

Disability Benefits

KZN

MUNICIPAL PENSION FUND



The fund helps you if you become disabled while still in service

What would you do if you couldn't ever work again because you became very sick? How would your family cope? As a member of the fund, you qualify for certain disability benefits which are paid for from the employer's contribution.

The fund provides members with three types of disability benefits.

1 a temporary disability benefit

2 a permanent disability benefit

These benefits work as follows:

1 Temporary disability benefit

If, due to injury or illness you are unable to perform with reasonable continuity the material and substantial duties of your own job or any other reasonably suitable job that your employer can offer you, you will be entitled to receive (after a three-month waiting period) a monthly disability benefit of 75% of your fund salary.

This monthly benefit is subject to a maximum rand amount that is set from time to time. This monthly

benefit will be paid for a maximum of 21 months, but will stop if you return to work, die or retire before the end of the 21 month payment period. This disability benefit is subject to medical checkups. You will stay a member of the fund and both you and the employer will carry on contributing to the fund while you are receiving the temporary disability benefit, which means you will still be eligible for withdrawal, retirement and death benefits.

Important notes

- This disability benefit may change in the future, depending on the cost of the benefit
- You will only receive the disability benefit once your claim is approved
- Payment will begin three months after you first become disabled
- You will have to provide the trustees proof of disability from time to time as and when requested. If you do not supply enough proof, or the trustees find that you can go back to work before the 24 month period has expired (including the three month waiting period), the benefit will be reduced or stopped
- There are limits on the maximum disability benefit
- There are situations when you will not be covered for disability, such as:
 - Self inflicted injury
 - Criminal activity
 - Pre-existing conditions (if disabled in first 12 months on joining the fund).

- This benefit is payable after a 24 month waiting period. In other words, after the three-month waiting period that applies to the temporary disability benefit and the 21 months of temporary disability benefits have been paid to you.
- The ill health early retirement benefit is treated in the same way as a normal retirement benefit from a tax perspective.
- Once you receive this ill health early retirement benefit, you will no longer be a member of the fund and the fund will have no further liability to you.

Important notes

- The permanent disability benefit may change in the future, depending on the cost of the benefit.
- You will only get the disability benefit once your claim has been accepted.
- The permanent disability benefit will be paid 24 months after you first become disabled.
- You will have to provide proof of disability.
- There are limits on the maximum disability benefit.
- There are situations when you will not be covered for disability, such as:
 - Self inflicted injury
 - Criminal activity
 - Pre-existing conditions (if disabled in first 12 months)

2 Permanent disability benefit

If, due to injury, disease or illness, you are totally and permanently unable to perform the material and substantial duties of any occupation in the open labour market for which you are qualified or suited or could reasonably be expected to become qualified or suited taking into account the degree of your disability and your knowledge, training, education, ability, experience and age, you will retire from the Fund and be entitled to receive an ill health early retirement benefit equal to:

- Your fund credit paid to you by the fund

PLUS

- A multiple of your annual fund salary. (This is the same age related benefit that applies on the death of a member).

