

The Motor Industry Provident Fund is a not-for-profit provident fund, that is registered with the Financial Sector Conduct Authority and offers specifically designed retirement savings and benefits for workers and employers in the retail motor industry in South Africa.

The Motor Industry Provident Fund was **established** by the stakeholders in the retail motor industry in South Africa, specifically **for the workers and employers in this sector**, and is managed and operated in their best interests.



The Fund provides benefits in terms of the Fund Rules. Whilst some funds indicate that they provide benefits such as temporary ill-health income replacement benefits, unapproved death benefits, or funeral benefits, these are usually separate insurance benefits provided by the employer and are part of an insurance policy with an insurer. The funds merely pay the insurance premiums, and these benefits are not retirement fund benefits.

GENERAL FUND INFORMATION



Type of Retirement Fund
Provident Fund (Non-commercial)



Externally Audit
Yes



Type of Scheme
Defined contribution



Internal Auditor
Yes



Total Asset
R14.32 Billion



Statutory Actuarial Valuation by Actuary
Yes



Active Members
55 000

ELIGIBILITY FOR FUND MEMBERSHIP

- Fund membership is compulsory for all employees in the retail motor industry, employed as division B employees, in job grades 7 and 8, as well as apprentices, who earn below the threshold specified in the Collective Agreements of the Motor Industry Bargaining Council (MIBCO) and who are not exempted by MIBCO of belonging to the fund by virtue of belonging to a retirement fund that offers equal or better benefits than the Motor Industry Provident Fund.
- Fixed term and/or probationary employees are exempted from having to join the fund for six months from the date on which they begin employment in the retail motor industry; provided that any employer may in their discretion waive this exclusion.
- Employees who earn above the threshold may also voluntarily join our funds.
- The Fund also ensures that all workers are treated equally and members throughout South Africa receive consistent employee benefits.

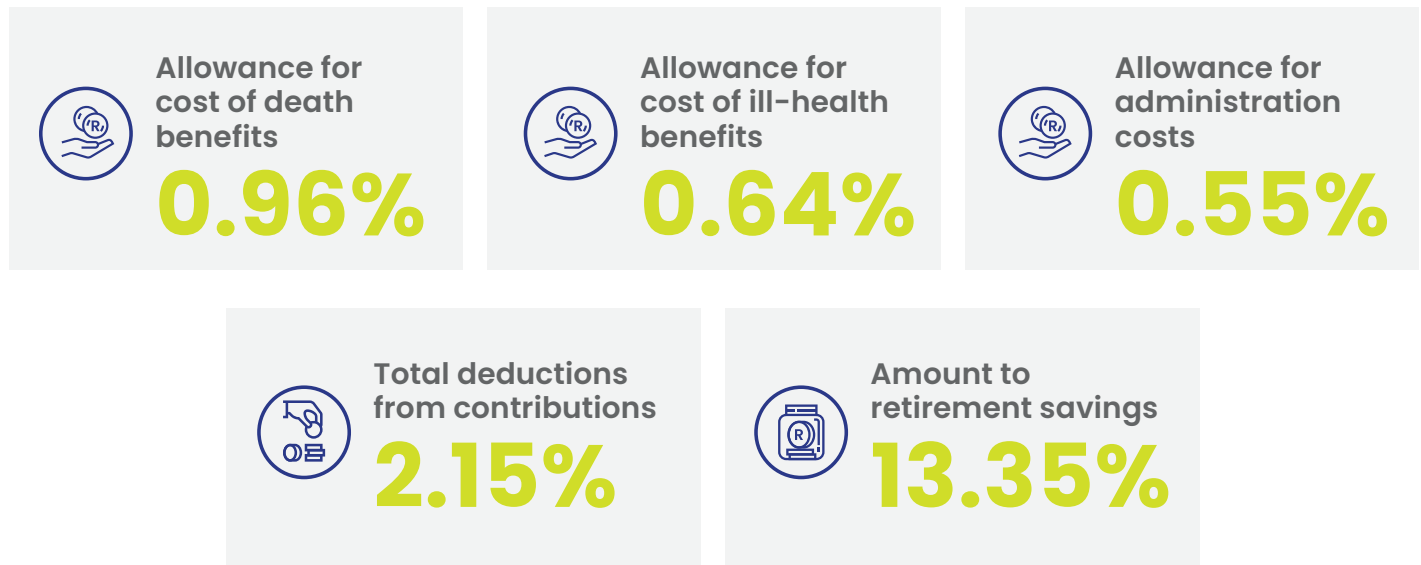


CONTRIBUTIONS



The Fund's Rules permit additional voluntary contributions, which will increase a member's retirement savings.

