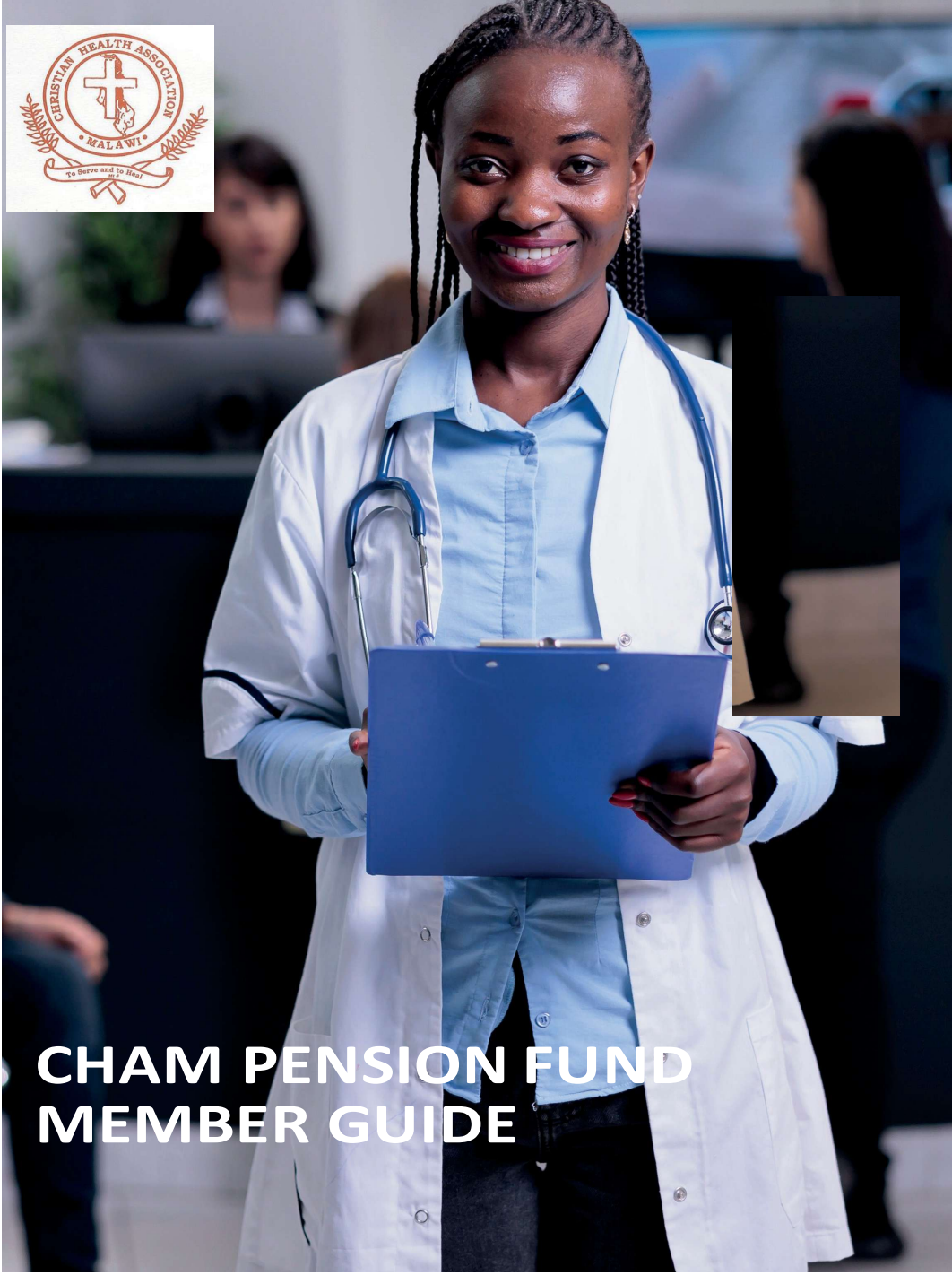


CHAM PENSION FUND MEMBER GUIDE

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Please note: This book is not a legal document. The information in this booklet is only a summary of the rules of the Fund. The rules of the Fund will apply in all cases.

INTRODUCTION

The Pension Fund is a financial vehicle whereby provision is made for the financial disbursement of benefits to Members or Beneficiaries on the occurrence of well-defined events i.e. retirement, withdrawal, retrenchment or death. The income for Pension provision is derived from Employer and Employee contributions at minimum contributions rates as specified in the Pension Act, 2023 (Hereinafter referred to as 'the Act') plus investment income.

