



# METAL INDUSTRIES PROVIDENT FUND

REGISTRATION NO. 12/8/25718/1

## ANNUAL REPORT TO MEMBERS 2018

Dear Member,

The Board of Management has pleasure in presenting a report on the Fund for the period ended 31 March 2018.

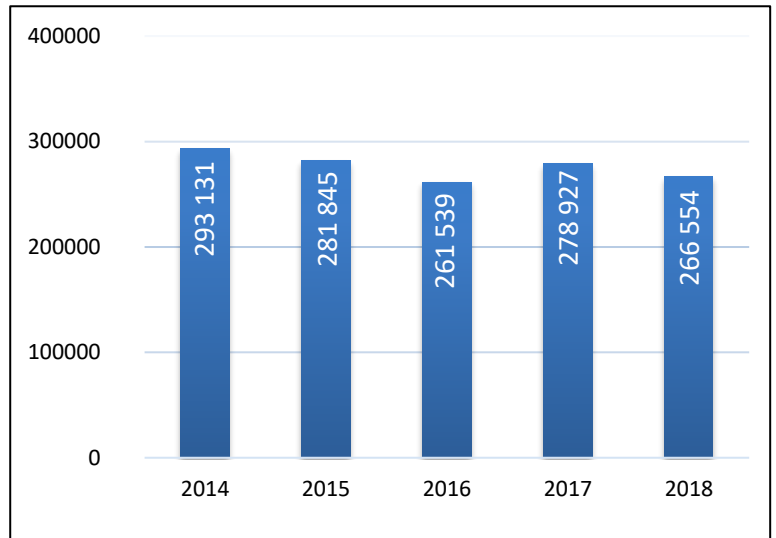
The **Metal Industries Provident Fund** was established in May 1991 and provides lump sum benefits to members on retirement, retrenchment, resignation or dismissal or to their beneficiaries on their death. Members also automatically belong to the **Metal and Engineering Industries Permanent Disability Scheme**, which provides a salary continuation benefit for members who have been declared permanently disabled by the Medical Advisors of the Scheme.

Contributions payable to the Fund in terms of the Industrial Agreement are **7, 3%** of pensionable remuneration by employees and **7, 3%** by employers.

As at 31 March 2018, the Fund had **266 554** contributing members.

**NOTE:**

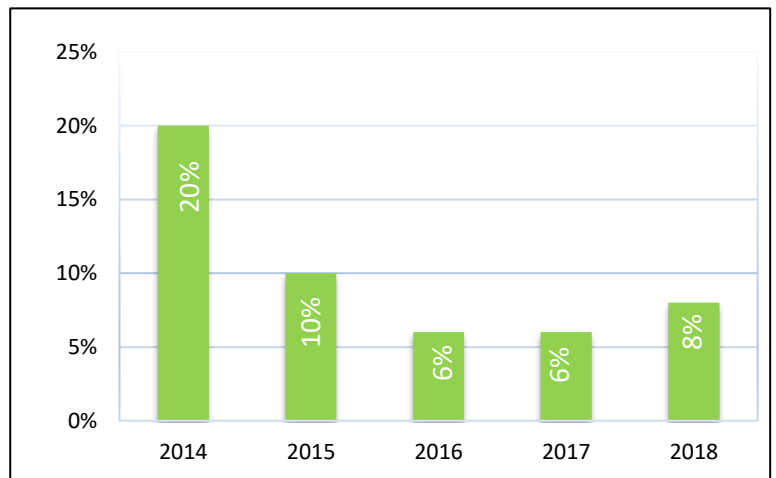
*New employees have the choice of participating in the Metal Industries Provident Fund or in the Engineering Industries Pension Fund. This option may be changed within the first 3 months of Employment.*



**CONTRIBUTING MEMBERS**

**INTEREST AWARDED ON MEMBERS' FUND CREDITS**

The Board of Management has agreed to award members **8%** interest for the year ended 31 March 2018.



