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BCFMI-KZN

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GJPB/DK

CIRCULAR : 05 / 2008

14 MAY 2008

**TO ALL MEMBERS OF THE
PROVIDENT FUND FOR THE
FURNITURE MANUFACTURING
INDUSTRY, KWAZULU-NATAL**

**REGISTRATION OF THE PROVIDENT FUND IN TERMS OF THE PENSION
FUNDS ACT :**

We advise that it has come to our notice that misinformation exists amongst Members regarding recent amendments to the Pension Funds Act, compelling councils to register their retirement funds with the Financial Services Board.

In order to clarify issues, we will respond as follows to some of the more frequent questions asked.

Q : Will our provident fund now become a pension fund ?

A : No, the Fund will remain a provident fund.

Q : Will members still be entitled to a lump sum benefit, or will members have to accept only a portion of their total benefit ?

A : Members will still be entitled to a lump sum benefit.

Q : Will the government take members money ?

A : No, Government cannot take members' money, it belongs to the member and not to Government.

Q : Will housing loans still be available ?

A : Yes, although it will be different, the Pension Funds Act prescribes that the property must be registered as surety against the loan. All loans will have to be approved by the Trustees of the Fund and not the Council.

ALL CORRESPONDENCE MUST BE ADDRESSED TO THE SECRETARY OF THE COUNCIL

THE BCFMI-KZN HAS IN TERMS OF SECTION 29(15) (a) OF THE LRA 1995 BEEN REGISTERED AS A BARGAINING COUNCIL
REFERENCE LR 2/6/6/33

A copy of the Rules will be made available as soon as possible after registration.

If you have any queries in this regard, please do not hesitate to contact the writer.

Yours faithfully

**BARGAINING COUNCIL FOR THE FURNITURE
MANUFACTURING INDUSTRY, KWAZULU-NATAL**



**G.J.P. BLIGNAUT
SECRETARY OF THE COUNCIL**