

MEMBER NEWSLETTER

2021 FIRST EDITION



But, it is not all gloom and doom though; with positive developments in the sourcing of vaccines and the number of daily infections having started to decline. The good news is that much of what we know about keeping the pandemic at bay remains true. So, if we continue to social distance, wear masks and wash or sanitise our hands, we minimise the risk of contracting or spreading the virus.

As a Fund we remain committed to putting you, our members first. Though 2020 was tough, it did not stop us from seeking better ways of reaching out to members. The Masibambisane Rewards Programme launched in 2020 is just one example of how you inspire us to do better. We urge you to make use of the coupons in the Masibambisane Rewards Programme booklet as the coupons will expire in March 2021. We expect to distribute new booklets for you to enjoy more rewards which will then expire in July 2021. Look out for these and also check with your employers to ensure that you have the latest booklet.

I would also like to report that the member benefit statements (for the year ending December 2019) were distributed during the last quarter of 2020 and should have reached all employers by the end of November 2020. We understand how important these statements are to you and urge you to check with your employer if you have not received your statement yet.

In this edition of the newsletter, we cover the upcoming income tax changes, the importance of obtaining member contact details, channels you or beneficiaries can use to lodge queries and/or complaints and other articles of interest.

We may not fully know and understand what the new year has in store for us, but I am confident that if we work together, we can accomplish some important milestones.

May you have a safe 2021!

Dear Member


After a dreadful and sad 2020, we were all looking forward to a positive outlook in 2021, hoping that 2021 would bring about some good changes. Having returned to lockdown level-3 due to the rise in COVID-19 infections and increased number of deaths, it all feels like a continuation of 2020.

Tax changes from 1 March 2021 – affecting Provident Fund Members

The importance of obtaining and updating contact details

Queries and Complaints channels available to members

Our investment performance in 2020



Tax changes from 1 March 2021 – affecting Provident Fund Members

From 1 March 2021, all retirement benefits payable from provident funds and provident preservation funds will be treated the same as retirement benefits payable from pension funds, pension preservation funds and retirement annuity funds. This means that the difference between provident funds and pension funds will disappear from 1 March 2021, in that contributions paid to these funds and benefits payable from these funds will be treated exactly the same.

MEMBERS OF PROVIDENT FUNDS AND PROVIDENT PRESERVATION FUNDS WILL BE REQUIRED TO:

Buy a pension when they retire:

- Retiring members of provident funds and provident preservation funds will be required to use 2/3rd of their retirement savings to buy compulsory pensions/annuities.
- The 1/3rd cash lump sum benefit commutation and 2/3rd benefit annuitization rule will apply to all retirement benefits, except where the total retirement benefit due is R247 500.00 or less.

Vested benefits are protected:

All or any accumulated provident fund savings on 1 March 2021 (so-called “T-Day”) will be ring-fenced as a vested benefit in a vested benefit member account, protected and will not be impacted by the changes. The member will be entitled to withdraw the full vested benefit member account at retirement. The member will only be required to buy a pension/annuity with 2/3rd of the accumulated savings from all contributions and growth made to the fund from 1 March 2021 (the non-vested benefit member account).

Example:

A current member of a provident fund who retires (after reaching normal retirement age) on 31 March 2025, will have both a vested benefit member account and a non-vested benefit member account in the Fund. The vested benefit member account is made up of all accumulated savings and growth as at 1 March 2021. The non-vested benefit member account will be made up of all accumulated contributions paid to the Fund from 1 March 2021, plus growth, to date of retirement. This retiring member will

be entitled to take in cash, the vested benefit member account and up to 1/3rd of the non-vested benefit member account, unless where the non-vested benefit member account is less than R247 500.00, in which event the entire amount can also be taken in cash.

Impact of the tax changes:

• On current members of provident funds who are younger than 55 years:

Members who are younger than 55 years on 1 March 2021 will be impacted by these changes as their Fund would need to create 2 separate accounts, the vested benefit member account and the non-vested benefit member account.

But, these members are not affected at all, if they withdraw from their funds by way of resignation, dismissal, retrenchment, etc. They will remain entitled to claim their entire benefit as a cash lump sum.

• On current members of provident funds who are 55 years or older on 1 March 2021:

Members who are 55 years or older on 1 March 2021 will not be impacted by these changes at all. The Fund will continue to maintain only one account for them, the vested benefit member account. Their accumulated benefits will be treated in line with the rules as they currently apply, provided that they remain within the same fund or they preserve the accumulated benefit. If they transfer out of their original fund into another fund, they will retain the vested benefit member account, but their new fund must create a second account, the non-vested benefit member account, into which all new contributions from the date of transfer, will be allocated plus their growth. This account will be subject to the 1/3rd and 2/3rd commutation principle.

• New employees:

All new employees joining provident funds from 1 March 2021 will be bound by these changes and the Fund will maintain only one non-vested benefit member account for them; meaning that when they retire, they will be required to use 2/3rd of their accumulated retirement savings to buy a pension.

Should you have any specific questions in this regard, please do not hesitate to contact the Fund.



