FSCA REGISTRATION NUMBERS
12/8/4730/1 & 12/8/36330/1

THE ELECTRICAL CONTRACTING INDUSTRY
PENSION & PROVIDENT FUNDS

122 Queen Street
South Kensington
Johannesburg
20094

011 339 2312 ecifund@nbcei.co.za @ECIRegionAandB 068 210 6783
eci_pensionfund @eci_provident_fund

Member Newsletter

Quarter 1 2026

Dear Members,

Message from the Funds' Chairperson – Mr Deon van Deventer

Welcome to the Q1 2026 edition of our newsletter.

It is a pleasure to share this update with you and to reflect on the work being done in support of the Fund and its members. This newsletter is an important way for us to keep you informed, to provide insight into matters affecting the Fund, and to highlight the ongoing efforts being made to ensure sound governance and responsible stewardship.

The Fund extends its appreciation to all members for their hard work and dedication, which were celebrated on Workers' Day earlier in May. It is your hard work and dedication that builds our economy and supports our communities. Thank You!

As Chairperson, I would like to express my sincere appreciation to my fellow Board members, the service providers who support the work of the Fund, and especially our Fund members. Your continued commitment, trust, and shared sense of responsibility play an important role in ensuring that the Fund remains focused on serving the best interests of its members.

I hope this edition provides useful information and a clear view of the matters currently receiving attention. Thank you for your continued trust and support as we work together in the best interests of the Fund and its members.

We value your continued support!

Kind regards

Mr Deon van Deventer
Chairperson of the ECI Pension and Provident Funds

ELECTRICAL CONTACTING INDUSTRY NATIONAL PENSION FUND – UPDATEI

As you would probably be aware, the Electrical Industry of South Africa established the **Electrical Contracting Industry National Pension Fund**, effective 1 March 2025. The Fund aims to ensure that all employees in the Electrical Industry enjoy the same benefits countrywide.

All new employees to the industry now join the **Electrical Contracting Industry National Pension Fund**, which is fully operational, with membership increasing steadily each month.

The Board remains committed to transparency and to managing the Fund responsibly in the best interests of members, with a strong focus on improving retirement outcomes.

Please do not hesitate to reach out to your designated agents below for any queries:

- NBCEI (Local National Bargaining Council for the Electrical Industry Office.
  - Johannesburg **011 339 2312**
  - Pretoria **012 110 4644**
  - Gqeberha **041 363 5460**
  - KZN **031 306 8100**
  - Bloemfontein **051 444 5984**
  - Cape Town **021 591 4784**
  - Upington **051 444 5984**
  - East London **043 722 0120**
  - George **044 874 5738**
  - Polokwane **051 291 4157**
  - Nelspruit **012 110 4644**

- SAEWA (South Africa Equity Workers Union)
  - Call centre number **086 077 2392**
  - Mr Robert Mc Alpine **082 305 3888**
- ECA SA (Electrical Contractors Association)
  - Mr M Mfikoe **072 234 5641**
  - Adv D Pillay **082 572 5910**

EMPOWER YOUR RETIREMENT: REMINDER ON FINANCIAL TIPS YOU CAN USE

Get to know your financial advisor BEFORE retirement.

Bad advice is worse than none, especially when it comes to your financial security. Make sure you choose a reputable, reliable financial advisor now, rather than putting it off until the last minute before you retire. By building a trusting relationship with your advisor over the long term, when you do retire, you will be able to do so with peace of mind that your interests are being protected by someone you have come to know and rely on. It can be challenging to know what the most important questions to ask are when looking for the best individual, someone who will be aligned with your needs and goals.

Let's look at some of the ways you can ensure that you always stay on top of knowing your financial situation, and how you can also make the most out of any consultation you have with an accredited, registered financial advisor.

Tax: Being aware of your annual tax contributions has various advantages. Not only will it ensure that you are in SARS's good books, but it will also make you more aware of areas in which you qualify for tax rebates.

Fees: Whether it is your bank account fees, your retirement fund fees or your insurance premiums, knowing what you pay in fees can help you save small amounts now that will accumulate and compound to become even larger savings over time.

Insurance (including medical insurance): Many people don't realise that they can be over-insured, especially as they get older. Your financial advisor can help you evaluate whether you are overspending on insurance that can help you make significant savings. Your advisor can also help you identify where you may be at risk, so that you can only be able to access an aggregate of an insured amount in instances where disability policies may be duplicated.

