

THE Provident Fund for mineworkers will begin on 1 July. After months of negotiation the NUM and the Chamber of Mines have reached agreement on the terms of the Fund.

NUM General Secretary Cyril Ramaphosa said the Provident Fund would benefit union members very much.

He said it will provide savings benefits for workers on retirement, serious injury, retrenchment and dismissal.

In the future union members will be able to borrow on the Fund to buy a house, land or use the money for building improvements.

Ramaphosa will be the first chairman of the Fund.

Workers and management contribute equal amounts to the Fund. So for example if a worker pays in R9 each month to the Fund, management will also pay in R9. Each month that particular worker will be saving R18 under his name in the Fund.

**Membership**

The fund will apply to all NUM members in recognised job categories 1 to 8, and staff and non-staff graded A or B lower.

However, if you are not a member of NUM you will not automatically be a member of the Fund.

Members of the Mines 1970 Provident Fund will also become members of the Mineworkers Provident Fund. Membership of the Fund will not, however, be extended to current members of the Mine Officials Pension Fund, the Mine Employees Pensions Fund, or the Mines (1970) Pension Fund.

Any person who was over the age of 55 years when he first entered service will not be eligible to join the Fund.

**Contributions**

Each member of the Fund will be required to contribute a portion of his monthly basic wage

# PROVIDENT FUND HAS MANY BENEFITS



Ramaphosa is first chairman

(excluding bonus) in the form of a compulsory saving to the Fund.

In the first year, this amount will be R3 for each R100 that an employee earns in basic wages. For example, an employee earning R300 will contribute R9,00. An employee earning R500 will contribute R15,00 and so on.

You may also decide, if you so wish, to increase your contribution to the Fund to increase the size of your savings for retirement. These additional contributions will not, however, be matched by your employer.

Your monthly contribution will be shown on your payslips.

Your monthly contribution, together with your employer's contribution, will be saved under your name in the Fund.

Any loan granted will become repayable in full by you should you retire, resign or be discharged.

**Funeral Death Benefits**

A new scheme to replace the existing Death Benefit Scheme, providing funeral benefits for you and your family, and additional benefits on your death, is still being negotiated between the Chamber of Mines and the National Union of Mineworkers.

**Retirement age**

You will be eligible for the full benefit of the Provident Fund on

reaching the age of 50 if you work underground, and anytime thereafter until the age of 60. If you work on surface, retirement can be taken from age 53 onwards, until 63 years.

Providing agreement is reached with your employer, you may, if you wish, continue working beyond the maximum retirement age of 60 (underground) and 63 (surface) and remain a contributory member of the Fund.

**Methods of payment**

You may:

- Take a lump sum payment, or
- Request that your money be paid to you in regular (monthly) amounts during retirement, or
- Keep some or all of your money in the Fund after you leave the mines.

**Representation**

The Fund will be administered and controlled by 10 Trustees.

Five trustees will be appointed or elected by NUM to represent the members (the employees). Another five will be appointed to represent the employers.

The Chairman of the Fund will change every year. In the first year the Chairman will be C Ramaphosa.

**Savings fund for NUM mineworkers pays out on retirement, permanent injury, death, retrenchment, resignation and dismissal.**

## When fund pays

■ **LUMP SUM PAYMENT ON RETIREMENT:** On retirement from work, you will receive a full lump sum cash payment made up of your own monthly contribution and the monthly contributions of your employer.

■ **PAYMENT ON INCAPACITATION:** If you become permanently unfit to continue working, you will receive a full lump sum cash payment, made up of your contributions and the contributions of your employer.

■ **PAYMENT ON DEATH:** If you die, your dependants will be paid the full lump sum cash benefit, made up of your contributions and the contributions of your employer.

■ **PAYMENT ON RETRENCHMENT:** If you are retrenched, you will receive a full lump sum cash benefit, made up of your contributions and the contributions of your employer.

■ **RESIGNATION AND DISMISSAL:** If you resign from the mining industry, or are dismissed, you will receive a cash refund of all your own past contributions to the Fund.

You will also receive part or all of your employer's contributions depending on your length of service. If you have 10 or more years' service, you will receive all of your employer's contributions. If you have only 5 years service for example, you will be paid half of your employer's contributions when you leave, and so on. The lump sum payable if you resign or are discharged can only be paid 12 months after you have left the mine. If you return to the same mine or to any other mine within this 12 month period, you will remain a member of the Fund.

■ **INTEREST PAYMENTS:** You will get interest earned on the contributions saved under your name in the Fund.

■ **LOANS FOR HOMES AND IMPROVEMENTS:** An extra benefit of the Fund is the opportunity for you to loan a portion of the available money accumulated on your behalf by the Fund to help in purchasing a house or paying for improvements. It can also be used for purchasing land and building materials. This loan benefit will be available at a later stage when the Fund can afford it.

## EXAMPLES OF MONTHLY SAVING

Member's basic monthly wage R	Member pays each month R	Employer pays each month R	Total saved in Provident Fund R
300	9	9	18
350	10,50	10,50	21
400	12	12	24
450	13,50	13,50	27
500	15	15	30
550	16,50	16,50	33
600	18	18	36
650	19,50	19,50	39
700	21	21	42
750	22,50	22,50	45
800	24	24	48
900	27	27	54
1000	30	30	60
1100	33	33	66