



## Participation in the Independent Schools Association of Southern Africa Pension Scheme and Provident Fund

### An Explanatory Guide

This guide explains how participation in the Independent Schools Association of Southern Africa Pension Scheme and Provident Fund (ISASA) works. It sets out the responsibilities of the Fund and the Participating Employer.

The Fund has a detailed Administration Manual that describes all the Fund processes and contains all the Fund claim forms. It is recommended that this participation guide is read in conjunction with the Administration Manual. The Administration Manual is available on the Fund website at [www.isasapensionfund.co.za](http://www.isasapensionfund.co.za)

#### THIS GUIDE COVERS THE FOLLOWING:

- The Fund's obligations
- The Participating Employer's obligations
- Fees
- Services

#### WHAT ARE THE FUND'S OBLIGATIONS?

- The Fund provides the benefits set out in the Rules and renders the services outlined in the below section titled: What Services Are Provided.
- The Fund monitors that the Participating Employer pays contributions in full and on time and that they provide the accompanying schedules timeously. If the Participating Employer fails to pay the contributions due timeously, the

Fund will notify the Participating Employer (via a 'Section 13A' letter). Should the failure to pay or provide the schedules continue, the Act and the Rules prescribe the following action:

- Late payment interest will be levied against the Participating Employer at the prescribed rate;
- The matter may be reported to the Registrar at the Financial Services Board;
- The matter may be reported to the South African Police Service or the Director of Public Prosecutions;
- The Participating Employer's participation in the Fund may be terminated.

#### **WHAT ARE THE PARTICIPATING EMPLOYER'S OBLIGATIONS?**

- The Participating Employer must comply with all the requirements set out in the Rules, any Fund policies governing participation, and any legally binding directives from the Registrar or the South African Revenue Service or any other regulatory authority.
- The Participating Employer must confirm all Member data in respect of its employees before submitting the data to the Administrator.
- The Participating Employer is fully responsible for the Member data which the Fund and the Administrator rely on in good faith.
- The Participating Employer acknowledges that errors in the data could adversely affect Member claims.
- The Participating Employer is required to make employees available from time to time, to be trained by the Administrator on the electronic submission of payrolls and claims, and other matters related to the Fund.
- The attention of the Participating Employer is particularly drawn to the following obligations:
  - (a) **Member information**
    - (1) The Participating Employer must inform the Fund in writing of a person who becomes an Eligible Employee after the Participation

Date and is enrolled as a Member (as described in the Funds' Administration Manual).

- (2) In order to liaise with the Members, the following details of all Members are requested:
  - a. title;
  - b. full first names and surname;
  - c. gender;
  - d. date of birth;
  - e. mobile telephone number;
  - f. e-mail address;
  - g. postal address & residential address;
  - h. identity number/passport number;
  - i. employer pay number;
  - j. income tax number;
  - k. date of membership;
  - l. split between Member and Participating Employer contributions, as well as details of any additional voluntary contributions paid for each Member.
- (3) If the information in (2) above, is not complete or correct then the information will not be considered as having been received by the Administrator.
- (4) The Participating Employer shall make sure that the format of the information that is shared is compatible with the systems used by the Fund and the Administrator.
- (5) The Participating Employer must establish ways for making sure inaccurate personal information is corrected by all the parties holding it and ensure that procedures are in place for amending the personal information after it has been shared.

(b) **Responsible person**

The Participating Employer must

- (1) Inform the Administrator in writing of the persons who act on behalf of the Participating Employer in relation to the Administrator's procedures, i.e. to access/amend the

membership data, including the persons who are accountable to ensure that the membership data is correct, and to authorise the withdrawal of contributions from the Participating Employer's Bank Account.

- (2) Control the access to and the use of the electronic transaction systems and e-claim system of the Administrator. The Administrator is not liable for any claims if such controls are not properly applied.
- (3) The Participating Employer must advise the Administrator in writing of any changes made in terms of the person(s) referred to in (1) above.

**(c) Communication with Members**

The Participating Employer must distribute communication to Members in its employment within a reasonable period after receiving it from the Fund.

**(d) Risk Benefits**

The Participating Employer must adhere to the conditions of the Risk Policy, including ensuring that Members are informed of the following information, once received:

- (1) the evidence of health limits set by the Risk Provider;
- (2) the Risk Provider's requirements where the evidence of health limit is exceeded;
- (3) any restrictions placed on their Risk Benefits by the Risk Provider or as a result of their failure to submit the required evidence of health to the Risk Provider or to satisfy the Risk Provider's requirements.

**(e) Information relating to Investment Portfolios**

- (1) The Participating Employer must inform the Members of the various Investment Portfolios available to them and ensure that the information and access to the information regarding

Investment Portfolios, and any changes, are made available to them.

- (2) The Participating Employer must allow the Fund reasonable access to Members to provide information required about investments.
- (3) The Participating Employer acknowledges that the Fund shall not be liable for any damages suffered arising from any investment choice made by the Participating Employer or the Members.

