

MEMBER`S BENEFIT BOOKLET



UNIFIED COUNCILS PENSION FUND

**Winner of Public Sector Management Award
Most Improved Service Delivery 2018**

WHERE DID WE COME FROM ?

Your Pension Fund has changed from being administered

By Old Mutual Company to SELF ADMINISTRATION

The Fund has a legacy that stretches back to 1975 and its movements

to present day are broken down as follows



1975 to 2003 (28 years) - Administered by Old Mutual

Year 2004 - conversion to self administration

Year 2005 - Recruitment of staff

Year 2006 to Part 2007 -Growth

Year 2008 -Economic Decline

Year 2009 to Date -Growth Resumes Faster

INTRODUCTION

The pension fund to which you belong is governed by a formal set of rules which are approved by and registered with the commissioner of insurance. The rules are the legal authority for benefits. A board of trustees comprising of 50% member elected and 50% employer appointed has been set up in terms of the Pensions and Provident Funds Act to ensure all benefits are paid in accordance with the set of rules. The Trustees are empowered by the Act to delegate certain of their various functions to officials who are experts in relevant fields. The ARDCZ appointed a Principal Officer to oversee governance issues of the fund and in addition ensures compliance with legislation .

This book has been compiled to give you an outline of the provisions of your pension fund and how you stand to benefit. It has been produced in a question and answer format and only gives a general outline of the benefits .However, it can not be taken as a legal definition of the benefits payable. The provision of the Rules will always take precedence . If you have any queries concerning the fund or your benefits, ask your personnel ,department, Fund staff or members of the Board of Trustees.

UCPF gives you peace of mind
We look after our family of members by paying out high pension figures
Stick around UCPF for the best.

WHY UCPF?

UCPF is an easy to understand scheme

+/- 80 Participating employers

+/- 5000 contributing members

Competent & Experienced staff

Regular training and updates to members

Periodic Pension Increases

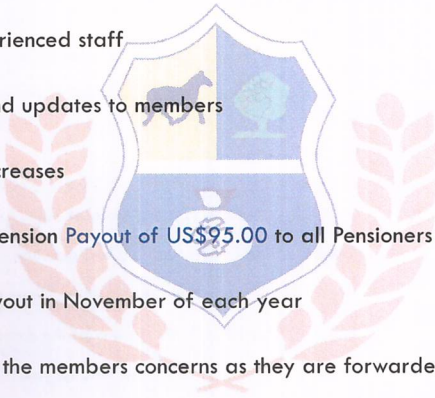
Minimum monthly Pension Payout of US\$95.00 to all Pensioners

Double Pension Payout in November of each year

The Fund considers the members concerns as they are forwarded
to the UCPF Board for discussion and consideration.

GROUP LIFE ASSURANCE OF 24 TIMES

Monthly Salary for beneficiaries Funeral assistance benefit.



1. THE CREATION OF PENSION FUNDS

1.1 WHAT IS A GROUP PENSION FUND?

A group pension fund is a trust operated and managed outside the employers' business into which member and employer contributions are paid during the member's pensionable service.

1.2 WHAT IS PURPOSE OF A PENSION FUND?

Employers reward staff for their service both directly through salaries and indirectly through various benefits such as a pension

There comes a time when old age prevents you from working although you will continue to need food, clothing and shelter. The pension fund is intended to provide with income that you can use for these necessities of life when you retire.

Pension funds also provide benefits to a member's dependants on his or death.

Remember "You have a right to receive annual updates and statements as our membership data is kept in a modern database"

We ensure adequate feedback to our members.

2. ELIGIBILITY

2.1 AM I ELIGIBLE TO JOIN THE FUND?

Yes, If you are full time permanent member of staff of the employer, you are under 60 years of age

If you are a contract worker who is contracted by the employer for at least two continuous years or a seasonal worker who is engaged by the employer on a seasonal basis for at least two consecutive years and you are not covered under the Labour Relations Act (Chapter 28:01), you are eligible to join the Fund.

This is in fact in terms of the Pension Funds regulations.