The main features of a Defined Contribution type of scheme include the following:

- Member and Employer contribution rates towards Pension are fixed.
- Individual pension account is held separately for each Member of the Fund.

Pension Fund participation is compulsory to all Employees earning periodically gazetted minimum amounts or an Employer with a minimum of five employees. Every Member shall be entitled, on application, to such Fund Information as prescribed in the Act.

THE CHRISTIAN HEALTH ASSOCIATION PENSION FUND

The Fund is an unrestricted Pension fund comprising of employees working for the Christian Health Association.

OVERVIEW

This fund has been set up to provide you and your dependents with Pension and Risk benefits. Your benefits depend on contributions and investment performance. You can contribute more and manage your account digitally. If something unexpected happens, your chosen beneficiaries receive the funds.

Thus, this Fund has been set up to provide you and/or your nominated beneficiaries with benefits.

- when you retire
- if you die while still working for the facility
- if you resign, be retrenched or dismissed (also called withdrawal)

WHAT MUST I DO IN RETURN?

You must accept responsibility for helping the Fund to provide these benefits for you and your nominated beneficiaries. That means it's not enough just to contribute to the Fund each month. You should, for instance, also make sure that you and your nominated beneficiaries understand how the Fund works. You must also make sure that the Fund always has up to-date information about you and your intended beneficiaries.
Ensure that you submit a fresh beneficiary nomination form every 2 years even where you have not changed the beneficiaries.

HOW WILL THIS BOOKLET HELP ME?

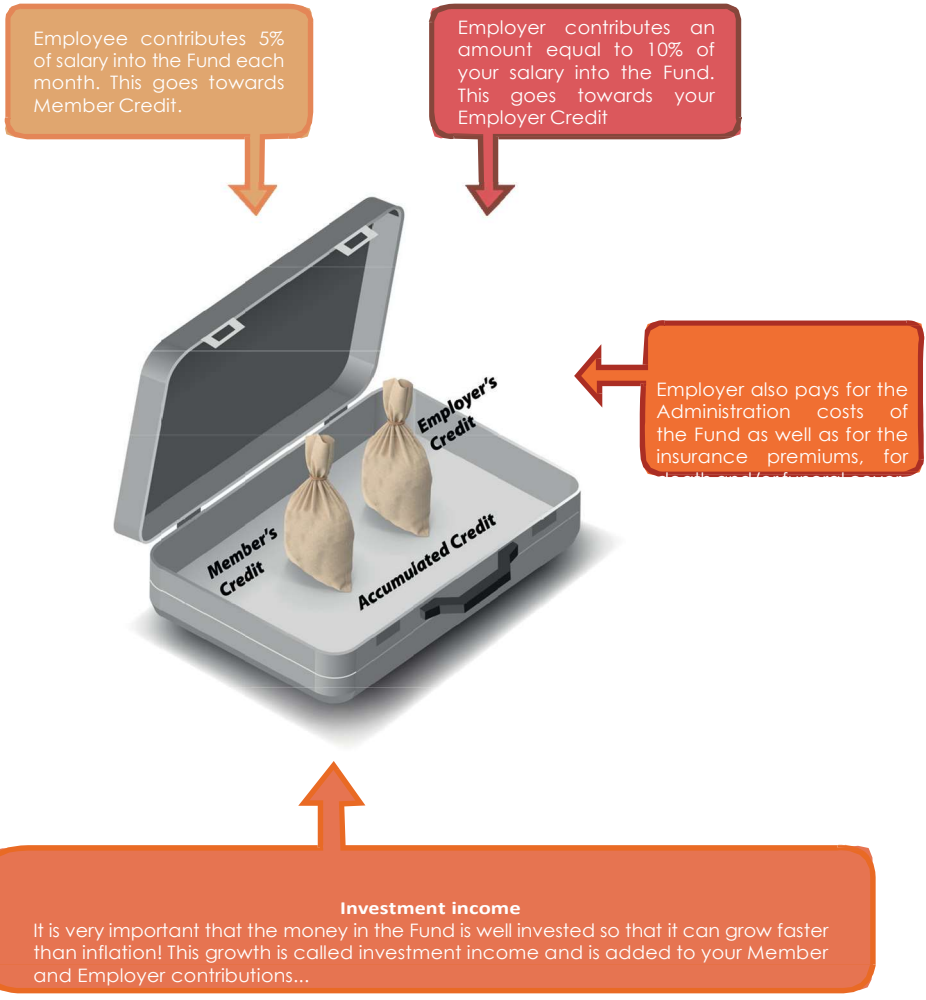
This booklet has been written specifically to help you understand your Fund and the benefits it offers you. By understanding your benefits, you will be able to see whether you will be financially secure when you retire or if your dependents will have enough money should you die. By understanding this you will be able to take control of your financial situation and take any additional steps to ensure your financial security.