The importance of obtaining and updating contact details

The Board of Trustees of MWPF value their fiduciary responsibility to ensure that you are appropriately informed and regularly updated on retirement fund- and industry- related issues. Furthermore, the MWPF is regulated by legislation to ensure that adequate and appropriate information is communicated informing you of your rights, benefits and duties in terms of the rules of the Fund.

In the past, we have put in a lot of time and effort to ensure that you are adequately informed through newsletters, posters, flyers and SMS campaigns. Due to COVID-19, the delivery of these communication elements has proven to be challenging as member roadshows are not taking place as per the norm. In the absence of these roadshows, we rely heavily on digital communication which includes SMS, email and uploading information

on our website. In addition to this, an app was launched in 2020. This app allows you to access Fund-related information at your fingertips using your cell phones.

The big problem however is that we do not have all our members' cell phone numbers. We therefore need your assistance. We will be on a drive to update our members' contact details in the first quarter of this year. We request that you kindly supply your contact details to the Fund via the communication channels provided.

The Fund will use the contact details only for purposes of communicating Fund-related information, in accordance with the Fund's legal obligation to do so. Without contact details, we are unable to fulfil this communication obligation appropriately.

Queries and Complaints channels available to members



MWPF has made available to you and your beneficiaries, several channels or avenues through which you can submit or lodge queries and complaints about the Fund and its benefits. The first avenue is the Employer Based Service Consultants (EBS) situated directly at the mines. For those mines without EBS Consultants, you can contact the MWPF Call Centre, where our helpful consultants are available from 08h00 to 16h30 during working days of the week.

We also have digital platforms like our website www.mwpcf.co.za, social media channels Facebook and Twitter: @mineworkerspf and email which are managed by capable consultants dedicated to resolving queries or complaints promptly.

Finally, we have an online complaints portal to assist those who wish to submit complaints against the Fund, in order to make use of the centralised platform for a quicker response and resolution of complaints. It offers a direct platform to the Fund's Principal Officer's office. You and your beneficiaries are encouraged to use the online complaints portal platform before resorting to media or lawyers where unnecessary costs will be incurred. We are determined to assist you promptly at all times but cannot do so if these channels are not used.

In case you feel dissatisfied with the way in which the Fund has attempted to resolve your complaints, you can approach the Office of the Pension Funds Adjudicator (www.pfa.org.za). Their e-mail address is enquiries@pfa.org.za. The Pension Funds Adjudicator offers a free service to the public.

Refer to the following channels should you have any queries or complaints.

Email: clientservices@mineworkers.co.za

Call centre: 010 100 3001

EBS Consultants:

- Anglo Gold Ashanti: Vaal Reefs (Orkney) West Wits (Carletonville)
- Glencore Mine: Witbank
- Sibanye Still Water: Beatrix
- Sibanye Still Water: Driefontein
- Sibanye Still Water: Ezulwini
- Harmony Gold Mine: Kusasaletu
- Harmony Gold Mine: President Steyn Branch

Complaints Portal: <https://complaints.mwpcf.co.za/>

Our investment performance in 2020

Despite the ongoing financial market volatility and the instability of the economic environment brought about by COVID-19 in 2020, the Fund still managed to return a positive investment growth.

Take a look at the investment performance shown in the table below:

Investment Portfolio Performance

	Target Benchmark	MWPF Core Portfolio	MWPF Market Linked Portfolio	Mineworkers Provident Fund
1 Months	0.38%	0.43%	3.03%	2.00%
3 Months	1.55%	1.01%	7.50%	4.72%
6 Months	4.70%	2.05%	8.43%	5.55%
YTD	7.67%	1.24%	8.59%	5.21%
1 Year	7.67%	1.24%	8.59%	5.21%
2 Years (annualised)	7.86%	2.81%	10.33%	6.79%
3 Years (annualised)	8.47%	3.47%	6.14%	5.24%
4 Years (annualised)	8.63%	4.64%	7.97%	6.60%
5 Years (annualised)	9.13%	5.22%	8.43%	7.36%
Inception (annualised)	9.93%	12.06%	14.33%	12.90%
Volatility (annualised)	1.64%	2.21%	9.20%	4.98%
Tracking Error	-	-	-	8.48%

Tough economic periods are always followed by recovery which is why members' retirement savings are invested over a long period of time. Our Trustees understand this and balance protecting members' savings when the economic and investment outlooks are difficult. We remain hopeful of seeing signs of a recovery and improved performance in 2021.

Witbank Walk-in Centre change of address

Please be advised that the MWPF Witbank Walk-in Centre address has changed to the following address:

19 Geringer Street
Del Judor
Emalahleni
1044
Tel: 010 100 3000

Follow us on Facebook and Twitter and stay up to date

 <https://www.facebook.com/mineworkerpf>


 <https://twitter.com/Mineworkerspf>


We urge all members to make use of all of the resources MWPF to help us provide you the members with superior service.

We value your feedback

We would love to receive feedback from you. Please let us know what you think of the newsletter by sending an e-mail to: externalcomm@mineworkers.co.za.

Fund Head Office Contact Details

 Mineworkers Provident Fund Building, 26 Ameshoff Street, Braamfontein, Johannesburg

 010 100 3001

 www.mwvf.co.za

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