2.2 IS A MEDICAL EXAMINATION REQUIRED FOR ENTRY INTO THE FUND?

No, but you may be called upon to provide evidence of good health after you become a member of the Fund depending on the benefits you may enjoy, for example the level of your death benefits depends on the state of health.

3. CONTRIBUTIONS

3.1 You will pay a monthly contribution equal to 8% pf your basic salary or wage.

HOW IS IT CALCULATED:-

Basic Monthly Salary	US\$1.000.00
Contribution Rate	8%
Monthly Contributions	$8 \times \text{us\$}1000$
	<hr/>
	100
	$= \text{US\$}80.00$
	<hr/>

3.2 DOES MY EMPLOYER MAKE ANY CONTRIBUTIONS?

Yes, your employer contributes at the rate of 12% of your basic monthly salary or wage.

3.3 MAY I CONTRIBUTE AT A GREATER RATE IN ORDER TO INCREASE MY FINAL PENSION?

Yes, you may elect to make voluntary contributions provided that the rate of your monthly contributions does not exceed 10% of your basic monthly salary or wage.

3.4 WHAT WILL HAPPEN TO MY VOLUNTARY CONTRIBUTIONS SHOULD I WITHDRAW FROM SERVICE OR DIE BEFORE RETIREMENT?

In event of withdrawal from service, you have the following options:-

- i) Taking the amount in cash plus interest and bonuses
- ii) Applying the cash to purchase a pension payable from your retirement date.
- iii) Transferring the amount to another registered pension fund or retirement annuity fund.

In the event of your death, the voluntary contributions plus bonuses will become payable in cash to your beneficiaries.

3.5 CAN MY EMPLOYER CHOOSE NOT TO REMIT MY PENSION CONTRIBUTION TO THE PENSION FUND ON A MONTHLY BASIS

No, it is an offence for the employer to deduct your pension contribution and not remit to the Fund. The Commissioner regards it as a crime. Refer 5.1 243/2006 557 and 56A respectively.

4. RETIREMENT DATE

4.1 WHEN MAY I RETIRE

You may retire on your normal retirement date which is the first day of the month next following or coinciding with your sixtieth (60th) birthday. For example if you were born on 17 May 1960 your retirement date will be 1 June 2020.

4.2 MAY I RETIRE EARLIER THAN MY NORMAL RETIREMENT DATE?

Yes you may, subject to certain conditions. This is called Early Retirement.

4.3 MAY I RETIRE AFTER MY NORMAL RETIREMENT DATE ?

Yes, contributions will continue.

5. PENSION PAYMENTS ON RETIREMENT

5.1 HOW WILL MY PENSION BE CALCULATED

The total pension payable from your retirement date will be equal to the pension that can be provided by your "Accumulated credit" means the total of :-

- a) Contributions you made to the accumulation account and those made on your behalf by your employer on or after the conversion date.
- b) If applicable, the amount transferred to the accumulation account on or after the conversion date representing your benefits accrued for service before the conversion date.
- c) If applicable, the amount transferred to the accumulation account after the conversion date from any registered pension fund.
- d) Interest and bonus additions as declared from time to time by the Trustees.
"Conversion date" means 1st of February 2009 when all Zimbabwean dollar contributions were changed to US dollar currency.

CALCULATION OF BENEFITS ILLUSTRATED

Table 5.1

Conversion Value	XXXX
ADD: Employer Contribution February 2009 onwards	XXXX
Employee Contributions 2009 onwards	XXXX
Investment Return	XXXX
Equal to:	
TOTAL BENEFIT	XXXX

5.2 MAY I TAKE A CASH SUM INSTEAD OF MY PENSION?

Yes, you may only take a cash sum only when the pension calculated falls below the minimum level set by the Commissioner.

5.3 WHAT BENEFITS WILL I RECEIVE ON EARLY RETIREMENT?

All benefits calculated to your early retirement date using 5.1

5.4 WHAT BENEFITS WILL I RECEIVE ON LATE RETIREMENT?

You will receive a pension which can be provided from the total funds available to you at late retirement using table 5.1

NB. On late retirement you receive a much higher than on early retirement.