**INTEREST AWARDED TO MEMBERS**

**FINANCIAL RESULTS AS AT 31 MARCH 2018**

**BALANCE SHEET**

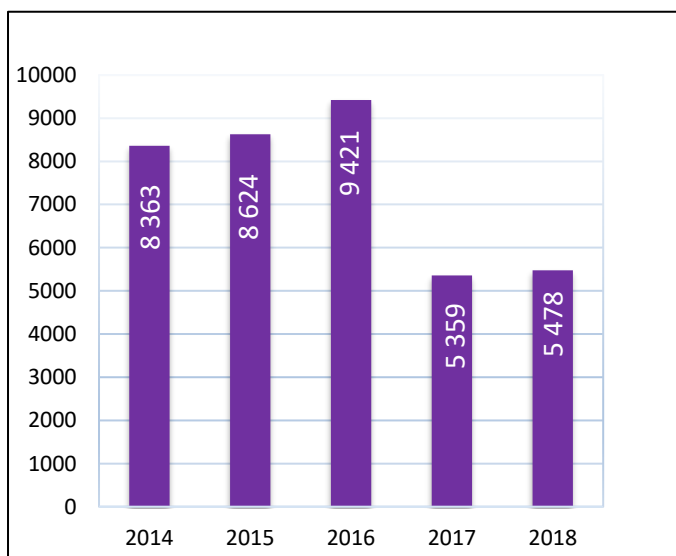
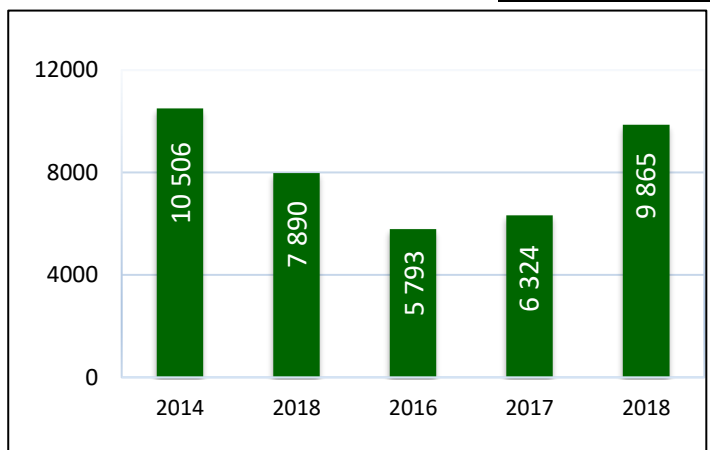
	R'000
<b>INVESTMENTS (AT MARKET VALUE)</b>	<b>43 413 860</b>
CURRENT ASSETS	630 205
LESS CURRENT LIABILITIES	(9 366 590)
ACCUMULATED FUNDS	<u>34 677 475</u>

**REVENUE AND EXPENDITURE**

CONTRIBUTIONS RECEIVED	4 387 003
TRANSFERS RECEIVED	21 022
INVESTMENT INCOME	2 747 373
<b><u>TOTAL REVENUE</u></b>	<u>7 155 398</u>
LESS: EXPENSES	(186 203)
BENEFITS PAID	(5 478 261)
TRANSFERS OUT	(590 503)
<b><u>TOTAL EXPENDITURE</u></b>	<u>(6 254 967)</u>
ADD ACCUMULATED FUNDS AT BEGINNING OF YEAR	33 777 044
ACCUMULATED FUNDS AT END OF YEAR	<u>34 677 475</u>