Deductions from contributions with effect from January 2023 are indicated in the table below:



Note: The costs are reviewed regularly by the fund actuaries.

*Our actuary has also advised that in respect of the cost of investing our assets, the Fund's **Total Investment Costs are only 0.71%. This figure is not reported on by most funds and is low compared to most other retirement funds in South Africa.** This is because our funds are invested directly with asset managers rather than through insurance companies or other intermediaries. It is also important to note that the Total Investment Costs are not deducted from contributions, but rather are deducted from investment returns.*

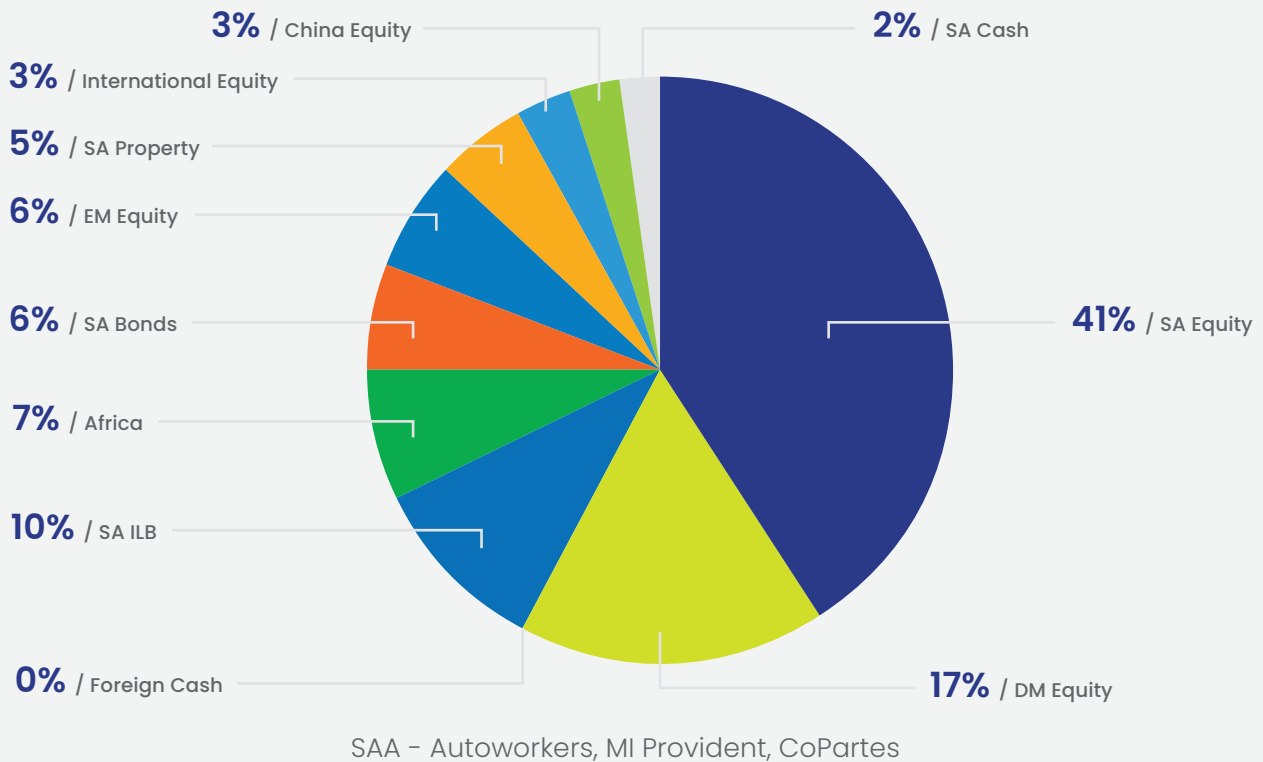


FUND INVESTMENTS

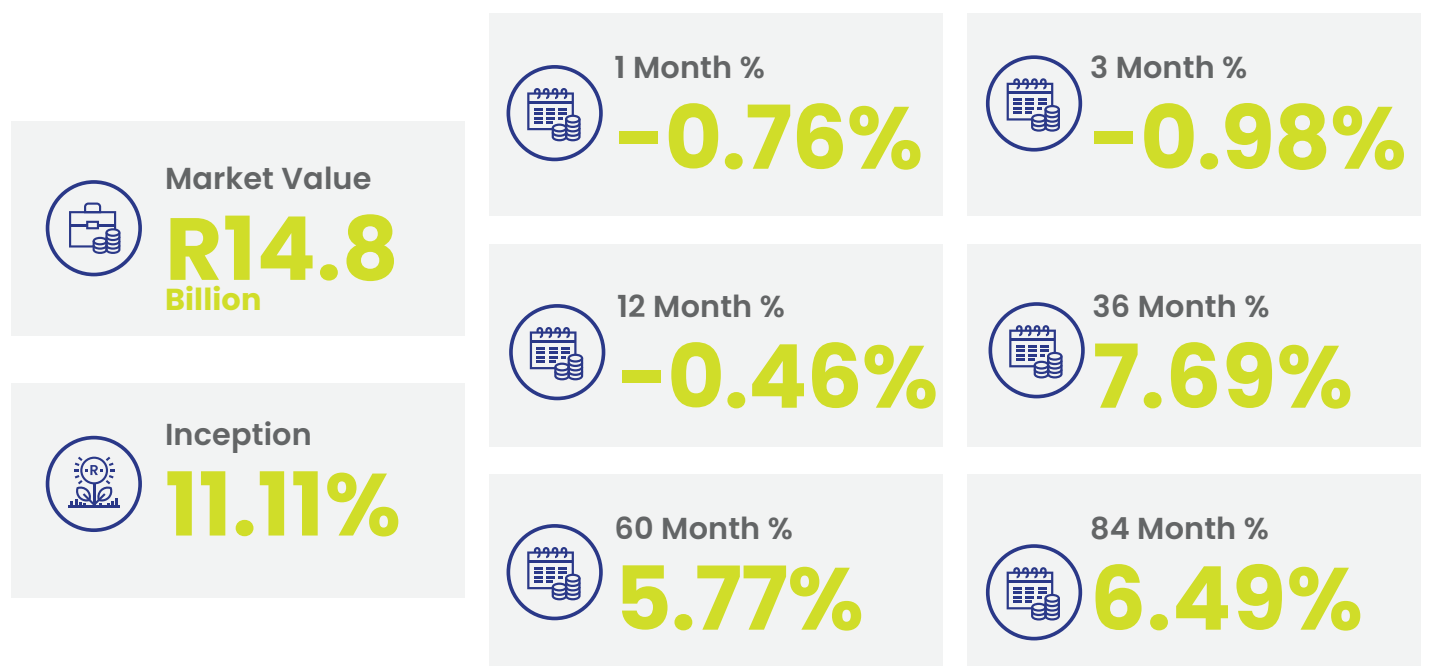
The Fund operates in terms of an Investment Policy Statement and has adopted a liability driven investment model, developed by our independent investment consultants, RisCura Investment Consultants, which aims to achieve optimal returns for members.

The Fund's assets have been strategically allocated by our professional investment experts, to offer our members the best returns.

