



Agricultural Sector Provident Fund



Employer and Employee Guide

(for new employers and members from 1 July 2018)

ACA Employee Benefits

Employee Benefits Solution

A unique Provident Fund for the agricultural sector offering retirement, resignation, death, capital disability, accidental death/bodily loss and funeral benefits to employees of the agricultural sector in a single package.



In association with



Product

ACA Employee Benefits (previously known as Absa Consultants and Actuaries) joined forces with the formal agricultural sector and compiled a Provident Fund for every employee in the agricultural sector. The administration, advice and actuarial services for the Fund are handled by ACA Employee Benefits. The management of the Fund is handled by a Board of Management, with representatives from ACA, AGRI SA, LWO, TAU SA, as well as independent Board Members.

The Agricultural Sector Provident Fund comprises various plans, with each plan offering unique benefits. These plans are compiled in such a way as to offer individual members death, capital disability, accidental death/bodily loss and funeral benefits at affordable premiums with the inclusion of a savings component. The savings component is based on the gross contributions for every member of the Fund less the costs of administration, death, capital disability, accidental death/bodily loss and funeral benefits. The effectiveness of the savings component depends on the level of contributions, as well as the period over which contributions are made. The savings period of members who only joined the Fund at an older age is much shorter than those of younger members and subsequently their fund values will also be lower at retirement.

The Fund is extremely flexible and can satisfy a variety of needs while still uncomplicated enough to ease administration and limit costs.

Benefits for the Employer and his Employees

- One monthly contribution covers all the benefits.
- Employees get peace of mind.
- Employees' accumulated fund values are transferable from one employer to the next.

Membership

Each employee decides which plan he or she wants to join. Employers are registered as participating employers within the Fund. All permanent employees between the ages of 16 and 65 years of age are required to join the Fund. The Fund is flexible enough to provide for employees to amend their plan within the Fund, if needed.

Management

The Board of Management is supported by a Principal Officer who ensures that the decisions are executed and properly implemented.

Administration

The Fund is administered by ACA Employee Benefits and audited annually by independent auditors. The benefits provided by the separate group schemes are re-insured with a life insurer. The election of the re-insurer lies with the Board of Management who regularly tests the market to ensure that the most competitive services and premiums are negotiated.

Investments

The portion of the contributions available for retirement funding (savings component) is invested in a relevant portfolio of a well-known investment manager to ensure that members' savings component is exposed to growth with limited risk. The Board of Management is responsible for the selection of investment managers and this is reviewed regularly to maintain good returns on the Fund investments. The Board of Management of the Agricultural Sector Provident Fund has an investment strategy according to which lower risk for members is maintained but it also attempts to obtain acceptable growth. The current investment portfolio of the fund is the Momentum Multi-Manager Smooth Growth Fund (Global).

Ownership

Although employers are registered as participating employers of the Fund, a separate investment account is kept for every employee (who is a member of the Fund). Thus, every employee has ownership of his or her own investment account.

Benefit structures

To make provision for different needs, different benefit plans are offered. The benefit structures are set out in the tables below:

Plan		A1	A2	B	C2	D	E
Contribution		R140.00	R140.00	R160.00	R180.00	R215.00	R360.00
Death cover		-	R12 500	R15 000	R17 500	R20 000	R30 000
Capital disability		-	-	-	-	R20 000	R30 000
Accidental death/Bodily loss		-	R12 500	R15 000	R17 500	R20 000	R30 000
Funeral:	Member	-	R10 500	R13 500	R16 000	R18 500	R26 500
	Spouse	-	R10 500	R13 500	R16 000	R18 500	R26 500
	Child 14 - 21	-	R10 500	R13 500	R16 000	R18 500	R26 500
	Child 6 - 13	-	R5 250	R6 750	R8 000	R9 250	R13 250
	Child 0 - 5	-	R2 625	R3 375	R4 000	R4 625	R6 625
Total cost		R26.21	R66.92	R78.08	R88.21	R106.19	R149.75
Net retirement savings (contribution less total cost)		R113.79	R73.08	R81.92	R91.79	R108.81	R210.25

Contributions and separate group scheme structures from 1 July 2018 to 30 June 2019

