

**ANNUAL REPORT TO MEMBERS – 31 MARCH 2024**

**Dear Member,**

The Board of Management has pleasure in presenting a report on the position of the Fund for the financial year ended 31 March 2024. The Engineering Industries Pension Fund is one of the largest Pension Funds in the country with total assets of R88.1 billion (Eighty-eight thousand one hundred million rands) at market value.

The Fund provides pension and lump sum benefits on retirement, retrenchment/redundancy, and withdrawals to members or to their beneficiaries on their death. Members 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.

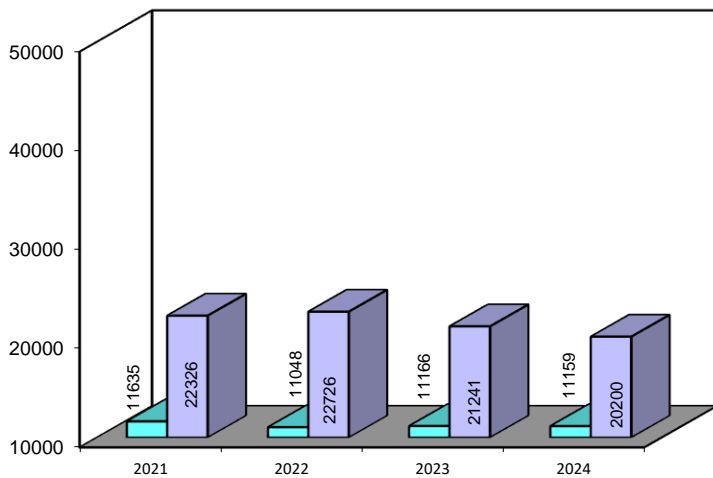
**Note:**

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

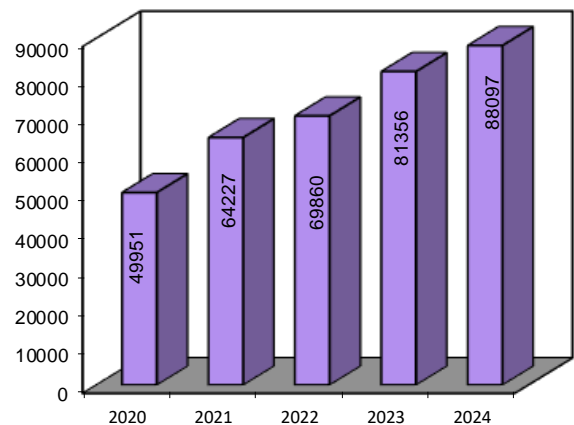
**MEMBERSHIP**

The composition of the Fund as at 31 March 2024 was 11 159 contributing members and 20 200 pensioners in receipt of monthly payments. (In 2023, there were 11 166 contributing members and 21 241 pensioners).

**CONTRIBUTING MEMBERS  
AND PENSIONERS**



**ASSETS  
(MARKET VALUE)  
(R000,000'S)**



■ CONTRIBUTING MEMBERS ■ NUMBER OF PENSIONERS

## FINANCIAL RESULTS AS AT 31 MARCH 2024

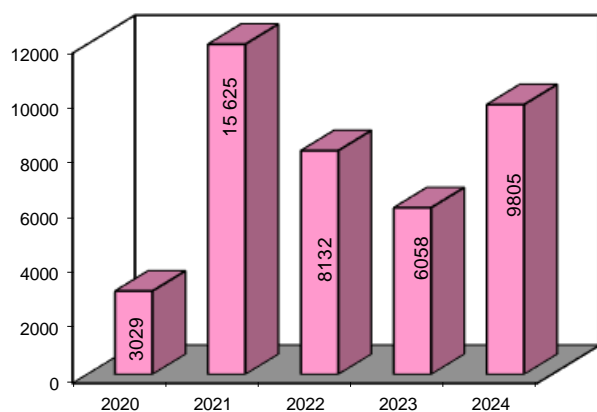
The audited financial position of the Fund as at 31 March 2024 is summarised as follows:

<b>BALANCE SHEET AS AT 31 MARCH 2024</b>		<b>2024</b>
		<b>R 000's</b>
<b>FIXED ASSETS &amp; INVESTMENTS (AT MARKET VALUE)</b>		87 213 934
<b>CURRENT ASSETS</b>		2 010 804
<b>SUB TOTAL</b>		<b>89 224 738</b>
<b>LESS: CURRENT LIABILITIES</b>		(1 127 571)
<b>ACCUMULATED FUNDS</b>	<b>TOTAL</b>	<b>88 097 167</b>
<b>REVENUE AND EXPENDITURE -</b>		<b>2024</b>
<b>1 APRIL 2023 TO 31 MARCH 2024</b>		<b>R 000's</b>
<b>CONTRIBUTIONS RECEIVED</b>		375 477
<b>TRANSFERS RECEIVED</b>		20 691
<b>INVESTMENT INCOME</b>		9 430 170
<b>TOTAL INCOME</b>		9 826 338
<b>LESS: TOTAL EXPENSES (including risk premiums)</b>		(319 073)
<b>BENEFITS PAID AND TRANSFERS OUT</b>		(2 766 002)
<b>NET EXPENDITURE</b>		<b>6 741 263</b>
<b>ADD: ACCUMULATED FUNDS AT BEGINNING OF YEAR</b>		81 355 904
<b>ACCUMULATED FUNDS AT END OF YEAR</b>		<b>88 097 167</b>

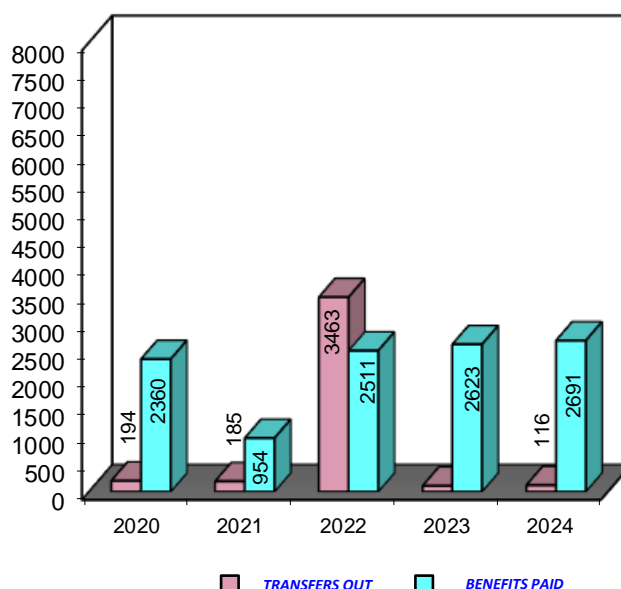
## INCOME AND BENEFITS PAID

Contribution and Investment income for 2024 amounted to R9 805 million. Benefits paid and transfers out of the Fund totalled (R2 807 million). In terms of the Fund Rules and Industrial Agreement, members contribute 7.5% of pensionable remuneration. Employers contribute at a rate of 8.1% of pensionable remuneration.

**CONTRIBUTION AND  
INVESTMENT INCOME**  
(R000,000'S)



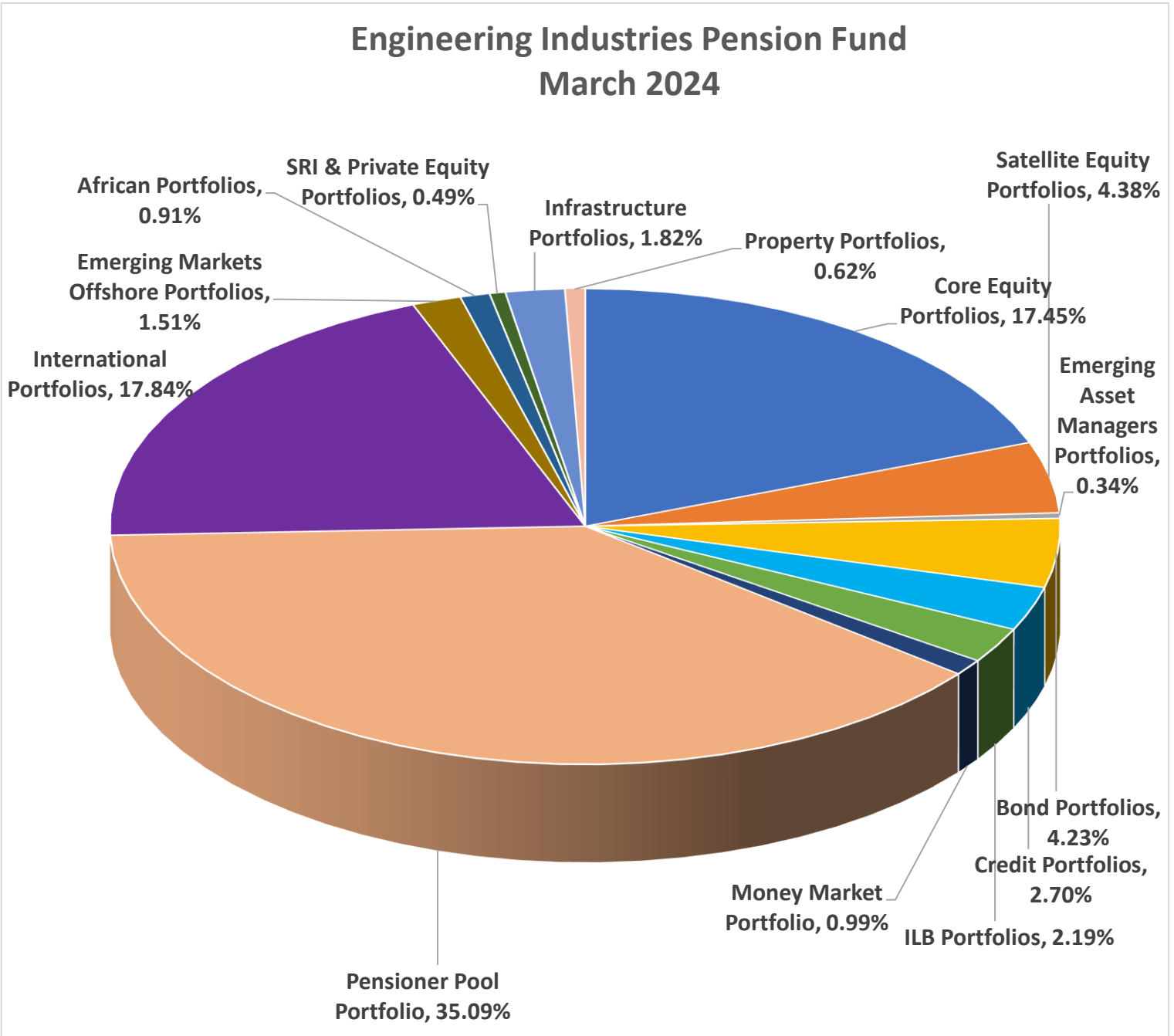
**BENEFITS PAID  
AND TRANSFERS OUT**  
(R000,000'S)