Who can be a member?

- All full-time permanent employees in Christian Health Association of Malawi (CHAM) facilities that are on government payroll are members of the Fund, provided they are younger than 60 years.

Member Contribution.

- 5% of Pensionable Salary.
-
- Member may also make additional voluntary contribution.



WITHDRAW BENEFITS.

What will I get?

1. **Termination (Resignation, Dismissal and Retrenchment)**

- Member's Total (Member + Employer) Contributions + Investment income
(upon reaching retirement age)
or
- Member Contributions + Investment income
(where a member has not secured employment for a period of three months)

2. **Benefits on Permanently Leaving Malawi**

A **50%** lumpsum payment can be paid upon satisfaction of Section 91 requirements, and the balance is paid after twelve months.

3. **Pre-retirement withdrawal - Five years or less to retirement age.**

- Up to 50% lumpsum payment can be paid upon satisfaction of Section 91 requirements. A member who accesses part or maximum lump sum 5 years or less to retirement, at retirement cash commutation will be limited to 50% of the additional contribution received between the time of accessing the lump sum and retirement.

DEATH BENEFITS

What Is Payable on Death in Service?

Member Credit (Employee and Employer Contributions plus Investment income)

Plus

One Times Annual Pensionable Emolument will be paid to nominated beneficiaries of the deceased members of the Fund.

ADDITIONAL BENEFITS ON GLA

Critical illness Cover.

The cover for Critical illness benefit shall be as a multiple of salary not exceeding the benefits payable under the critical illness policy. The maximum benefit amount under Critical Illness cover to any Insured member is MWK12,000,000 (TWELVE MILLION MALAWI KWACHA). The amount will be reviewed by the pension administrators from time to time.

Complementary Funeral Cover

A complimentary funeral cover was introduced to the fund with the following cover amounts:

- **Member – MK 2,000,000**
- **Spouse – MK1,500,000**

The funeral will be reviewed by the trustees and pension Administrator from time to time

Who Will Receive My Benefits?
Your benefits will be paid to the beneficiaries you have nominated. If you have not nominated beneficiaries, the benefits will be paid to your dependents. If there are no dependents, the benefits will be paid as directed by Trustees or the as may be prescribed by the Registrar guided by the pensions act 2023.

Section 97(2) Mandates the Trustees to pay the benefits to person's determined by the Trustees to be financially dependent on deceased employee.

To help the Fund pay your benefits to the right people, you should nominate beneficiaries to receive your death benefits. You may change your nominations at any stage by informing your employer. The beneficiary form should be completed every two years even where the beneficiaries have not changed to ensure that your nomination is current.

You can obtain beneficiary forms from the Principal Officer, from the Human Resource Office, or you may request through your Trustees.

What if I die after retirement?
Benefits paid out will depend on the benefit you chose at engagement, e.g.
- What kind of pension you chose, and
- How long after retirement you die.

What If You Die Within 10 Years After Retiring?
Your pension will be paid to your nominated beneficiaries for the rest of the 10-year period. Then it will stop.

If I Die After 10 Years After Retiring
No pension will be payable to your dependent.

RETIREMENT BENEFITS

What will I receive when I retire?

When you retire, you will be paid a benefit which is made up of your accumulated credit.

Retirement can be on: -

- Ill-health Retirement
- Service Retirement – an employee who has worked continuously for one employer for 20 years can be allowed to retire and access his pension benefits.
- Normal Retirement – Age 60.
- What Is Payable?

- Member's Contributions + Investment income

PLUS

- Employer Contributions + Investment income

50% of Accumulated Credit payable as a lump sum and balance as an annuity or programmed withdrawals unless it falls with under the legal set threshold.

CLAIM MAKING PROCEDURE AND REQUIRED DOCUMENTATION

1	**Transfer of Pension Benefits**

1. Duly completed claim notification form, stamped and signed by the employer OR
2. Covering letter from employer/principal officer explaining where the benefits should be transferred to, as advised by the member.