**(f) Contributions and risk premiums**

**For electronic collection of contributions**

- (1) Each Participating Employer must:
  - a. submit correct membership data to the Administrator including such information as set out in (a)(2) above,
  - b. authorise the monthly contributions,
  - c. ensure that the total contributions payable in terms of the Rules are available for electronic collection and,
  - d. transfer into the Bank Account of the Fund as specified to the Participating Employer by the Administrator.

**For direct debit contributions**

- (2) Each Participating Employer must
  - a. submit correct membership data to the Administrator including such information as set out in (a)(2) above,
  - b. authorise the monthly contributions,
  - c. ensure that the total contributions payable in terms of the Rules are payable by each of its employees, who is a Member of the Fund, directly into the Fund's Bank Account.
- (3) The Participating Employer must use the electronic transaction systems and processes for the payment of contributions (as described in the Fund's Administration Manual).

- (4) Such reference details as required from time to time by the Administrator must accompany the transfer into the Bank Account.
- (5) Confirmation of each transfer (either by e-mail or facsimile) must be provided by the Participating Employer to the contact official of the Administrator.
- (6) The Participating Employer must ensure that the total contributions and/or risk premiums paid are equal to the total reflected in the monthly bill provided by the Administrator and paid within the time standards specified in Annexure 1 of this Guide.

The Participating Employer may become liable for the payment of interest or penalties or both to the Fund on unpaid and/or late contributions, as required in terms of the Act.

Should the total reflected in the monthly bill provided by the Administrator be incorrect or collected late due to the negligence of the Fund or the Administrator, the Fund may be liable for the payment of interest or penalties or both as required in terms of the Act on unpaid and/or late contributions in respect of that monthly bill.

- (7) Where correct membership data is not submitted within the timeline specified in the Act, the contributions cannot be credited to the Member Account and therefore cannot be invested in the Investment Portfolio. The Fund shall not be liable for any resultant losses suffered by any of the Members.
- (8) The Participating Employer also acknowledges that it is aware that contributions which are not timeously paid are required by law to be reported to the Registrar and in certain circumstances to SAPS or the Director of Public Prosecutions.

**(g) Exits from the Fund**

The Participating Employer must:

- a. take all reasonable steps to obtain such documentation, data and information relating to a Member's exit from the Fund;
- b. and provide such information to the Fund;
- c. including the signed instructions of the Member concerned;
- d. provide the details of Bank Accounts to the Fund for the payment of benefits;

In the event of the death of the Member the Participating Employer must take all reasonable steps, to the satisfaction of the Fund, to

- (i) trace Beneficiaries and inform the Fund of all such steps taken (by completing the death checklist as contained in the Administration Manual);
- (ii) get all documents, data and information concerning a deceased Member's Dependents and nominees, as the Board may require in order to execute its duties in terms of section 37C of the Act;
- (iii) provide the details of Bank Accounts to the Fund for the payment of benefits;
- (iv) all of these requirements must be submitted to the Administrator within the timeframe specified in the Risk Policy to enable the Fund to claim the Risk Benefit;
- (v) in the event that the Fund is unable to claim the Risk Benefit within the stipulated timeframe and the claim is repudiated by the Risk Provider, the Fund shall not be liable for the payment of the Risk Benefit;
- (vi) all claims must be submitted via the e-claims process as provided by the Administrator to the Fund.

## WHAT ARE THE FEES?

- The fees are set out as follows:

### ADMINISTRATION FEE

The initial administration fee at inception is deducted from the monthly Participating Employers' contributions to the Fund in respect of each Member Account.

### NON-STANDARD ADMINISTRATION SERVICES - COSTING SUMMARY

Re-instatement – where the Administrator is notified after 30 days of an exit in error by the Participating Employer (minimum cost per re-instatement)	R6,913
Re-instatement – where the administrator is notified within 30 days of an exit in error by the Participating Employer (minimum cost per re-instatement)	R547
Reconstruct a Member's record	R6,367
Reverse a client's complete authorised payroll and reload it as a result of incorrect data.	R1,272
Manual notification of exits	R540
Printing and posting of Employee Benefit Certificates (EBC's) (per certificate)	R15

- Unless stated otherwise all fees are exclusive of VAT.
- Fees are reviewed annually and the new fees will become effective on the date advised by the Fund to the Participating Employer in the annual fee review letter.
- Subsequent fees and the effective date of such fees will be advised in writing to the Participating Employers. The fee review letter shall serve as the record of the fee change.



