



HAIRDRESSING & COSMETOLOGY BARGAINING COUNCIL (KWAZULU-NATAL)

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TO ALL PENSION FUND MEMBERS

Retirement Funding is vitally important – for EVERYONE. Employees in the Hairdressing Industry in KwaZulu-Natal are currently on a PENSION FUND; our contribution levels are 6% and 6%, all costs are borne from the employer contribution, and there is a one times’ annual salary benefit for life and disability cover.

The government rules and regulations covering retirement funds are very comprehensive, and it is vital that you as a member at least try to comprehend some of these rules and regulations which exist:

BENEFICIARY TRUST: If something happens to you and you have minor children, your benefit has to go into a Beneficiary Trust. Money can be taken out for school fees and the like, but usually a small monthly benefit amount is paid. So, again, it is vital that the worker tells the employer / administrator who his / her children are. The Nomination of Beneficiaries form applies, and you can get it from council.

TAX: On account that your pension contributions are tax deductible, when you finally come to withdraw your benefit, tax is PAYABLE according to the current tax table:

LUMP SUMTAX LIABILITY.....
R0 – R22 500	0%
R22 501 – R600 000	18%
R600 001 – R900 000	R103 950 + 27% of the amount
R900 001 and above	R184 950 + 36% of the amount

DIVORCE ORDERS: members of retirement funds are warned that divorce and divorce settlements can play havoc with your pension fund. Taxation is but one aspect:

DIVORCE ORDERS:-	TAX TREATMENT -
MADE AFTER 01/03/2009	TAXED IN THE HANDS OF THE SPOUSE
MADE BETWEEN 13/09/2007 and 01/03/2009	WHERE SPOUSE ELECTS ON OR AFTER 01/03/09, IT IS TAXED IN HANDS OF THE SPOUSE. IF ELECTION IS BEFORE THAT DATE, TAXATION IS IN HANDS OF THE MEMBER.
MADE BEFORE 13/09/2007	ALL ORDERS MADE HERE ARE TAXED IN HANDS OF THE MEMBER

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