## ASSETS

As at 31 March 2024, the total market value of the assets of the Fund amounted to R88 097 million.

These assets were held in the following types of investments (per market values as set out in the Audited Annual Financial Statements).



The Investments department of MIBFA managed 34,29 % of the investment portfolio, the balance being managed by external managers.

## ACTUARIAL REVIEW AS AT 31 MARCH 2023

The Actuary confirmed that the Fund was in a sound financial position as at 31 March 2023 with a funding level of 100%.

## PENSIONER INCREASES

The Board of Management has as one of its primary objectives the protection of pensions from the impact of inflation. **It has declared an 8% increase in pensions with effect from 1 July 2024.**

**It is the policy of the Board of Management that pensioner increases should at least match the inflation rate, where affordable.**

The historic pension increases declared by the Fund.

PERIOD	ANNUAL INCREASE
01.07.2018 – 30.06.2019	5%
01.07.2019 – 30.06.2020	4.5%
01.07.2020 – 30.06.2021	4.2%
01.07.2021 – 30.06.2022	5% <i>(Plus a once off bonus of 2 X Monthly Pensions)</i>
01.07.2021 – 30.06.2023	7.5% <i>(Plus a once off bonus of 1.5 X Monthly Pensions)</i>
01.07.2023 – 30.06.2024	7.5% <i>(Plus a once off bonus of 2 X Monthly Pensions)</i>
01.07.2024 – 30.06.2025	8% <i>(Plus a once off bonus of 1.8 X Monthly Pensions)</i>

## INTEREST DECLARATION ON MEMBERS' FUND CREDITS

The Board of Management in consultation with the Actuary to the Fund declared an interest rate of **11%** for the period ended 31 March 2024.

PERIOD	FUND INTEREST
01.04.2018 – 01.03.2019	8%
01.04.2019 – 31.03.2020	0%
01.04.2020 – 31.03.2021	26%
01.04.2021 – 31.03.2022	14%
01.04.2022 – 31.03.2023	7%
01.04.2023 – 31.03.2024	11%

It was further declared that the exit bonus for members leaving the fund is currently **27%**, on a sliding scale based on contributory service.

## 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 Chairperson being appointed from either side on a two-yearly rotational basis. Employers are represented by the Steel and Engineering Industries Federation of South Africa (SEIFSA) while Employees are represented by the following Trade Unions:

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

The Fund is administered by: **Metal Industries Benefit Funds Administrators (MIBFA).**  
The Fund's offices are located in Metal Industries House, 42 Anderson Street, Johannesburg.  
Chairperson: **Ms. N. Mngomezulu**  
Vice Chairperson: **Ms. M. De Jager**  
The Fund's Auditors are: **BDO**  
Principal Officer: **Mr. M. Maqungo**  
The Funds Telephone number: **(011) 870-2000**  
Website: **www.mibfa.co.za**

**ALL CLAIMS RELATED QUERIES TO BE DIRECTED  
TO MIBFA CALL CENTRE TEL NO. 0860102544**