Medical Cover: It is important for members to review their medical cover to ensure it provides adequate protection, taking into account their health, age, and personal circumstances. In addition to traditional medical schemes, members should also be aware of alternative options such as **hospital plans** or **medical insurance**, which may offer suitable and cost-effective levels of cover.

Retirement benefits: While reaching your retirement goals can feel particularly challenging in the scheme of your overall future finances, your financial advisor can assist you with planning to increase your savings and explain the benefits of doing so.

Your beneficiaries and will: Any time an important life event takes place, such as a birth, death, marriage or divorce, it's crucial to revisit your Last Will and Testament, as well as the beneficiaries you have nominated on all your policies and investments in the event of your death. Dying without a valid will (known as dying intestate) can lead to emotional and financial complications for your loved ones. Without a will, your estate is handled according to intestate succession laws, which may not reflect your personal wishes and can delay the process.

Help them to get what YOU want them to get – National wills week – 15 -19 September

We encourage members to avoid pre-retirement withdrawals from their retirement savings so that they have enough money when they retire.

Please also think carefully about taking any portion of your benefit in cash when you retire, as tax may apply on the cash portion and your monthly pension income may well be far less than you require.

Please speak to the Fund's benefit counsellors before making a decision, and to find out more about the process to opt in, should you wish to do so:

Email Liberty on benefitcounselling@liberty.co.za or **Contact on** 0800 456 235

REMINDER ON THE NATIONAL BUDGET 2026 CHANGES!

How does it affect you?

Tax changes

- No tax 'bracket creep' this year. Personal income tax brackets and medical tax credits will be fully adjusted for inflation.

The amended tax brackets and thresholds for individual taxpayers:

2025/26		2026/27	
Taxable income (R)	**Rates of tax**	**Taxable income (R)**	**Rates of tax**
R0 – R237,100	18% of each R1	R0 – R245,100	18% of each R1
R237,101 – R370,500	R42,678 + 26% of the amount above R237,100	R245,101 – R383,100	R44,118 + 26% of the amount above R245,100
R370,501 – R512,800	R77,362 + 31% of the amount above R370,500	R383,101 – R530,200	R79,998 + 31% of the amount above R383,100
R512,801 – R673,000	R121,475 + 36% of the amount above R512,800	R530,201 – R695,800	R125,599 + 36% of the amount above R530,200
R673,001 – R857,900	R179,147 + 39% of the amount above R673,000	R695,801 – R887,000	R185,215 + 39% of the amount above R695,800
R857,901 – R1,817,000	R251,258 + 41% of the amount above R857,900	R887,001 – R1,878,600	R259,783 + 41% of the amount above R887,000
R1,817,001 and above	R644,489 + 45% of the amount above R1,817,000	R1,878,601 and above	R666,339 + 45% of the amount above R1,878,600

Increasing the retirement fund contribution deduction limit

To encourage retirement savings, if one contributes to a retirement fund (approved pension/ provident/ retirement annuity fund) one can claim a tax deduction for contributions you make to these retirement funds. The allowable deduction one can have in any tax year (which runs from 1 March to the end of February) is limited to the lowest of these amounts:

1. The actual contributions you made during the year (across all your retirement funds combined).

2. 27.5% of the greater of:

- Your remuneration (basically your salary/wages for employees' tax/PAYE purposes, excluding any retirement lump sums or severance benefits), or
- Your taxable income (before deducting the retirement contributions themselves, donations, or foreign tax credits, and excluding retirement lump sums/severance benefits).

3. An overall annual cap of R430,000 effective 1 March 2026 (i.e. for the 2027 tax year onward). This is the hard ceiling applied across everything.

   This is very welcome as this was last increased in 2016. The 27.5% percentage remains unchanged.

Increasing the amount of retirement from a retirement fund

One of the limits that has also been raised is the amount that applies on retirement from a fund and determines when a member can take their whole retirement benefit in cash. Effective 1 March 2026, this limit increases from R247,500 to **R360,000**.

Add the whole amount in the retirement pot to two-thirds of the vested portion in the vested pot. If the Rand amount of these two amounts added together is less than R360,000, then the whole retirement benefit can be taken in cash.

Tax-free savings accounts (TFSA): an increase in the contribution limit

A key proposal to encourage higher personal savings and investment is an increase to the annual contribution limit for TFSA's (also referred to as tax-free investments).

