NEWSLETTER FOR PENSIONERS
MARCH 2010

INFORMANT

BUDGET 2010/2011: Tax Highlights

Personal Income Tax Relief

Limited tax relief was granted to individuals and partially compensates for the effects of inflation, commonly known as "bracket creep".

The new tax thresholds for:
- individuals younger than 65 will be R57 000; and
- individuals 65 or older will be R88 528.

The exemption for interest and dividend income has been amended:
- For individuals younger than 65 years, it was raised from R21 000 to R22 300.
- For individuals 65 years and older, it was raised from R30 000 to R32 000.
- The threshold for the tax-free portion of interest and dividends from foreign investment increases from R3 500 to R3 700.

Medical Expenses

From 1 March 2010 the tax deductible portion of monthly contributions to medical schemes is increased for each of the first two beneficiaries from R625 to R670 and for each additional beneficiary from R380 to R410. Taxpayers over the age of 65 can claim all medical expenses paid by themselves, including contributions, as a tax deduction.

Discontinuation of the SITE system

SITE was introduced in the late 1980s to limit the number of tax returns filed annually. Administrative modernisation and the fact that the tax threshold for taxpayers younger than 65 years is approaching R60 000 have eliminated the need for this system. SITE is to be abolished from 1 March 2011.

Administrative relief measures will be considered for low-income taxpayers with multiple sources of income. Pensioners who receive more than one pension and who benefited from the SITE system should therefore not necessarily lose this benefit. As soon as details become available, the Funds will notify you of the impact thereof.

Voluntary Disclosure Programme

In order for taxpayers to disclose their defaults (non-compliance) and regularise their tax affairs, a voluntary disclosure programme will be implemented. The programme will be

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SENTINEL
Mining Industry Retirement Fund
Safeguarding Your Future

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MINE EMPLOYEES
PENSION FUND

BUDGET 2010/2011: Tax Highlights

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effective during a window period from 1 November 2010 until 31 October 2011.

The full amount of tax will remain due but relief with regard to interest and penalties will apply provided that the disclosure is complete and SARS was not aware of the default.

Taxes upon death

Both estate duty and capital gains tax are payable upon death, which is perceived as giving rise to double taxation. Estate duty raises limited revenue and is cumbersome to administer. Moreover, its efficacy is questionable as many wealthy individuals escape estate duty liability through trusts and other means. Taxes upon death will be reviewed during this year.

PENSIONER ROAD SHOW 2010

Your Funds will again embark on a road show for pensioners between 22 July and 6 August this year. Without losing sight of our objective to keep administration costs as low as possible, we value the opportunity to meet our pensioners personally and to inform you about the financial position of the Funds, explain the latest rule and legislative amendments and share valuable tips for your financial well being.

How do we plan the road show?

The ultimate goal is to gain maximum benefit from the expenses incurred – in other words to see as many pensioners as possible at the lowest possible cost. Sounds fair, doesn't it?

To succeed in this, we scrutinize our records for information on pensioners' whereabouts. We want to know how many pensioners live in a region and also look at the attendance during previous road shows.

Venues are evaluated on location, safety and security, accessibility, facilities and resources provided, and, obviously, the cost in relation to these elements.

How will you know where to go?

Personal invitations with information on venues, dates and times are mailed to pensioners well in advance. A SMS reminder is also sent shortly before the Road Show starts.

Client Service Centres are there to serve you

To ensure that members and pensioners of the Funds can obtain information and assistance through a convenient channel, the Client Service Centre network has been expanded.

The Funds provide this service directly to its members and pensioners and do not use the services of any outsiders. Please do not be misled by persons who are not employed by the Funds.

Our dedicated teams consist of experienced staff members who will go out of their way to assist you.

NEW CARLETONVILLE CENTRE OPENED

A Client Service Centre opened in Carletonville on 4 January 2010.
This centre is situated at shop 10 in the S Buys Business Park on the corner of Kaolin and Radium streets in Carletonville.
The S Buys Business Park was formerly known as the OK Bazaar building and is situated next to the Pick and Pay Centre.
The contact telephone number is: (018) 786 1118/9

WELKOM CENTRE RELOCATES

Our existing centre in Welkom has been serving members and pensioners for over ten years.
On 1 April 2010, this office will relocate to Shop 24, The Strip, 314 Stateway.

The Strip complex was formerly known as the Oranje Hotel and has recently been renovated.
It is situated across the street from the casino.
The contact telephone number is : (057) 352 2905/6

WITBANK CENTRE

Our Witbank Client Service Centre is situated in Pentagon House, 5 Neven Street, Model Park, Witbank.
The contact telephone number is: (013) 656 6963

JOHANNESBURG CENTRE

The Johannesburg Client Service Centre is situated on the ground floor, MPF House, 32 Sunnyside Drive, Parktown, Johannesburg.
The contact telephone number: (011) 481 8000

KLERKSDORP CENTRE

The Klerksdorp centre is situated at 85B Siddle Street, Klerksdorp.
The contact telephone number is: (018) 464 4700

OTHER WAYS TO CONTACT THE FUNDS

If you are not situated in these areas or cannot visit them, you are welcome to use any of the following channels to contact the Funds:

Our dedicated telephone call centre on (011) 481 8000
Our dedicated fax line on (011) 481 8111
Our e-mail address at sentinelinfo@mpf.co.za OR mepfinfo@mpf.co.za
Our web sites www.sentinelretirement.co.za OR www.minepensions.co.za

WOW BITS & TIPS

INCOME TAX NUMBER

Please ensure that the Funds have your correct Income Tax reference number.

From next year, tax certificates cannot be issued without the correct tax reference numbers.

NOTIFICATION OF CHANGE IN CONTACT DETAILS

Are you going to move or take out a new cell phone contract? PLEASE remember to notify the Fund if your contact details change.

Procedure for the notification of banking detail changes

To prevent possible irregularities with regard to pension payments due to, amongst others, identity theft, security measures have had to be strengthened where pensioners notify the Funds of a change in banking details.

It is important to realise that these changes have been introduced to verify and ensure that payments are made to the correct persons and to prevent possible fraudulent transactions.

Should you want to change your banking details, THE FOLLOWING DOCUMENTS ARE REQUIRED:

- A copy of your identity document / passport
- A copy of a recent bank statement which reflects your personal details, stamped by the bank and signed by you.

If you need assistance, please do not hesitate to contact your nearest Client Service Centre or the Funds Head Office.

We need YOUR cell phone number!

Your Fund is able to communicate with you using SMS technology. If you have a cell phone and you wish to receive short Fund related messages from us, please activate the service by sending a SMS to 34010.

Instructions

- SMS the word: OTHER
- followed by: a blank space
- followed by YOUR 13-digit: ID number
- followed by: a comma
- followed by the word: CELL
- followed by: a comma
- followed by YOUR: cell phone number

Send this sms to: 34010

EXAMPLE

OTHER 4010010009008,CELL,0821234567

A sms message will be sent back to your cell phone once you have activated the service confirming that your details have been successfully updated.