

voice

July 2001

THE NEWSLETTER OF THE MGF



Municipal Gratitude Fund

Regional Workshops

The Fund is now ready to start with regional workshops. The target groups for these particular one-day sessions are Human Resource Managers, Financial Managers or their delegates, other officials responsible for the retirement issues of employees, member representatives and shop stewards. The aims of these sessions are to create better understanding of procedures, functions and benefits of the Fund, give opportunity for feedback and input from the officials at municipalities and to promote security and trust in the Fund. Invitations and nomination forms have already been sent out to certain municipalities and sessions have started in the Northern Province. The Fund anticipates that this project will be completed towards the end of October 2001.

Annual Meeting

This year the Annual Meeting of the General Committee will be held in the picturesque town of Ellisras on 2 November. Notices regarding the election of representatives are being sent out. Make sure that you are part of this election and that you elect a representative who will be able to represent you effectively on the General Committee. Representatives will receive the agenda timeously.

The employee representatives are still elected from amongst the employees of the old disestablished authorities. In the event where all the employees have been withdrawn from a disestablished local authority and redeployed in the new amalgamated local authority, the **new** local authority is entitled to elect an additional employee representative.

Representatives who wish to submit matters for discussion at the meeting of the General Committee, must submit such matters in writing to the Fund's offices, marked for the attention of **Heidi Louw**, not later than **11 October 2001**.

Target Dates

Representatives on the General Committee

- The Municipal Manager must **no later than 17 August 2001**, request the submission of nominations for a representative.
- In the event that more than one nomination is submitted, the Municipal Manager must arrange for an election **no later than 3 September 2001**.
- The Municipal Manager must submit the names of the employer and employee representatives to the Fund **no later than 18 September 2001**.



New Web Address: www.mymgf.co.za

The MGF gets wired!

Take a sneak peak at the new MGF website and see what exciting things are in store for you!

Investment Portfolios

Members may exercise a choice between the two investment options that the Fund offers once a year before 31 May. If a member does not exercise a choice before 31 May, we will presume that the member would like to remain in the portfolio that his/her fund credit is currently invested in.

The Guaranteed Portfolio may be more appropriate for members who are retiring soon and would like their capital as well as a certain percentage of growth to be guaranteed. Due to the fluctuations in the financial market the Standard Portfolio may be suitable for members who have more service years left and whose fund credit will not be affected by these short term fluctuations in the financial market over a longer term.

Change of portfolio choice must be in writing and done timeously. Confirmation of change will be done in writing during June each year.

Registration - Taxpayers

If you are going to retire or resign and your benefit will exceed R180 000 you have to register with SARS. The Fund would like to pay out benefits as soon as possible. If we have to wait for a member to register, the process will be delayed.

Ekurhuleni Metropolitan Municipality

Last month we featured the Tshwane Metropolitan Council. This month we visit the Ekurhuleni Metropolitan Council, home of the M.G.F. Not only is the M.G.F. office located within the boundaries of the Ekurhuleni Metropolitan Council but the largest concentration of the members of the Fund (8300) is at the newly established Ekurhuleni Metropolitan Council. Ekurhuleni means place of tranquility and peace. This large metropole consists of the former disestablished municipalities of Alberton, Germiston, Boksburg, Brakpan, Benoni, Springs, Nigel, Kempton Park, Khayalami Metropolitan Council and the Eastern Gauteng Services Council, as well as a portion of Edenvale.

Southern Region: Germiston (as regional centre), Alberton, Kathlehong, Tokoza, Vosloorus and portions of the old Boksburg, Brakpan and Eikenhof areas.

Northern Region: Kempton Park (as regional centre), Tembisa and Edenvale and portions of the old Germiston, Boksburg and Bronberg areas.

Eastern Region: Springs (as regional centre), Daveyton, Etwatwa, Nigel, Kwa-Thema, Tsakane and Duduza and portions of the old Benoni and Brakpan areas.

The biggest International Airport on the continent falls within this region.

The executive mayor is the honourable Clr. Bavumile Vilakazi who has already committed himself to the promotion of the whole area by: "Building a smart, creative and dynamic metro."

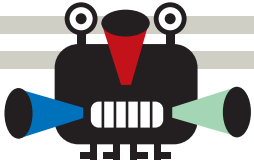
Ekurhuleni was the first of the metropolitan municipalities to appoint a municipal manager. Mr Paul Mavi Maseko started his new career on 10 May 2001. Maseko, no newcomer to local government, has emphatically stated that his priorities are the unification of the region and making Ekurhuleni the best in the country - both in terms of economic development and tourism. He is currently busy with a PhD degree with the thesis: "Leadership Strategies for Stabilising Local Government in South Africa." It is no easy task to provide and maintain municipal infrastructure for over 2 million people. There is no doubt in our minds that Paul Maseko will indeed reach his splendid goals for Ekurhuleni and the Fund wishes him all the best for the future.



Executive Mayor- Bavumile Vilakazi



Municipal Manager: Ekurhuleni Metropolitan Council - Paul Maseko



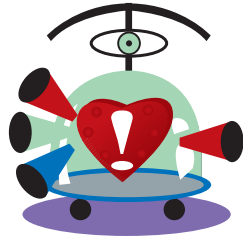
Medical Disability

ADMINISTRATIVE COSTS - This is how it works.

