the same rules at retirement as pension fund benefits, except where provident fund members are 55 or older on 1 March 2021.

From 1 March 2021 the following will apply:

- If you are member of a pension fund or a preservation pension fund, there will be effectively no change for you.
- If you are member of a provident fund or preservation provident fund and are 55 years or older on 1 March 2021 there will also be no change for you as long as you remain a member of the same provident fund.
- If you are member of provident fund and have not yet attained age 55 on 1 March 2021 your Fund Credit in the fund as at that date (Vested Benefit) will not be affected, in that on retirement you may take your Vested Benefit plus growth thereon from 1 March 2021 to your date of retirement in cash.
- Only, your contributions to the provident fund from 1 March 2021 will be affected, in that your Fund Credit built up by these contributions will be subject to pension fund legislation, namely, you must use at least two-thirds of this Fund Credit to purchase an annuity/pension unless it is less than R247 500 in which case you may take the full amount as cash.

What is very important to note it that there are no changes at present to members' withdrawal benefits. If a member resigns from their company of employment and wishes to withdraw from the fund, they can still take all their retirement savings in cash (subject to tax).

Please contact I and M Financial Services for further details.

TEL: 011 463 9336

EMAIL: info@iandmfs.cloud