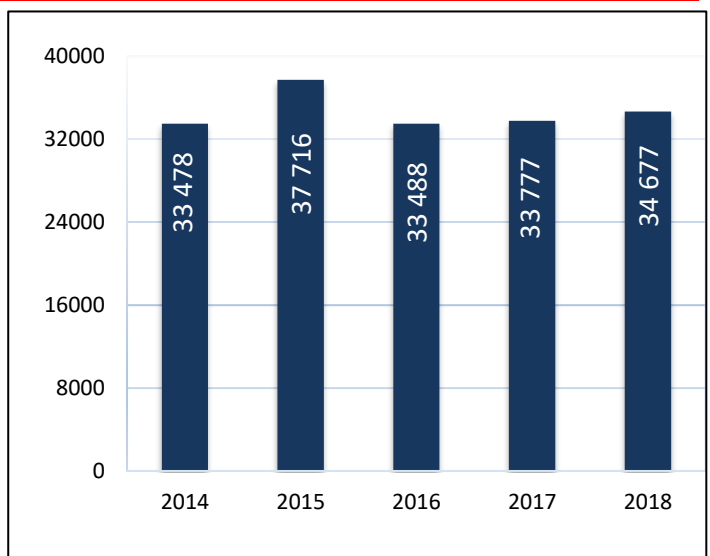
**CONTRIBUTIONS RECEIVED,  
INVESTMENT INCOME AND BENEFITS  
PAID**

Income from investments earned by the Fund during period amounted to **R5 478m** whilst contributions by members and employers amounted to **R4 387m**. Thus total income excluding transfers amounted to **R9 865m**.



**BENEFITS PAID Rm**

**CONTRIBUTION AND INVESTMENT INCOME Rm**



**ASSETS Rm**

## ACTUARIAL REVIEW AS AT 31 MARCH 2017

*In terms of the Pension Funds Second Amendment Act of 2007, the Surplus Apportionment date (SAD) of the Fund is 31 March 2008.*

*The Trustees of the Fund have finalized the Surplus Apportionment Scheme and it was approved by the Financial Service Board on 30 November 2011 and the surplus distribution exercise is currently in progress.*

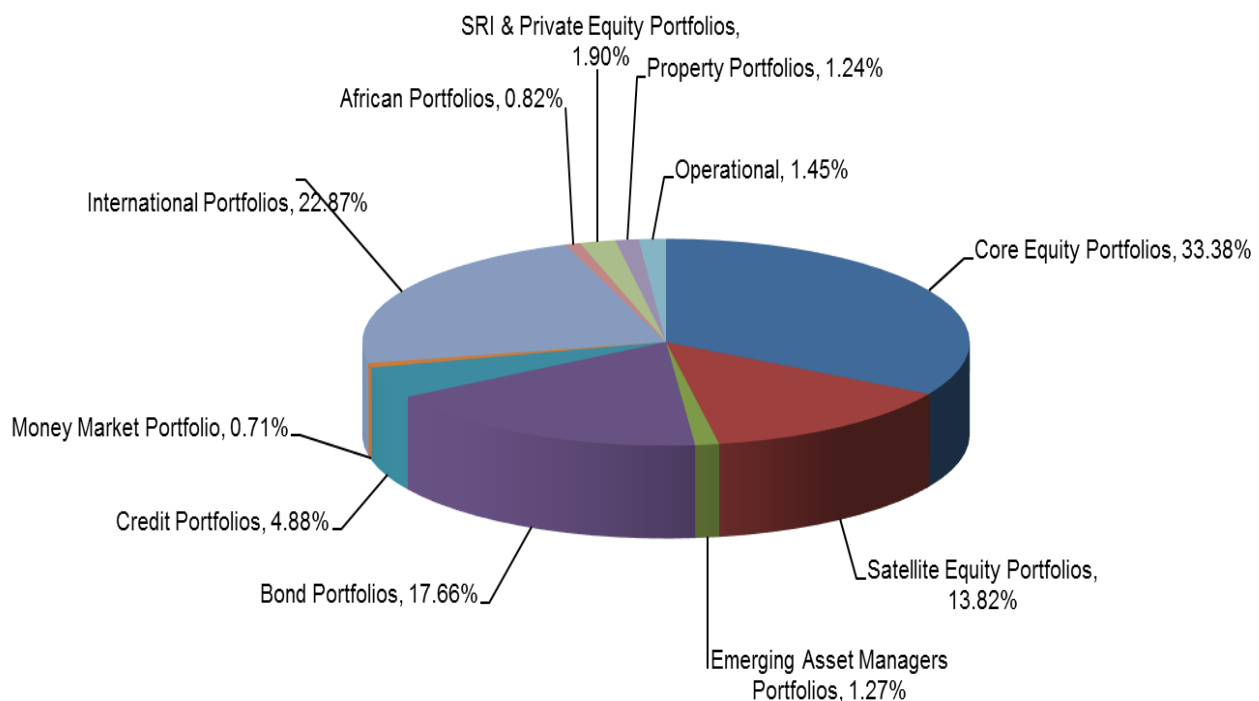
*An actuarial review by Simeka Actuaries (previously Sanlam Actuaries) was carried out as at 31 March 2017 to assess the financial position of the Fund and to recommend an interest rate to be declared on your fund credits.*

