

The Council Chronicle

July 2024

PROCESS PERIOD: EXEMPTION FROM MEMBERSHIP OF THE HBSI: SEPTEMBER TO DECEMBER

The four-month period within which **exemptions from membership of the HBSI Pension Fund are processed** is **September to December** each year, for the following calendar year. Both applications and appeals (if any) must be processed within this period. If an exemption is not applied for or granted within the period, an establishment will be required to contribute to the HBSI Fund on behalf of employees and enforcement procedures may follow if not adhered to.

Establishments are reminded to complete and submit their applications **for the 2025 calendar year** (whether making a new application or renewing an existing application) as soon as possible. These applications will be processed within the period **September 2024 to December 2024**.

Existing exemptions (for 2024) will automatically **expire on 31 December 2024**, and invoices will be raised in accordance with the Collective Agreement if your application is not received by the Council on time and/or an exemption is not granted.

The Exemption Application Form is available to download from the website [Annexure-D](#) or you may request an application form via email from exemption@hcsbc.co.za.

All application forms for exemption from membership of the Pension Fund must be supported by a **Broker Form** which is completed by the existing Broker and **Motivation Letters** from all employees. See below for more notes on the process.

Exemptions from membership of the HBSI Pension Fund apply to establishments in relation to a calendar year. Where an exemption is granted for a calendar year, establishments must ensure that all new employees joining the establishment in that year, who do not become members of the HBSI, join the alternative Pension Fund, and must provide evidence of such membership of the alternative Fund.

Exemption applications not related to HBSI membership are not subject to the four-month period.

Notes on the application process (exemptions from HBSI membership).

- Submit a duly completed Exemption Application form – Annexure ‘D’ - signed and dated by the owner of an establishment - 1 application per establishment.
- Broker/Intermediary Exemption Application Form must be completed by your Broker - **No other documents will be accepted as sufficient.** If not properly completed, this may result in an unfavourable outcome.
- All Administration costs must be disclosed, such as asset-based fees charged in addition to normal member administration fees, as well as all governance/fund costs, distribution and intermediary fees and employer participation fees.
- Indicate the period for which exemption is applied for;
- The alternative Fund’s current, official membership list/schedule in respect of the employees of the establishment making the application, must be included;
- Submit individual signed motivational letters (an example is included in the Application Form) from each employee;
- Copies of renewal letters from the Fund and underwriters must also be attached confirming all costs;
- To be eligible for an exemption, an establishment must be compliant, have an up-to-date account, and have all employees included on the alternative Fund’s membership list;
- The Trustees of the HBSI Fund review the Fund annually and strive to improve the benefits of the Fund for all Employees in the Industry. After reviewing the costs and benefits an updated Application Form is issued to reflect the changes. The industry is notified of changes to the HBSI Fund and can be downloaded from hcsbc.co.za;
- Exemptions are only valid per calendar year; you must apply for exemption for all employees every year.
- To be successful in obtaining an exemption from membership of the HBSI Pension Fund, the alternative Fund must compare equal to or better than the HBSI Fund.

Reminders:

Pension Fund Contributions: Arrears: Establishments are required to urgently attend to any Pension Fund arrears. Should you have queries in this regard please contact the Front Office hbsipension@prevue.co.za or your Designated Agent or you may call the Council’s offices.

Staff Amendments Forms: The Finance and Administration Manager is kindly requesting establishments to complete and submit Staff Amendment Forms as and when they occur, before the 7th of the month.

Kind Regards

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