



NOTICE TO EMPLOYERS WHO CONTRIBUTE TO THE AUTO WORKERS PROVIDENT FUND OR THE MOTOR INDUSTRY PROVIDENT FUND



CLOSING DATE FOR APPLICATIONS FOR THE TEMPORARY REDUCTION OF CONTRIBUTIONS

14 March 2022

Dear Employers

In April 2020, at the onset of the Covid 19 pandemic lockdown, the Trustees of the Auto Workers Provident Fund and the Motor Industry Provident Fund allowed employers to apply for a temporary reduction in contribution to the funds.

Please note that with effect from **Friday, 29 April 2022**, both the Auto Workers Provident Fund and the Motor Industry Provident Fund will stop accepting further applications for the temporary reduction of contributions.

Employers who still wish to avail themselves to this temporary reduction facility must complete the applicable form and submit by email to Covid19@mifa.org.za before the closing date.

Employers, who previously made use of this facility for themselves, and their employees are reminded that they need to make every effort to pay these contributions to the funds, once they are in a stable financial position.

Yours faithfully

A handwritten signature in black ink, appearing to be 'Adam Ismail Esat'.

Adam Ismail Esat
Principal Officer

Retirement funds that deliver



FORM 1

Please return this form to MIFA's offices by emailing Covid19@mifa.org.za

Application for temporary suspension or reduction of Contributions to the Auto Workers' Provident Fund or Motor Industry Provident Fund (delete the fund which is not applicable)

I the undersigned, _____ (insert full names) am the Chief Executive Officer/Managing Director/Chief Financial Officer/Owner (delete whichever is not applicable) of _____ (full registered name and registration number of employer) (hereinafter 'the employer'), with Motor Industry Bargaining Council (MIBCO) reference number _____ and am duly authorised to make this application and declarations on behalf of the employer as the responsible person for retirement fund contributions.

I hereby declare under oath and make the following undertakings and requests on behalf of the employer:

- 1.** The employer is experiencing financial difficulty and/or low cash flow and is not in a position to pay any contributions/is only able to pay ___% of employer and ___% member contributions (delete whichever is not applicable) to the Fund for the period _____ (start date) to _____ (end date). (Please note that this period commences from 1 April 2021 at the earliest and for a maximum period of 6 months).
- 2.** The employer attaches a letter of confirmation of its distressed financial position from its auditor and/or accountant, who is registered as such with the relevant professional body for accountants and/or auditors in South Africa. The accountant/auditor's letter must confirm that s/he has evaluated the employer's financial position, the employer is in financial distress, the extent of the distress is serious but of a temporary nature, and must also confirm that the suspension/reduction of retirement fund contributions is a necessary measure to bring the employer back to financial stability.
- 3.** The employer therefore requests the fund to allow it to suspend or reduce contributions (delete whichever is not applicable) for the above-mentioned period.
- 4.** The employer undertakes to resume contributions upon the expiry of the end date. To the extent that it is still unable to do so, the employer will make a second and new application in a similar form to this application to the fund for a suspension of contributions from the end date to the extended date, which extended date will not be longer than three months from the end date. In the event that the employer is able to resume contributions before the end date, the employer undertakes to re-commence contributions as soon as this occurs.
- 5.** To the extent that the employer and its affected employees will be able to pay the contributions not paid during the contribution break once it has returned to a stable financial position, the employer will make every endeavour to pay these contributions to the fund.

Retirement funds that deliver



**APPLICATION FOR TEMPORARY SUSPENSION
OR REDUCTION OF CONTRIBUTIONS**

6. The employer will continue to pay the cost of risk benefits and administration costs to the fund in order to ensure that the fund is able to continue paying any death and/or ill-health benefits that its employees or their beneficiaries may become eligible for during the suspension period.

7. In the event that the employer is unable to pay the cost of risk benefits and administration costs, the employer acknowledges and undertakes to inform its employees that the fund will try to continue paying these benefits, but that the trustees on the advice of the valuator may cease or reduce these benefits in the event that it is decided that the fund is no longer able to pay them in terms of its rules.

8. The employer provides a list of all its affected employees as an attachment to this sworn declaration.

9. The employer also confirms that it has circulated the attached copy of member communication to its affected employees on behalf of the fund. It is noted that a condition of granting this application for suspension of contributions is that members are informed of this application before it is granted.