The employer contributes 22% of a members salary, 17% is directly allocated to the members Fund Credit, 4% is allocated to risk benefits, being death, medical disability - and funeral benefits. The remaining 1% is utilised to finance the administration cost of the Fund

The Management Committee of the Fund relies on the expert advice of a panel of medical specialists when making a decision regarding the granting of medical disability benefits. The Committee does however evaluate each case on its own merit and does not blindly follow the recommendation of the medical panel. They ensure that all facts have been taken into consideration before a resolution is reached. The process is greatly held back by not complying with the prescribed procedure and by not filling out the correct application form. The correct form is : MGF/06 Application for ill health retirement.

This form must be completed in detail and accompanied by all the relevant medical results and reports.



Financial Markets

In the USA, Alan Greenspan has reduced interest rates twice since the beginning of the year. Time will tell if these cuts were sufficient to prevent a recession in the American economy. The reduction in interest rates had a marginally positive effect on the world economy. The US dollar does however remain very strong compared to other currencies and the expectation is that this tendency will continue.

In South Africa the cut in interest rates that we were looking forward to has been realised with an interest cuts of 0.75% and 0.25%. The fact that interest rates have decreased, is a very positive aspect of our economy. The man on the street is paying much less interest on bonds and car payments than three years ago. Cellular telephones and the National Lotto contribute to the fact that people don't spend money on normal consumer items as usual. This puts a lid on the country's economic growth. The positive news according to Investec, one of the Fund's assets managers however is that:

- Inflation is at a 30-year low
- Bond yields at 18-year lows
- Interest rates are at 13-year lows

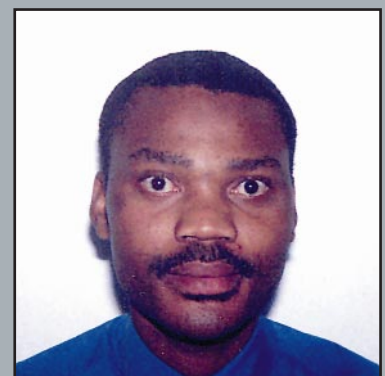
Despite all the fluctuations in the financial markets, the Fund could afford to maintain the interim bonus of 0,6% per month for the standard portfolio and 0,643% for the guaranteed portfolio. South African shares form a major component of the Fund's investments and performance. South African shares are not expensive, and providing there are no major changes in the rest of the world's economy, should continue to perform well. If the positive trend continues the Fund will be able to declare a final bonus at the end of the current financial year.

Total Assets of the MGF now exceed R3billion!

New Appointment

Mr Stanley Muremi was appointed as our new Communications Officer from 1 July 2001. Stanley is no newcomer to the field of communication and marketing as he has already shown his worth at the campus of the University of the North where he has been intensively involved in these particular fields. We believe that he will prove to be an asset to the Fund and its members.

WELCOME STANLEY! We hope that you will be very happy in your new position and that your eager spirit and adventurous nature will be satisfied with the new challenges that await you.



Princess Crossing

Variety you need, value you deserve



Hot on the lips of most West Rand residents is, of course, the Fund's most recent retail property investment, Princess Crossing Shopping Centre.

Princess Crossing boasts a variety of 61 tenants, who collectively occupy an area of 37 000m². The tenancy compliment is anchored by Pick 'n Pay Hypermarket and also includes an impressive array of other national retailers such as Furniture City, Cischem, Cash Converters, CAN, Bathroom Bizzare,

Matress Factory, Steers, Debonairs and Medicross to mention a few.

The shopping centre experiences record levels of customer traffic. Two levels of basement parking ensure that you will never have a problem finding parking. 24-hour security ensures peace of mind while you experience the excellent services provided by the centre. When next in the city of sins, be sure to visit the MGF's latest acquisition.

Funeral Benefit

Members must please note that the funeral benefit is available to all DEPENDANT children up to the age of 21 years. In the case of a child with a disability that resulted in lifelong dependence, the funeral benefit will apply irrespective of the child's age as long as there is continued membership. Proof of dependence such as a letter from the school, tertiary institution or doctor will be needed.

You can claim the benefit from any branch of Metropolitan. To ensure prompt service they will require the following:

- The policy name and number: MUNICIPAL GRATUITY FUND 4140386915
- The scheme number : F6016
- Claim form completed by your Human Resources Department
- Your ID
- ID / Birth certificate of the deceased
- Member's last salary advice
- Proof of death/Removal order

If you are not in possession of a marriage certificate you will also need a letter from your priest or chief if the deceased was your spouse.

Metropolitan does not accept affidavits from the police.

If you experience any problems, contact one of the following Metropolitan Regional Head Offices:

Johannesburg:	(011) 240-2103	Pietersburg:	(015) 291-2212
Pretoria:	(012) 303-6054	East London:	(043) 743-0762
Vanderbijl Park:	(016) 931-1633-6	Nelspruit:	(013) 753-3655
Empangeni:	(035) 772-7117-9	Umtata:	(047) 532-6020
Klerksdorp:	(018) 462-7594/5/6		

Housing

Members often phone the Fund to enquire about outstanding housing loan amounts. Please remember that the outstanding amount given telephonically is the amount as on the system on that day. If you want to repay that outstanding amount ask the housing staff for a written balance that includes your interest and the administration fees.

Remember to include your banking details when applying for a housing loan. You will receive your money much sooner than when we have to send a cheque to your local authority

Progress on the ABSA-Nelspruit project can be followed on the Internet at:
www.margiegibb.co.za/stocks