By law, there is a limit on how much an investor can contribute to a TFSA. Currently, an investor can contribute up to R36,000 per tax year to a qualifying TFSA. This limit has been static since 2021. From 1 March 2026 (i.e. for the 2027 tax year onward), the annual contribution limit to a TFSA increases from R36,000 to R46,000 per tax year (about a 28% increase).

The lifetime limit on contributions (across all an investor's TFSAs) remains at R500 000.

LEGAL UPDATES – WHAT MEMBERS SHOULD KNOW!

Why this matters

- Changes in South Africa's retirement fund environment may sound technical, but they are important because they help protect your retirement savings and improve the way funds are managed.

Stronger oversight

- Regulators are placing greater focus on good governance and proper administration. This means retirement funds and service providers are expected to follow clear rules, maintain strong processes and manage funds responsibly.

Contribution compliance

- There is continued attention on making sure employers pay contributions on time. This is important because late or unpaid contributions can affect members' benefits and the overall health of a fund.

Fair management of benefits

- Recent legal developments continue to shape how benefits are managed and distributed fairly. For members, this supports more transparent decision-making and stronger protection of benefits.

What this means for members

- While many of these changes happen behind the scenes, they are positive for members. They encourage funds and service providers to communicate more clearly, act in members' best interests and strengthen the long-term security of retirement benefits.

Taxation Laws Amendment Bill (TLAB) 2025

Tax on death benefits

- Lump sums paid when a member dies will be taxed using **retirement lump sum tax tables noted below**, not normal income tax.

Taxable income (R)	Rate of tax
1 – 550 000	0% of taxable income
550 001 – 770 000	18% of taxable income above 550 000
770 001 – 1 155 000	39 600 + 27% of taxable income above 770 000
1 155 001 and above	143 550 + 36% of taxable income above 1 155 000

- This applies to all retirement fund components.
- Beneficiaries can still choose a **lump sum or an annuity** and will benefit from lower tax rates.

Why this matters: It clears up confusion from earlier laws and gives beneficiaries better tax outcomes.

Savings withdrawals when you leave a fund

Members can withdraw their **savings pot** when they leave a fund, even if:

- The amount is **less than R2,000**, or
- They already made a savings withdrawal in the same tax year.

Why this matters: It streamlines the process whilst reducing admin headaches.

Divorce orders under religious law

- The tax law will be aligned with pension law to recognise **religious divorces** (for example, Muslim marriages).
- Amounts paid to former spouses under these divorces will now be treated consistently for tax.

Why this matters: It fixes a gap and ensures equal tax treatment.

Child maintenance payments

- Child maintenance paid from **after-tax income** will once again be **tax-free for the recipient**.
- This exemption was accidentally removed years ago.
- This does **not** apply to payments made directly by retirement funds.

Why this matters: It corrects a long-standing mistake and avoids unfair tax on maintenance.

Revenue Laws Amendment Bill (RLAB) 2025

This Bill mostly fixes technical issues so the Two-Pot System works smoothly.

Provident fund "seeding" date

- For provident fund members aged **55 or older on 1 March 2021**, the Bill clarifies how their opening balances are calculated.

- Funds may use **31 August 2024** or the end of the member's election month.

Why this matters: It provides certainty and avoids disputes.

Maintenance deductions

- Maintenance claims will be deducted **proportionally across all three pots** (savings, retirement, vested).

Why this matters: It ensures fair and consistent deductions.

Retirement annuity definition

- The law is corrected to clearly refer to the **full member balance**.

Why this matters: It avoids confusion and ensures consistency across fund types.

New Conduct Standard for benefit administrators (FSCA)

Conduct Standard 2 of 2025

This replaces outdated rules from 2002 and aims to protect members and improve service delivery.

What's changing

Administrators must now have:

- Fit and proper requirements for staff and key individuals
- Proper complaints processes (aligned with Treating Customers Fairly)
- Better control over outsourcing and service providers

ECI PENSION & PROVIDENT FUNDS Q1 2026 INVESTMENT UPDATE

Period ending 31 March 2026

A message to fund members

March 2026 was a challenging month for investors worldwide. A combination of geopolitical tensions, sharply higher oil prices and rising interest rate concerns triggered a broad sell-off in most financial markets. While these events affected the short-term performance of your fund, it is important to keep the bigger picture in mind: your fund has delivered strong real returns over the long term, meaningfully growing your savings above the rate of inflation.

What happened in financial markets?

