

# ENGINEERING INDUSTRIES PENSION FUND

(REG NO. 12/8/5040/2)

## ANNUAL REPORT TO MEMBERS – 31 MARCH 2022

**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 2022. The Engineering Industries Pension Fund is one of the largest Pension Funds in the country with total assets exceeding R69,9 billion (Sixty nine thousand nine 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.

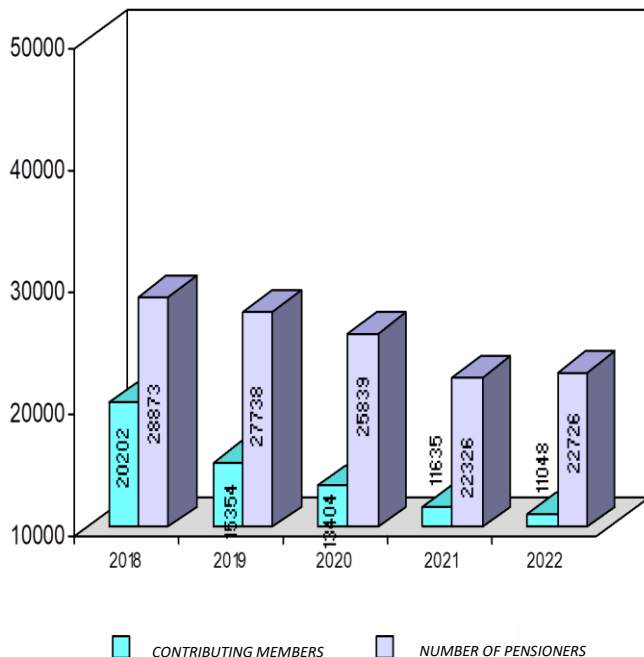
**Note:**

***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.***

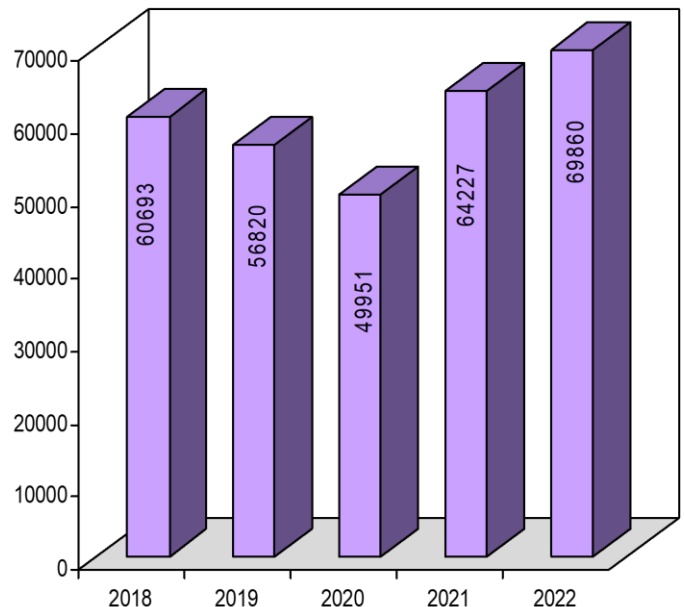
### MEMBERSHIP

The composition of the Fund as at 31 March 2022 was 11 048 contributing members and 22 726 pensioners in receipt of monthly payments. (In 2021, there were 11 635 contributing members and 22 326 pensioners).

**CONTRIBUTING MEMBERS  
AND PENSIONERS**



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



## FINANCIAL RESULTS AS AT 31 MARCH 2022

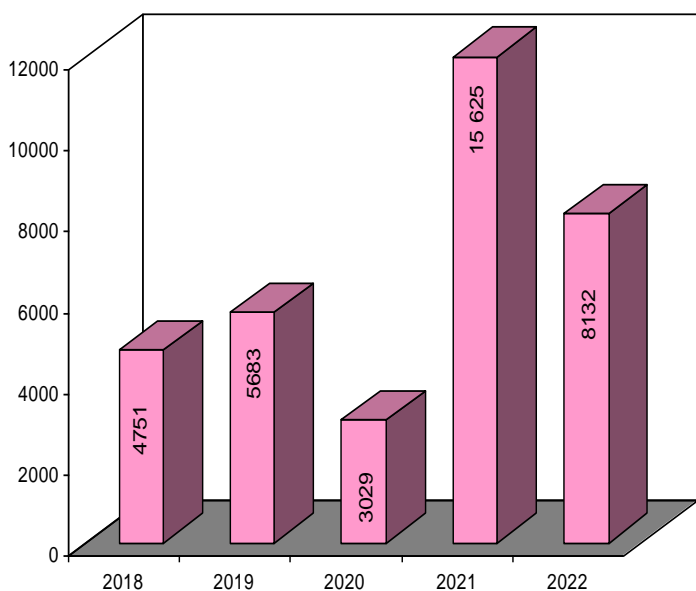
The audited financial position of the Fund as at 31 March 2022 is summarised as follows:

<b>BALANCE SHEET AS AT 31 MARCH 2022</b>		<b>2022</b>
		<b>R 000's</b>
<i>FIXED ASSETS &amp; INVESTMENTS (AT MARKET VALUE)</i>		78 122 081
<i>CURRENT ASSETS</i>		906 731
<b><i>SUB TOTAL</i></b>		<b>79 028 812</b>
<b><i>LESS: CURRENT LIABILITIES</i></b>		<b>(9 169 206)</b>
<b>ACCUMULATED FUNDS</b>	<b>TOTAL</b>	<b>69 859 606</b>
<b>REVENUE AND EXPENDITURE - 1 APRIL 2021 TO 31 MARCH 2022</b>		<b>2022</b>
		<b>R 000's</b>
<i>CONTRIBUTIONS RECEIVED</i>		341 139
<i>TRANSFERS RECEIVED</i>		12 295
<i>INVESTMENT INCOME</i>		7 778 354
<b><i>TOTAL INCOME</i></b>		<b>8 131 788</b>
<b><i>LESS: TOTAL EXPENSES (including risk premiums)</i></b>		<b>(228 307)</b>
<i>BENEFITS PAID AND TRANSFERS OUT</i>		(2 271 304)
<b><i>NET EXPENDITURE</i></b>		<b>5 632 177</b>
<b><i>ADD: ACCUMULATED FUNDS AT BEGINNING OF YEAR</i></b>		<b>64 227 429</b>
<b>ACCUMULATED FUNDS AT END OF YEAR</b>		<b>69 859 606</b>

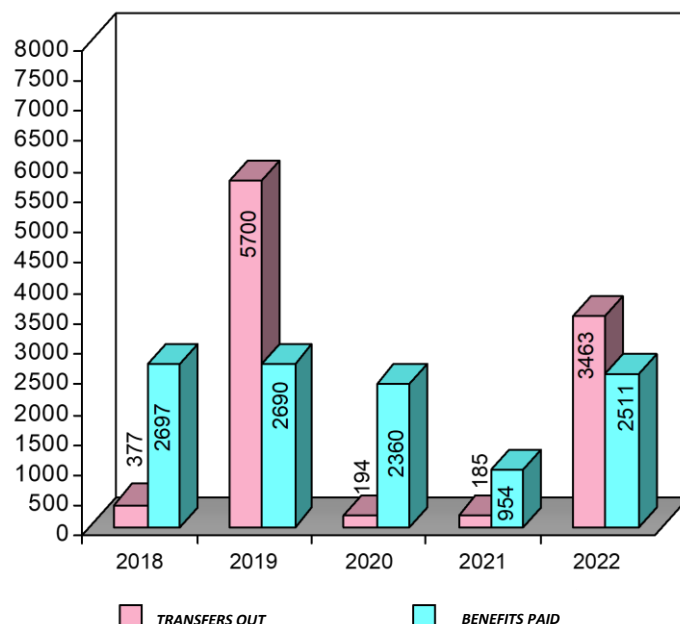
## INCOME AND BENEFITS PAID

Contribution and Investment income for 2022 amounted to R8 132 million. Benefits paid and transfers out of the Fund totalled (R2 271 million). In terms of the Industrial Agreement, members contribute 7.5% of pensionable remuneration. Employers contribute at a rate of 7.7% of pensionable remuneration.