5.5 WHAT BENEFITS WILL I RECEIVE IF I AM RETRENCHED OR MADE REDUNDANT?

You will be entitled to an immediate pension which can be purchased by your accumulated credit as at the date you get retrenched or redundant.

5.6 FOR HOW LONG WILL MY PENSION BE PAID?

Your pension will be payable for as long as you are alive, but for a minimum of five (5) years. In other words, if you die within five (5) years of your retirement, your pension will be paid until the end of your five year period.

5.7 CAN I ELECT A REDUCED JOINT PENSION?

If you wish you may also, within twelve (12) months before your retirement, elect to exchange your pension for a reduced joint pension. The reduced pension will then be paid after your death for the remainder of the lifetime of your spouse or designated beneficiary.

A joint pension must be arranged before retirement because your pension will have to be reduced according to the age of the beneficiary to whom the pension is to be paid

5.8 WILL MY PENSION INCREASE AFTER RETIREMENT?

UCPF shall from time to time adjust your pension in order to cushion you against the effects of inflation or otherwise.

6. DEATH BENEFITS

6.1 WHAT BENEFIT WILL MY SPOUSE/ DEPENDANTS RECEIVE IF I DIE BEFORE MY NORMAL RETIREMENT

- a) A cash amount equivalent to twice annual salary (24 x monthly salary).
- b) Your accumulated pension determined as at your date of death, which will be used to purchase a pension for your spouse and dependants.
- c) A FUNERAL DEATH benefit equivalent to your salary is given on receipt of burial order processed with 24hours. This is meant to assist your family with burial expenses.

6.2 WHAT BENEFIT WILL MY SPOUSE/ DEPENDANTS RECEIVE IF I DIE AFTER MY NORMAL RETIREMENT (whilst still in service)?

- a) AGLA amount which is equal to twice your annual salary.
- b) Your accumulated retirement benefit being employee and employer credit with added investment returns and bonus.
- c) A FUNERAL DEATH benefit equivalent to your salary is given on receipt of burial order processed with 24hours. This is meant to assist your family with burial expenses.

6.3 WHAT BENEFIT WILL MY SPOUSE/ DEPENDANTS RECEIVE IF I DIE AFTER RETIREMENT DATE (whilst still receipt of pension)?

Should you die within five(5) years of your retirement, your pension will continue to be payable for the remainder of five year period. Should you die after the five year period your pension will not be payable after death.

NOTE:

- a) Your death will not affect the payment of pension to a beneficiary where you have elected a joint pension. Such pension will continue to be paid until the date of death of the beneficiary.
- b) You may, as for your employer / Trustees, nominate a dependant or dependants, or if you have no dependants, beneficiary to whom you wish the death benefits to be paid. You may change this nomination at a future date if you so wish.
- c) In terms of legislation, the Trustees will direct that the benefits be paid in the following order:-
 - 1) That be shared equally amongst spouse and dependant children.

NB. Children include those out of wedlock subject to documented proof. Where no birth certificates supporting affidavits.

Spouse shall mean:

The spouse of a married member or pensioner at the date of his death. In case of a deceased married male member or pensioner, where custom so permits and the deceased had more than one wife, each shall be regarded as a spouse.

Dependant Shall mean:

A person or persons who, in the opinion of the Board of Trustees, is or are completely or almost completely dependant upon the member for maintenance and support.

7. LEAVING THE EMPLOYER'S SERVICE

7.1 IF I RESIGN FROM SERVICE BEFORE RETIREMENT , WHAT BENEFITS WILL I RECEIVE

On leaving your employer's service before retirement your pension is calculated in table 5.1 above. You may elect to:

<p>1. Take Cash, your member portion</p> <p>or</p>	<p>a) The contributions you made to the accumulated account on or after 1st of January 2004 with interest and basic bonus additions</p> <p>b) If applicable, the portion of any amount you transferred to the accumulation account on or after 1st of January 2004 deemed to be your own contributions with interest and bonus additions.</p> <p>c) If applicable, the portion of any amount you transferred to the accumulation account on or after 1st of January 2004 from another registered pension fund deemed to be your contributions with interest and bonus additions</p>
<p>2. Transfer the amount to another registered pension fund or retirement annuity Fund</p>	<p>It is specifically provided that if you transfer from this Fund to a local Authorities Pension Fund, your accumulated credit will be transferred to that Fund.</p>

NB. The employer portion is retained by Fund or transferred to another pension fund of your choice in terms of your choice of the law.