*The actuary certified that the Fund was in a sound financial position as at 31 March 2017.*

## ASSETS

*As at the 31 March 2018 the assets of the Fund amounted to **R43 413m**. The assets were held in the following types of investments, per market values, as set out in the notes to the Financial Statements.*

### Metal Industries Provident Fund March 2018



## **INTEREST DECLARATION ON MEMBERS' FUND CREDITS**

The Board of Management in consultation with the Actuary to the Fund declared an interest rate of **8%** for the period ended 31 March 2018.

<b>PERIOD</b>	<b>FUND INTEREST</b>
01/05/91 – 30/06/92	15%
01/07/92 – 28/02/93	13%
01/03/93 – 31/12/93	11%
01/01/94 – 31/12/94	22%
01/01/95 – 31/12/95	19%
01/01/96 – 31/12/96	21%
01/01/97 – 31/12/97	15%
01/01/98 – 31/12/98	9%
01/01/99 – 31/12/99	8%
01/01/00 – 31/12/00	9%
01/01/01 – 31/12/01	15%
01/01/02 – 31/03/03	0%
01/04/03 – 31/03/04	15%
01/04/03 – 31/03/04	15%
01/04/04 – 31/03/05	15%
01/04/05 – 31/03/06	21%
01/04/06 – 31/03/07	27,7%
01/04/07 – 31/03/08	10%
01/04/08 – 31/03/09	0%
01/04/09 – 31/03/10	20%
01/04/10 – 31/03/11	10%
01/04/11 – 31/03/12	10%
01/04/12 – 31/03/13	15%
01/04/13 – 31/03/14	20%
01/04/14 – 31/03/15	10%
01/04/15 - 31/03/16	6%
01/04/16 - 31/03/17	6%
01/04/17 – 31/03/18	8%

It was further declared that exit bonus for members leaving the fund is currently **13%**.

## **FUND MANAGEMENT**

The management of the Fund is vested in a Board of Management, comprising an **equal** number of Employee and Employer representatives, with the Chairman being appointed from either side on a two year rotational basis.

The Employers are represented by the **Steel & Engineering Industries Federation of South Africa (SEIFSA)**, whilst the Employees are represented by the following Trade Unions:-

- *National Union of Metal Workers of South Africa (NUMSA)*
- *Solidarity*
- *Metal & Electrical Workers' Union of South Africa (MEWUSA)*
- *United Association of South Africa (UASA)*
- *South African Equity Worker's Association (SAEWA)*

*The Fund is administered by:                   **Metal Industries Benefit Funds Administrators (MIBFA)***  
*The Chairman:                                   **Mr. B. Khumalo***  
*The Vice Chairman:                           **Mr. V. Cibane***  
*The Fund's Auditors:                         **Ernst & Young Inc.***  
*The Fund's Offices:                         **Metal Industries House, 42 Anderson Street, Johannesburg***  
*Telephone Number:                         **(011) 870-2000***  
*Facsimile:                                       **(011) 870-2396***  
*Principal Officer:                             **Mr. O Gire***  
*Website:   **[www.mibfa.co.za](http://www.mibfa.co.za)***

*All claims related queries should be addressed to the MIBFA call center on the following number: 0860102544*

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