Overall Asset Class



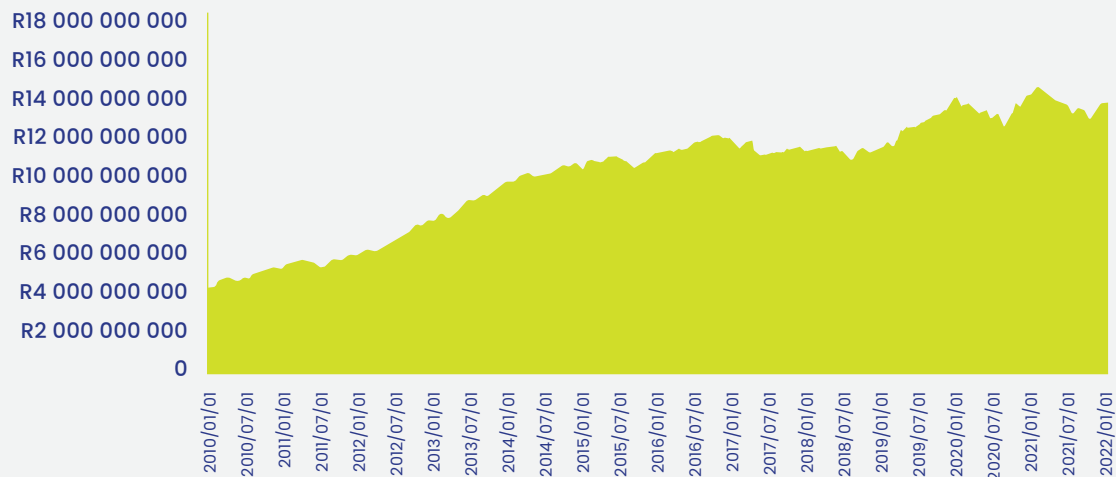
The Fund's investments have performed very well as compared to other similar investments even during the difficult Covid-19 pandemic in 2020. This is illustrated by the following annualised investment return figures, provided by our investment consultants, Riscura Investment Consultants, as at 31 December 2022:



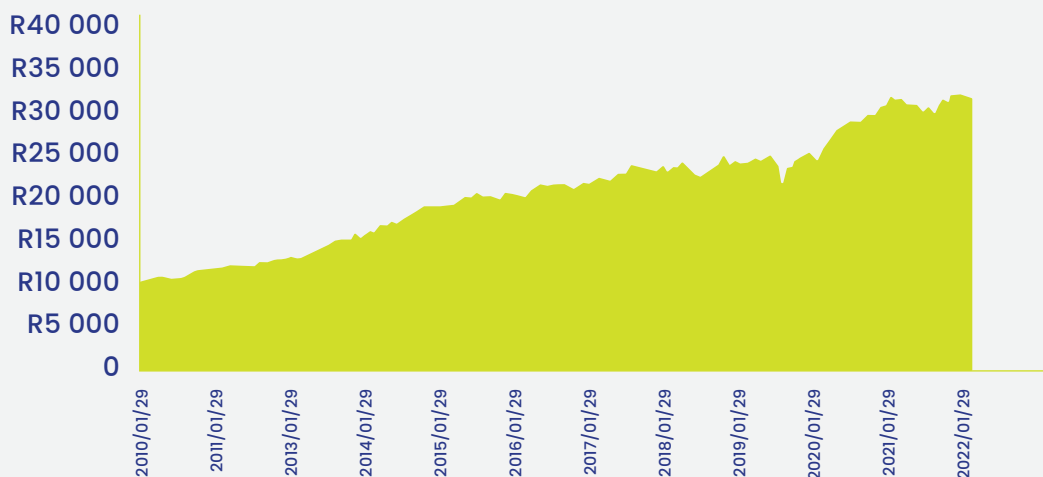
Inception date = 30 Dec 2005

Motor Industry Provident Fund Market Value Chart, Jan 2010 – Dec 2022

MI Provident



Motor Industry Provident Fund: Growth of R10 000 from Jan 2010 to Dec 2022



EXPENSES

The Fund operates on a not-for-profit basis and the Fund utilises MIBCO, who assists with the Fund's contribution collections, and MIFA who is responsible for the administration of the Fund. This ensures that the costs are low, and the Fund operates on a cost-only basis and does not make profits from administering the Fund.

The Fund's expenses are also reported in the Contributions Section.





FUND BENEFITS

The Fund offers several benefits to its members:

- The Fund’s death and ill-health benefits are self-funded at the Fund’s own cost and there are no profits paid on them.
- There are no time limits for the submission of a claim, such as for death benefits or ill-health claims.