10. The employer hereby acknowledges that the Fund relies on the information provided to it by its accountants and itself. If it is found that the information provided is false or incorrect, the employer will be obliged to pay all contributions plus late payment interest to the Fund at the normal contribution rate as if no relief was granted to it. The Fund is hereby empowered to accept this representation as a consent to judgment against it if the information herein is found to be false or incorrect. In addition, the Pension Funds Act, 1956 also makes non-payment of contributions a criminal offence, so the employer would be liable for criminal sanctions as well. The Fund will also be permitted to report the employer's accountants to the Regulatory body for Auditors and Accountants in South Africa for disciplinary action if the accountant's representations are false or incorrect.

11. The employer acknowledges that the granting of relief from contributing to the fund is at the discretion of the trustees and subject to the fund's rules. The employer makes this application in the knowledge that the facts deposed herein are true and correct.

Signed at _____ **on this** _____ **day of** _____ **2021**

Full name:

Witness 1

Designation at employer:

Witness 2

I hereby certify that the deponent declares, knows and understands the contents of this affidavit and that it is to the best of the deponent's knowledge both true and correct. This affidavit was signed and sworn/affirmed to before me at _____ on this _____ day of _____ 2021 and that the Regulations contained in Government Notice R1258 of 21 July 1972, as amended, have been complied with.

COMMISSIONER OF OATHS: _____



For office use

Receipt date: _____

Received by: _____

DECLARATION AND SIGNATURE:

I understand that the Fund will process my benefit, in terms of my payment instruction recorded above and according to the rules of the fund, upon receipt of the required documentation and necessary tax clearance from the South African revenue Service. I confirm that all Information is true and correct.

PRIVACY STATEMENT

I agree that Motor Industry Retirement Funds (MIRF) and Motor Industry Fund Administrators (MIFA) may process all information that I provide on this form. MIRF/MIFA may use my personal information to provide and administer retirement fund investments and share my personal information as per my instruction in this form or with other contracted service providers, who are legally bound to protect the information. I understand that the information will be processed in accordance with the Protection of Personal Information Act, No.4 of 2013 and MIRF and MIFA's strict policies and procedure manuals on protecting the confidentiality of my personal information.

CLAIMANT SIGNATURE

DATE

MEMORANDUM

TO: _____

DATE: _____

RE: NOTIFICATION OF APPLICATION TO TEMPORARILY SUSPEND RETIREMENT FUND CONTRIBUTIONS TO THE AUTO WORKERS' PROVIDENT FUND/MOTOR INDUSTRY PROVIDENT FUND (DELETE THE FUND WHICH IS NOT APPLICABLE)

Your retirement fund has carefully looked after your retirement funding savings for more than two decades and will continue to do so for many more years. The fund and its trustees will always act in your best interests and will protect your rights in the fund to the best of their ability.

As you know, our country has been deeply affected by the Covid-19 pandemic, the national lockdown and the extended measures put in place by our Government. This has affected the operations of our company and it finds itself in a financially distressed position. In order to prevent the closure of the company, several emergency measures have been introduced. One of these actions which has become available is for our company to apply to the retirement fund for a temporary suspension of contributions.

You are hereby informed that our company will make application to the **AUTO WORKERS' PROVIDENT FUND/MOTOR INDUSTRY PROVIDENT FUND (DELETE THE FUND WHICH IS NOT APPLICABLE)** for a suspension/reduction (delete whichever is not applicable) of retirement fund contributions in respect of the employer and employee (delete whichever is not applicable) for the period starting _____ (insert start date, which must be on or after 1 April 2020) to _____ (insert end date, which cannot be more than six months from the start date).

Our company will continue paying for risk benefits and administration expenses during this period, so your death and ill-health benefits in the fund are not affected **OR** Our company will also stop paying risk benefit and administration portion of expenses during this period, in which case you may not receive your full death and ill-health benefits, or they may be reduced by the fund. (delete whichever is not applicable)

Please direct any enquiries to the human resources department, alternatively to the retirement fund by electronic mail _____.

The fund will notify the employer whether it is successful with its application as soon as possible but not later than 30 days after the fund receives the application.

Yours faithfully

Name
Designation at employer