The below plans are available only to employees earning a minimum salary of R10 000 per month:

Plan		SAL 1	SAL 2	SAL 3	SAL 4
Contribution		R500.00	R750.00	R1 000.00	R2 500.00
Death cover		R100 000	R150 000	R200 000	R500 000
Capital disability		R100 000	R150 000	R200 000	R500 000
Accidental death/Bodily loss		R50 000	R75 000	R100 000	R250 000
Funeral:	Member	R35 000	R35 000	R35 000	R35 000
	Spouse	R35 000	R35 000	R35 000	R35 000
	Child 14 - 21	R35 000	R35 000	R35 000	R35 000
	Child 6 - 13	R17 500	R17 500	R17 500	R17 500
	Child 0 - 5	R8 750	R8 750	R8 750	R8 750
Total cost		R179.46	R238.59	R297.71	R652.46
Net retirement savings (contribution less total cost)		R320.54	R511.41	R702.29	R1 847.54

Contributions and separate group scheme structures from 1 July 2018 to 30 June 2019

(only for employees earning a minimum salary of R10 000 per month)

Contribution plans

- The selected plans can differ from one employee to the next. The plans can also be reviewed and adjusted continuously. The amendment will only be activated after the administrative office has been informed of this in writing before the 20th of every month.
- The employer and employee can decide for themselves which plan suits each individual employee. As a result some of the employees may choose plans with basic benefits while other employees may choose plans with more comprehensive benefits, after which it will be implemented accordingly.
- It is not necessary for an employer to include all his employees on the same plan.
- Members are also allowed to make additional contributions to the Fund for purposes of additional retirement funding.

Death benefit

In the event of death before retirement, the member's death and funeral benefits in accordance with the chosen plan will be paid to the member's dependents. The total value of the member's savings component at date of death will also be paid to the member's dependants.

Retirement benefit

At retirement the member's death, capital disability, accidental death/bodily loss and funeral benefits will cease. The member will be entitled to the total value of his or her savings component as at the date of retirement. The member can retire at any stage between the ages of 55 and 70.

Withdrawal benefit

If the member leaves the service of the employer before retirement, the member's death, capital disability, accidental death/bodily loss and funeral benefits will cease. The member will be entitled to the total value of his or her savings component. The member is also offered the option of transferring the total value of his or her savings component to a new participating employer or transferring the total value to a preservation fund.

Disability benefit

If the member becomes totally and permanently disabled (as determined by the insurer based on detailed medical evidence submitted and the benefit is approved) before the age of 65, the member will be entitled to the capital disability benefit in accordance with the chosen plan, after a waiting period of 6 months. The member's death, capital disability, accidental death/bodily loss and funeral benefits will cease. The member will be entitled to the total value of his or her savings component at date of exit from the Fund.

Accidental death/bodily loss benefit

In the event of death before retirement as a result of an accident, the member's accidental death benefit in accordance with the chosen plan will be paid to the member's dependents in addition to the death benefit.

If the member experiences a bodily loss as a result of an accident, a benefit equal to a percentage of the accident benefit is payable.

The total amount paid out to the member for death and/or bodily loss is limited to:

- the total accident benefit. Any percentage paid out previously will be taken into account;
- the total amount payable in respect of a member in terms of points (c), (d) and (e) of the below table, is together never more than 75% of the accident sum; and
- the death or bodily loss happened within 12 month of the particular injury.

General

Costs

Monthly contributions to the Fund include the following costs as from 1 July 2018:

- **Administration cost**

- Member fee of R18.16 (incl VAT) of contribution per member per month; and
- Consultation fee of 5.75% (incl VAT) of contribution per member per month; and
- Levy on assets of 0.51% (incl VAT) per annum.

- **Group scheme costs:**

- For member on Plan A1 to E**

- Death benefit: R1.21 per R1 000 cover
- Capital Disability benefit: R0.35 per R1 000 cover
- Accidental death/bodily loss benefit: R0.29 per R1 000 cover
- Funeral benefit: R2.09 per R1 000 cover

- For member on Plan SAL1 to SAL4**

- Death benefit: R0.55 per R1 000 cover
- Capital Disability benefit: R0.28 per R1 000 cover
- Accidental death/bodily loss benefit: R0.13 per R1 000 cover
- Funeral benefit: R1.23 per R1 000 cover

The costs of Auditors, Financial Sector Conduct Authority and Pension Funds Adjudicator levies, Fidelity Guarantee cover, a portion of the monthly administration fee and any other authorised costs are recovered from accrued assets in the Fund.