The various types of benefits paid by the Fund are summarised in the benefits table below:

TYPE OF BENEFIT	WHEN PAYABLE	BENEFIT AMOUNT
Normal retirement	When a member turns 65 years	Member’s Fund Credit
Early retirement	From 55 years	Member’s Fund Credit
Late retirement	Between 65 and 70 years	With the employers consent, the Fund accepts contributions from a member until 70 years of age and the member’s Fund Credit is payable
Withdrawal	When the member no longer works in the retail motor industry	Member’s Fund Credit
Ill Health	Before reaching normal retirement age (i.e. before reaching 65 years)	Own occupation disability as opposed to any occupation disability, so it is a more generous benefit. If a member qualifies for this benefit, there is no time limit within which a claim has to be submitted. This benefit is paid from the Fund, it is not re-insured so there are no profits going to an underwriting insurer. There is currently no waiting period for qualification to receive this benefit. Benefit is the member’s Fund Credit PLUS three times the last determined annual remuneration (the risk benefit portion is subject to an incremental scale during the first five years of membership). Benefit can be paid as a lump sum OR part OR all of it can be used to purchase an annuity on the member’s election.
Retrenchment	Member is retrenched	Member’s Fund Credit
Death	Member passes away before retirement or withdrawal	If a member qualifies for this benefit, there is NO time limit within which a claim must be submitted. This benefit is paid from the Fund: it is not re-insured so there are no profits going to an underwriting insurer. Fund Credit at date of death PLUS three times the last determined annual remuneration. Payment is made in terms of Section 37C to dependants and nominees.
Housing Loan Guarantee	Member who qualifies for a housing loan from a financial institution (Standard Bank)	Maximum of 70% of a member’s Fund Credit, with a minimum amount of R 5 000.00.

The Fund also provides for paid-up, deferred membership and deferred retirement benefits in terms of its Rules, so benefits can be left in the Fund until needed.

Retiring members should note that the preferred annuity strategy of the Fund is an out-of-fund life annuity that is offered by Just Insurance. Members can contact the Fund Administrator, MIFA, for contact details of Just Insurance.



FUND GOVERNANCE AND RISK MANAGEMENT

The Fund is audited by external auditors every year and its annual financial statements are submitted to the regulator for scrutiny. The Fund is also subject to valuation by its appointed actuary, who produces a valuation report for the Fund every three years. A third layer of independent oversight implemented by the Fund is the appointment of internal auditors.

The Fund is managed by senior and qualified Trustees, who operate in the motor industry, and who understand the requirements of workers and employers in the industry. There are also two independent Trustees on the Board and an independent Principal Officer, all of whom have considerable experience in the retirement fund industry. Significant emphasis is placed on good governance and independence of the Fund. The Fund does not operate for profit, and is operated on a cost-only basis. The members derive all the benefits and returns in the Fund.

CLAIMS PROCEDURE

For claim procedures, kindly contact MIFA:

- Email: query@mifa.org.za
- Visit the website for the claim application forms: www.mirf.co.za.
- Your local MIBCO office will also be able to assist you and claim forms can be submitted through MIBCO. **MIBCO contact: 086 166 4226.**

Disclaimer: Should any discrepancy arise between this Fact Sheet and the Fund Rules, the Fund Rules will prevail.

CONTACT DETAILS

The Fund has its Head Office in Randburg and is also accessible throughout South Africa via the Motor Industry Bargaining Council (MIBCO) offices. The Fund administrator, MIFA, also has offices in Randburg, with telephonic, electronic mail and internet portals to assist all members and stakeholders.

MIFA

First Floor
275 Kent Avenue
Randburg

Tel: 011 561 9300
Email: query@mifa.org.za
Website: www.mifa.org.za

MIBCO (Head Office)

Second Floor
275 Kent Avenue
Randburg

Tel: 0861 664 226
Email: gs@mibco.org.za
Website: www.mibco.org.za

(MIBCO also has offices in Pretoria, Port Elizabeth, Durban, Cape Town and Bloemfontein)

Member or stakeholder complaints can be directed to the **Principal Officer, Mr Adam Ismail Esat**, at Adam@mirf.co.za or the Fund Secretary, Charmaine@mirf.co.za

A person who is aggrieved by a decision of the Fund may also lodge a complaint with the Office of the Pension Funds Adjudicator:

Tel: **012 748 4000**
Email: enquiries@pfa.org.za