

SUMMARY OF BENEFITS OFFERED BY THE HAIRDRESSING BEAUTY AND SKINCARE INDUSTRY PENSION FUND

Employee	Employee means a person who – (a) is in the part-time or full-time employment of the employer; (b) has attained the age of 15 years; and (c) is under the age of 64 years as at date of commencement of such employment.
Membership	In terms of the new Bargaining Council Agreement as published in the Government Gazette, the Fund is now compulsory for every Employee in the Hairdressing and Cosmetology Services industry and now includes both Party and Non-Party Salons.
Contribution Rates:	Contributions to a pension fund are tax deductible up to 27.5% of the taxable income or total remuneration.
<ul style="list-style-type: none"> • Member • Employer 	Kwazulu-Natal : 6,50% (tax deductible by employee) All other regions : 6,00% (tax deductible by employee) Kwazulu-Natal : 6,50% (all costs included) All other regions : 6,00% (all costs included)
Retirement Savings Account (Fund Credit)	Member Contributions plus net Employer Contributions plus Actual Investment Return.
Retirement Benefit	On retirement the employee becomes entitled to an annuity of such amount that can be purchased from a Registered Insurer with his/her full Retirement Savings Account (Fund Credit). The member may elect to commute up to one-third for a cash lump sum. In terms of the Income Tax Act, if the member share is less than R247 500, the full amount can be paid as a cash lump sum.
<ul style="list-style-type: none"> • Normal Retirement Age • Early Retirement • Maximum Retirement Age • Tax on Retirement 	<ul style="list-style-type: none"> • 65 (all risk benefits cease at the age of 65 years) • From age 55 • Age 70 • The first R500 000 is tax free and the remaining benefit is taxed according to a sliding scale. Remember, you have only one R500 000 tax free amount that will apply to all your cash payments, including 1/3 cash payments from individual Retirement Annuities
Resignation/ Retrenchment/ Dismissal Benefit on leaving the Industry	Fund Credit (payable as cash lump sum).
Tax on Resignation Benefit	First R25 000 is tax free, the remaining benefit is taxed according to a sliding scale.
Death Benefit before the age of 17 years	Fund Credit (payable as cash lump sum, subject to section 37C of Pension Fund Act).
Death Benefit from the age of 17 years	3 x Annual Salary (insured amount) plus Fund Credit (payable as cash lump sum, subject to section 37C of Pension Fund Act).
Policy conditions: Death Benefits	The multiple of salary death benefit is subject to all the limitations, exclusions, terms and conditions that are applicable to the death insurance that the Fund has effected with the Insurer in regard to the benefit.
Notification Period: Death Benefits	Tell us of the death within 9 months from the date of death. Send us evidence and other documents within 3 months of telling us of the death. If the Fund is not notified within the prescribed periods, the insured amount will not be paid to dependants and/or nominees.
Disability Benefit before the age of 17 years	Fund Credit (payable as 1/3 cash, balance as monthly pension if total benefit is more than R247 500).

Disability Benefit from the age of 17 years	3 x Annual Salary (insured amount) plus Fund Credit after 6 months waiting period (payable as 1/3 cash, balance as monthly pension if total benefit is more than R247 500). Benefit will reduced by 20% per annum from age 60.										
Notification Period: Disability Benefits	Tell us of the disability within 3 months from the date of disability (last day actively employed). Send us medical evidence and other documents within 3 months of telling us of the disability. If the Fund is not notified within the prescribed periods, the insured amount will not be paid to members who become disabled.										
Definition: Disability Benefit	Total and permanently incapable of following his/her own or similar occupation.										
Exclusions and Pre-existing conditions: Disability Benefit	Certain exclusions and pre-existing condition clauses will apply on disability benefits as per the policy conditions.										
Tax on Death and Disability Benefits	The first R500 000 is tax free and the remaining benefit is taxed according to a sliding scale.										
Funeral Benefits from 1 December 2017	<table border="1"> <tr> <td>Main member/Spouse</td> <td>R10 000</td> </tr> <tr> <td>Child 14 to 21 years</td> <td>R10 000</td> </tr> <tr> <td>Child 6 to 13 years</td> <td>R 5 000</td> </tr> <tr> <td>Child 1 to 5 years</td> <td>R 2 500</td> </tr> <tr> <td>Stillborn to 11 months</td> <td>R 2 500</td> </tr> </table>	Main member/Spouse	R10 000	Child 14 to 21 years	R10 000	Child 6 to 13 years	R 5 000	Child 1 to 5 years	R 2 500	Stillborn to 11 months	R 2 500
Main member/Spouse	R10 000										
Child 14 to 21 years	R10 000										
Child 6 to 13 years	R 5 000										
Child 1 to 5 years	R 2 500										
Stillborn to 11 months	R 2 500										
Notification Period: Disability Benefits	Funeral Claims must be notified within 6 months of date of death and claim forms submitted within 3 months of notification.										

Net Retirement Contribution Rates expressed as percentage of salaries

The new costs and net contributions as percentage of salaries from 1 December 2017 are as follows:

	Category 1 (KZN only)	Category 2 (All other)
Gross Employer contributions	6,50% (50,00%)	6,00% (50,00%)
Less: Administration	0,63% (4,85%)	0,63% (5,25%)
Less: Collection Fee	0,94% (7,23%)	0,94% (7,83%)
Less: Consulting Fee	0,15% (1,15%)	0,15% (1,25%)
Less: Death and Disability	0,90% (6,92%)	0,90% (7,50%)
Less: Reserve Account	0,15% (1,15%)	0,15% (1,25%)
Less: Funeral	0,20% (1,54%)*	0,20% (1,67%)*
Net Employer Contributions	3,53% (27,16%)	3,03% (25,25%)
Plus: Member Contributions	6,50% (50,00%)	6,00% (50,00%)
Total Net Retirement Contributions	10,03% (77,16%)	9,03% (75,25%)

(The costs in brackets are expressed as a percentage of total contributions)

(* The funeral premium amounts to R9,50 per member/family per month and will be paid as such to Hollard. It is expressed as a percentage of salary for information purposes only.)

CONTACT DETAILS OF THE FUND:

Physical Address:

Unit B3 The Willows Office Park (Behind Toyota Lynnwood)

Farm Road

(Cnr Simon Vermooten and Lynnwood Road)

Die Wilgers.

Postal Address: P O Box 72117, Lynnwood Ridge, Pretoria, 0040

Tel: 0861 114 662

Fax: 0865 512 587

Email: hbsipension@prevue.co.za

Administered by

VERSO[®]

Defining excellence

FINANCIAL SERVICES