7.2 CAN MY LIFE COVER CONTINUE AFTER I LEAVE THE EMPLOYER'S SERVICE

No, as soon as you leave your employer's service through resignation or retirement your life assurance benefit cover will cease.

8. GENERAL PROVISIONS

8.1 WHAT LEGAL DOCUMENTS ARE REQUIRED BEFORE ANY BENEFITS ARE PAYABLE

FOR A WITHDRAWAL/ DISMISSAL CLAIM

- Copy of letter of withdrawal
- Certified copy of Identity document
- Filled in and stamped withdrawal claim form

FOR A RETIREMENT CLAIM

- Copy of letter of retirement
- Certified copy of Identity document
- Filled in and stamped retirement claim form

FOR A DEATH CLAIM

- Original Death Certificate
 - Marriage certificate / Affidavit confirming marriage status
 - Children's certified copies of birth certificate(if below 18 years of age)
 - Filled in and stamped death claim form.
- a) Before payment of a pension, certified copies of your birth certificate, your national identity card and or your Marriage certificate (if applicable), will be required. These documents will also be required from any dependants who may be entitled to receive a pension.
- b) Before payment of any benefit is made, documents as in (a) above will be required together with the original death certificate.

NOTE;

However, the date of birth as shown on the national registration card or a sworn affidavit may be accepted, if the birth cannot be found or has been lost.

8.2 WHAT INCOME TAX PROVISIONS APPLY TO THE FUND'S CONTRIBUTION BENEFITS?

In terms of legislation, your annual pension contributions are deductible from your gross taxable income up to a maximum as gazetted from time to time through legislation. The various benefit payments made to you from the Fund are taxed in the following:-

a) On withdrawal from the Fund

Your cash refund is subject to tax unless you use the amount either to purchase a pension payable on your retirement or elect to transfer the amount to another pension

NOTE:

If your refund is taxable, the Fund will obtain a tax directive from ZIMRA before your refund can be paid.

b) In the event of your death

Any sum of your dependant(s) on your death is taxable and any monthly pension payable to your spouse/ children or dependant(s) is taxable as income. Any pension payable in respect of child should be declared separately for tax purposes.

b) On retiring from the Fund

If you decide to take the one third cash commutation on your retirement this amount is not taxable, but

i) The monthly pension you will receive after retirement or the 2/3 lump sum taxable as income

8.3 HOW IS THE FUND ADMINISTERED?

The fund is self - administered and complies with the provision of the Pension and Provident Funds Act, (Chapter 24:09) and the Income tax Act (Chapter 23:6)

9. RELEVANT STATUTES

* Pension and Provident Act (Chapter 24:09)

* Statutory Instrument 323 (1991)

* Statutory Instrument 243 (2006)

* Income and Pension Act (Chapter 24:21)

* Finance Act (Taxation and Benefits)

Your concerns and queries are at heart of UCPF "Say them, We Listen"

10. WHY SELF - ADMINISTERED

ISSUE	INSURANCE ADMINISTERED	SELF ADMINISTERED
Ownership of Assets	Assets are Owned by Shareholders	Assets are Owned by Members/ Contributors
Control of Assets	Controlled by Shareholders (some foreigners) through their appointees - Directors	Controlled by members through Board of Trustees which they set up
Choice of Investments	Strike a balance between various funds	Specific mix for the particular fund-flexible e.g preferential investments in LAs
Investments Returns	Shared with shareholders through dividends	All Returns are for members or contributors

11. WIDE PRODUCT RANGE

UCPF Offers :-

- * Easy -to- understand defined Contribution pension plan.
- * Double payout to pensioners in November each year.
- * Group Life Cover of 24 x Monthly salary
- * Funeral Express Cover equal to Gross monthly salary.

New Products

- * Family Cash Funeral Cover
- * Medical Aid Cover
- * Home Ownership Assistance Scheme for members
- * Gratuities for Pensioners