## WHAT SERVICES ARE PROVIDED?

Listed below is an extract of the relevant services as agreed between the Fund and the Administrator and set out in the Administration Agreement (as amended from time to time). A copy of the Administration Agreement will be made available to the Participating Employer on request:

Service	Time Standard	Frequency
1. Match contributions with data at Member level	Within 3 Business Days of receipt of membership data from the Participating Employer	Monthly
2. Invest contributions and/or risk premiums	Within 3 Business Days of matching money and data	Monthly
3. Process switches	Capture within 2 Business Days from date of receipt of manual instruction to action  It should be noted that the actual switch process takes 4 Business Days	On receipt of switch instruction
4. Process and pay Member benefits - withdrawal benefits -retirement benefits including purchase of annuities - calculation and payment of tax -application of valid prior claims	With Ten (10) Business Days after receipt of all required data (including the exit notification via payroll), information and documentation (provided the Member's tax affairs are in order), subject to the receipt of the money by the Fund from the Investment Providers	Ongoing
5. Process and pay death benefits including the purchase of annuities	Fifteen (15) Business Days after receipt of decision by the Board and receipt of all required information obtained from the Beneficiaries, subject to requirements of Section 37C of the Act and the Rules	Ongoing

Service	Time Standard	Frequency
6. Pay late payment interest equal to Bank interest rates for the period from date of exit to date of payment	With benefit payment	Ongoing
7. Produce standard Participating Employer Administration Report	Within 1 month of request	As requested
8. Draft Special Rules and amendments thereto	Within thirty (30) Business Days of receipt of request in writing and all required data	Ongoing
9. Attend to registration and tax approval of the Special Rules and any amendments	On certification of the Special Rules or amendments	Ongoing
10. Prepare new Member packs and forward to each Participating Employer's HR department to be issued to Members (in which must be included beneficiary nomination forms)	Within four (4) weeks of receipt of all the new Member information	Ongoing
11. Issue new Member certificates.	Within four (4) weeks of receipt of all the new Member information	Monthly
12. Issue annual benefit statements including notification of any registered Rule changes.	Within six (6) months of the Financial Year End of the Fund	Annually
13. Provide the underwriting insurer with reports indicating all changes that may result in	8th last day of the month following receipt of data and contributions	Monthly

Service	Time Standard	Frequency
Members' benefits being potentially limited due to evidence of health requirements		
14. If applicable, a copy of the Risk Policy (pertaining to the Members employed by the Participating Employer) is to be forwarded to the Participating Employer	No later than five (5) days after the receipt of the Risk Policy by the Insurer	Whenever a Risk Policy is issued or amended
15. Ensure that sufficient information relating to the Risk Policies is communicated to Members, for approved risk	As and when required. Annually on New Entrant Certificate and Annual Member Benefit Statements	Ongoing

## FIND OUT MORE

This guide aims to provide a high-level explanation of how participation in the Independent School of South Africa Pension Scheme and Provident works. To keep it as short as possible we have only outlined the most important information contained in the standard Participation Agreement as it relates to the Fund and the Participating Employers. A copy of the Master Rules, amendments to the current Master Rules and the standard Participation Agreement will be made available to the Participating Employer by the Administrator upon request or can be accessed on the ISASA Website ([isasapensionfund.co.za](http://isasapensionfund.co.za)). Should there be any inconsistency between this guide and any provision in the Rules, Administration Agreement, and/or any Risk Policy through which the benefits are offered, the provisions of the Rules or such other policy shall prevail.

You can also find more information about the Fund by contacting the Principal Officer on the details below.

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**Designation:** Principal Officer

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**Should you need further assistance you may contact Megan Houston on 021 509 0927**

## **LIST OF TERMS**

All words and expressions used in this Guide that are defined in the Rules will bear the same meanings as are ascribed to them in the Rules and are indicated by an initial capital letter similar to terms and expressions defined hereinafter.

**"Act"** means the Pension Funds Act of 1956 (Act 24 of 1956), as amended, and the Regulations made under that Act, or, if repealed, the substituting Act of Parliament and Regulations regulating pension funds in South Africa;

**"Administrator"** means Old Mutual Life Assurance Company (South Africa) Limited appointed by the Fund as the administrator of the Fund as contemplated in section 13B(1) of the Act;

**"Bank Account"** means the bank account as defined in the Master Rules;

**"Board"** means the management board of the Fund appointed in terms of the Master Rules from time to time;

**"Business Day"** means every day except a Saturday, Sunday or public holiday recognised as such in the Republic of South Africa;

**"Fund"** means Independent Schools Association of Southern Africa Pension Scheme and Provident Fund;

**"Master Rules"** mean the Rules registered with the Registrar as the master rules of the Fund as amended from time to time;

**"Members"** means the members of the Fund, as provided for in the Master Rules;

**"Participating Employer"** means the legal entity authorised to participate in the Fund;

**"Registrar"** means the Registrar of Pension Funds mentioned in section 3 of the Act;

**"Rules"** means the rules of the Fund as registered by the Registrar and includes the Master Rules and the Special Rules as amended from time to time;

**"Special Rules"** means the rules registered by the Registrar in respect of the Sub Fund;

**"In writing"** means a written document and includes email, and "written" shall have a corresponding meaning.

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*Indemnity:*

*While every effort has been made to ensure that the information in this document is correct, ISASA Pension Scheme and Provident Fund take no responsibility for any loss or damage suffered by any person as a result of their reliance on the information contained herein.*