2	**Claim under Section 88 of the Pensions Act 2023 (Early Payments of Benefits)**

1. Duly completed claim notification form after three months from the date of exit from employment, stamped and signed, by the employer
2. Written application by the member where the member attest that they have not secured another employment for a period of more than three months from date of exit from employment and would like to claim their pension benefits.

3	**Claim under Section 93 of the Pensions Act 2023**

1. Duly completed claim notification form, stamped, and signed, by the employer.
2. Written application by the member immediately after leaving employment or any other time thereafter.

Note: Claim under section 93 is subject to the rules of the fund prior to the Pensions Act.

4	**Claim under Section 87 of the Pensions Act 2023**

i. Benefits of a member leaving the country permanently

1. Duly completed claim notification form stamped and signed by the Principal Officer.
2. Written application by the member.
3. Details of the destination country, including town, city or address of residence.
4. Documentation showing emigration status which shall include:
   - Permanent residence permit or citizenship of the destination country;

   or
   - A letter signed by the Chief Immigration Officer confirming that the member has renounced the Malawian citizenship or permanent residence status in Malawi.
5. Member's valid National Identity Card or affidavit of birth or certified copies thereof

ii. Normal Retirement

1. Duly completed claim notification form stamped and signed by the Principal Officer.
2. Written application by the member.
3. Member's valid National Identity Card or affidavit of birth or certified copies thereof

iii. Early Retirement on ill health

1. Duly completed claim notification form stamped and signed by the Principal Officer
2. A report issued by a legally constituted medical board; and

3. A Copy of medical practitioner's registration certificate issued by Medical Council of Malawi; or
4. Where a condition that causes total or permanent disability requires an examination from a specialist and the medical practitioners issuing the medical report in 2 above are not specialists, the medical report shall include results of the consultation with a specialist.
5. Member's valid National Identity Card or affidavit of birth or certified copies thereof.

iv. Early Retirement based on Service.

1. Duly completed claim notification form stamped and signed by the Principal Officer
2. Covering letter from the Employer with confirmation of the member's date of first appointment.
3. Member's valid National Identity Card or affidavit of birth or certified copies thereof.

v. Claim under Section 91(e) of the Pensions Act 2023 (Five years or less to Retirement)

1. Duly completed claim notification form stamped and signed by the Principal Officer
2. Written application by the member where the member attest that they are five years or less to retirement. The attestation letter is to be signed and stamped by the employer/principal officer confirming the terms of employment.
3. Member's valid National Identity Card or affidavit of birth or certified copies thereof.

vi. Claim on Death of the Member

5	1. Duly completed claim notification form stamped and signed by the Principal Officer. 2. A death certificate or report from the Registrar General's Office/a certified medical practitioner registered with the Medical Council of Malawi, or a letter signed and stamped by a District Commissioner/ a Traditional Authority from the deceased's home district. 3. A valid deceased's Beneficiary Nomination Form as per Section 94 of the Pensions Act 2023.

Note: All claims are subject to the Pension fund rules and the Pensions Act 2023

TRUSTEES AND THEIR DUTIES

Composition of Trustees.

The CHAM Pension Fund has six (6) Trustees. Three (3) representing the Employer and three (3) representing the Employee.

N.B. The Fund also has three (3) Advisors for the Trustees.

Duties of Trustees.

- To act honestly.
- To exercise due care, skill and diligence. The standard of care is the same as that of an ordinary prudent person.
- To obtain skilled advice on complex issues beyond the trustee's skills.
- To act in the best interest of members & beneficiaries.
- To formulate investment strategies.

EXPLANATION OF TERMS

Some of the terms used in this booklet are seldom used in everyday life and are therefore not always easy to understand. Here are explanations of some of the terms.

Accumulated Credit:	the total of the member credit plus the employer credit.
Beneficiary:	a person who is or becomes entitled to receive a benefit in terms of the rules.
Deferred Pensioner:	Under the new Pensions Act of 2023, members leaving CHAM Pension Fund may be required to transfer their funds into default funds such as Old Mutual's Protektor Fund. This change will provide members with direct access to their pension information, including account statements and the claims process.
Dependent:	a person nominated by the employee as a beneficiary.
Normal Retirement Date:	the day of the month that a member clocks retirement age.

If you need any more information regarding your Fund, please address your queries to the **Principal Officer, P.O Box 30378, Lilongwe 3, Malawi. or Telephone +265 0998539294 or +265 0888864883.**