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



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

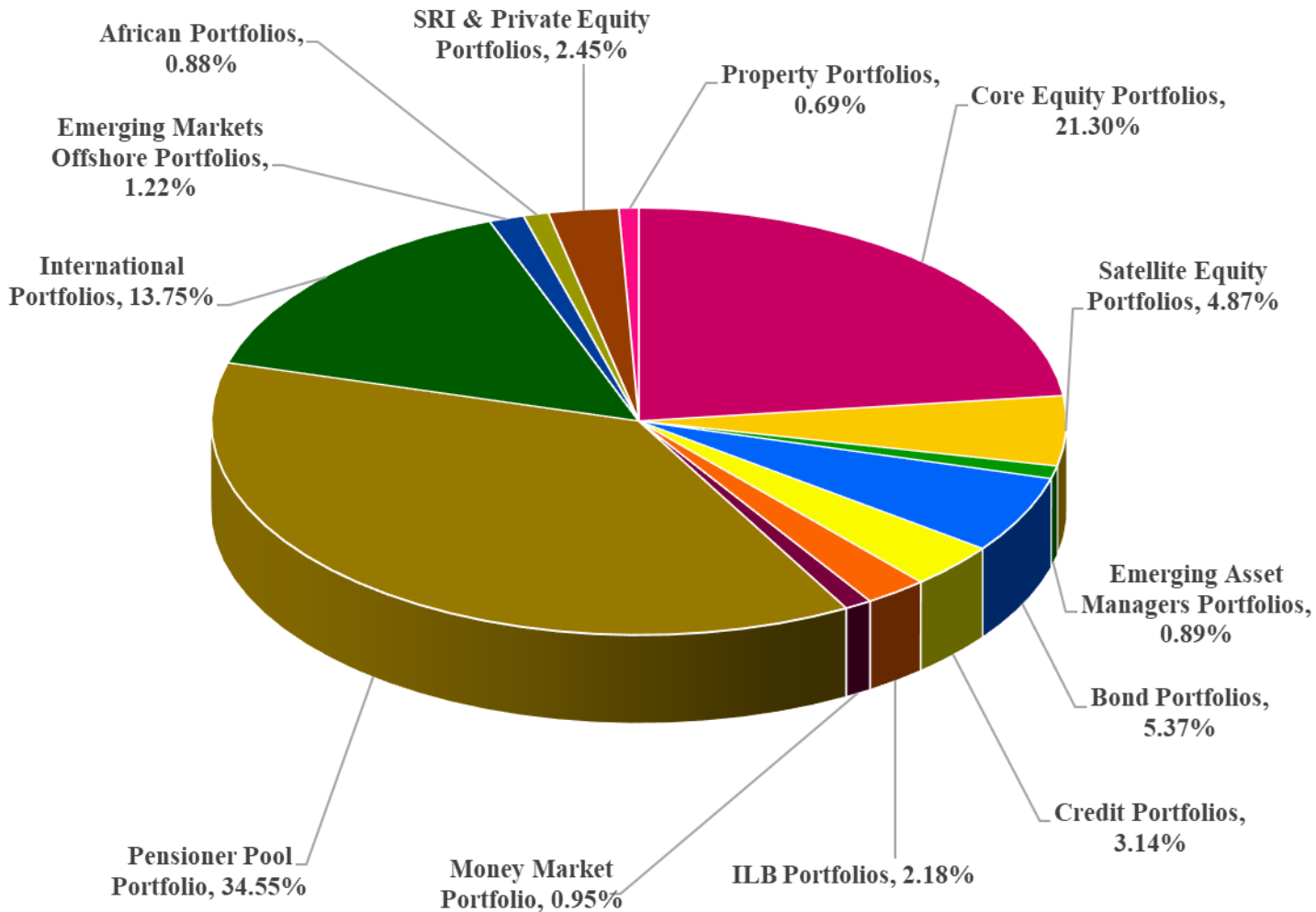


## ASSETS

As at 31 March 2022, the total market value of the assets of the Fund amounted to R69 860 million.

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

### Engineering Industries Pension Fund March 2022



The Investments department of MIBFA managed 40,02 % of the investment portfolio, the balance being managed by external managers.

## ACTUARIAL REVIEW AS AT 31 MARCH 2021

The Actuary confirmed that the Fund was in a sound financial position as at 31 March 2021 with a funding level of 101,5%.

## **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 a 7.5% increase in pensions with effect from 1 July 2022.

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.

<b>PERIOD</b>	<b>ANNUAL INCREASE</b>
01.07.2016 – 30.06.2017	6.5%
01.07.2017 – 30.06.2018	6.1%
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>
01.07.2022 – 30.06.2023	7.5% <i>(Plus a once off bonus of 1.5 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 14% for the period ended 31 March 2022.

<b>PERIOD</b>	<b>FUND INTEREST</b>
01.04.2016 – 31.03.2017	6%
01.04.2017 – 01.03.2018	8%
01.04.2018 – 01.03.2019	8%
01.04.2019 – 01.03.2020	0%
01.04.2020 – 01.03.2021	26%
01.04.2021 – 01.03.2022	14%

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 Chairman 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. Z. Matikinca**

The Fund's Auditors are: **Ernst & Young Inc.**

Principal Officer : **Mr. O. Gire**

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**