The administration cost as well as the costs attached to the group schemes is reviewed annually.

Group scheme

Death and funeral benefits

These benefits are provided up to the age of 70. In general, these benefits are provided without any medical proof of health, but the Board of Management retains the right to request the principal member to submit proof of good health on entry to the Fund.

Capital disability benefit

This benefit is provided up to the age of 65 and is subject to a waiting period of 6 months. If the onset of disability occurs within 5 years prior to the member's attainment of age 65, the amount payable will be reduced by 20 per cent of the capital disability benefit offered by the chosen plan, for each year or part thereof by which the onset of such disability precedes the member's 65th birthday.

Please note that pre-existing conditions apply. This means that a member cannot claim for a medical condition that existed 6 months prior to his commencement date in the Fund/chosen plan within a 12 month period after the commencement date in the Fund/chosen plan.

Accidental death/bodily loss

If the member dies as a result of an accident, the accident benefit is paid in addition to the member's death benefit, or does not die but experiences bodily loss as a result of an accident, a benefit equal to a percentage of the accident benefit is payable.

The table below indicates the percentages payable according to the physical injury suffered:

Result of accident		Benefit as percentage of the accident sum
(a)	Death	100%
(b)	The total, permanent, irrecoverable and simultaneous loss of the use of <ul style="list-style-type: none">• both eyes; or• both hands; or• both feet; or• one hand and one foot; or• one eye and one hand; or• one eye and one foot.	100%
(c)	The total, permanent, irrecoverable loss of the use of <ul style="list-style-type: none">• one eye; or• one hand; or• one foot; or• both ears.	75%
(d)	The total, permanent, irrecoverable loss of the use of one ear.	50%
(e)	The total loss through physical severance of :	
	(i) one entire thumb	25%
	(ii) one entire index finger	10%
	(iii) one entire big toe	10%

Contributions

Contributions are paid monthly in advance through a debit order. This process eases administration and limits administrative costs to a minimum. No provision is made for alternative payment methods. Premiums for the death, capital disability, accidental death/bodily loss and funeral benefits, as well as the administration fee, are deducted from the monthly contribution and the balance (net contribution) is invested to provide for the savings component to be paid on retirement, resignation or death.

It is extremely important to note that contributions have to be paid on a monthly basis. If your bank refuses payment, irrespective of the reason, the members' group scheme benefits will be suspended, and no claims will be accepted. If the deduction is refused for a second consecutive month, the membership to the Fund of all members involved will be suspended until the employer rectifies the situation. However, the death, capital disability, accidental death/bodily loss and funeral benefits cannot be paid or reinstated retrospectively.

It is the employer's responsibility to inform members immediately when payments to the Fund are refused by the bank as the members will not enjoy cover as provided under the separate group schemes until the relevant payments are honoured.

The Board of Management will re-evaluate and adjust the contribution plans annually. Members' contributions will automatically be adjusted annually.

Procedure to become a member and enquiries

To join the Fund you need to complete and submit the application form to the Fund. Please e-mail the form to us at aca.agrisectorfund@sanlam.co.za

Enquiries may be directed through the following channels:

Website

www.aspf.co.za

E-mail:

aca.agrisectorfund@sanlam.co.za

Telephone:

• 011 286 1302

If you prefer to work through your existing financial adviser, he or she is very welcome to contact us for any information needed. Financial advisers are also available in some areas if you would like someone to visit you.

Communication

On receipt of the application form, completion of the entry administration and the successful payment of the first contributions, the employer will receive a membership certificate for every member of the Fund. These membership certificates are, however, only valid if contributions are fully maintained on a monthly basis.

You will also receive a document detailing the administrative processes and requirements of the Fund. Benefit statements will be issued annually to all employers. These statements will indicate to each member the value of his or her savings component as well as the benefits provided under the separate group schemes that the member is entitled to in terms of the plan selected.

Disclaimer

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