Global markets sold off sharply in March, driven by three key factors:

- **Energy prices surged**: Oil prices jumped 42.7% during March due to concerns about supply disruptions. This pushed up inflation and squeezed household and business budgets worldwide.
- **Global share markets fell**: Major stock markets declined significantly. The US market (S&P 500) fell 5.0%, European shares dropped around 7.6%, and Japanese shares lost 12.6%. South African shares also fell, with the JSE All Share Index declining 10.5%.
- **The rand weakened**: The South African rand lost 7.5% against the US dollar, ending the month at R17.12 per dollar. A weaker rand increases the cost of imports and can add to local inflation.

Despite the difficult environment, not everything declined. Energy-related shares (like Sasol, which rose 55%) and coal producers benefited strongly from the spike in oil and energy prices. However, precious metal producers such as platinum and gold miners fell sharply as those commodity prices retreated.

The South African economy

Closer to home, the South African economy showed modest improvement heading into 2026, with GDP (total economic output) growing 1.1% in 2025. Encouragingly, inflation remained well under control. Consumer price inflation eased to 3.0% year-on-year in February, comfortably within the South African Reserve Bank's target range. The Reserve Bank held interest rates steady at 6.75%, balancing the need to support economic growth against the risk that rising global energy prices could push local inflation higher. Business confidence improved in early 2026, though the external environment remains uncertain.

Investment commentary & market outlook

Looking ahead, the key risks to watch include the path of global energy prices, geopolitical developments and their impact on inflation, and whether central banks around the world (including the South African Reserve Bank) adjust interest rates in response. Your fund managers are actively monitoring these factors and positioning the portfolio to navigate uncertainty while capturing opportunities as they arise.

We are committed to keeping you informed and to managing your retirement savings with care and discipline.

How did your fund perform?

The March market sell-off affected both funds in the short term. However, looking at the returns that matter most for retirement savings (the longer-term picture), both funds have delivered excellent results for members.

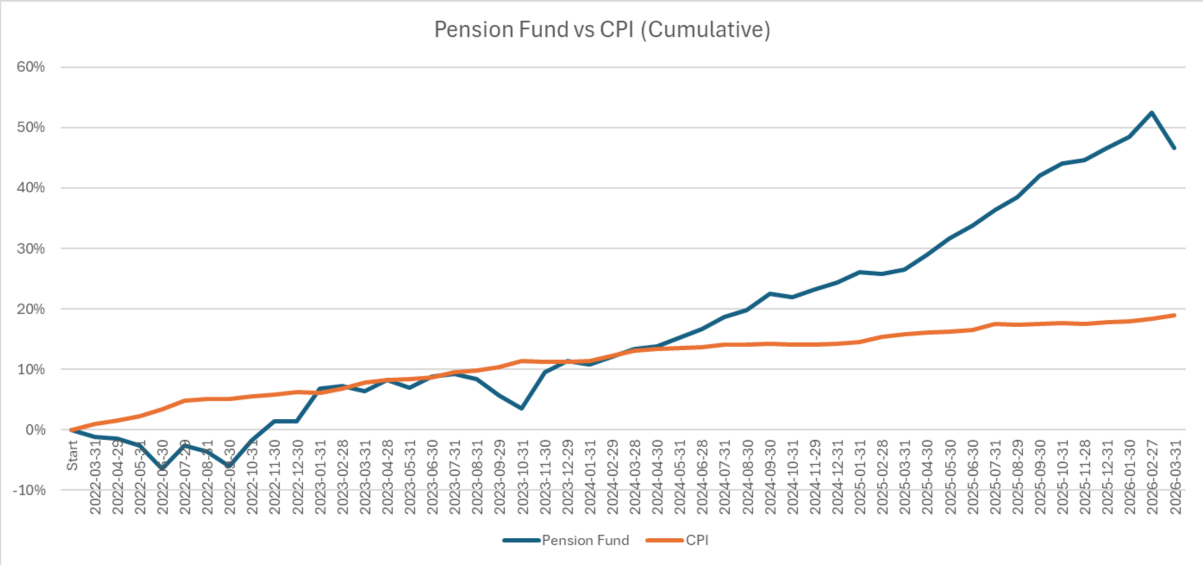
Fund	1 Year	3 Years p.a.	5 Years p.a.
ECI Pension Fund	**21.87%**	14.07%	12.02%
ECI Provident Fund	**22.64%**	14.63%	12.86%

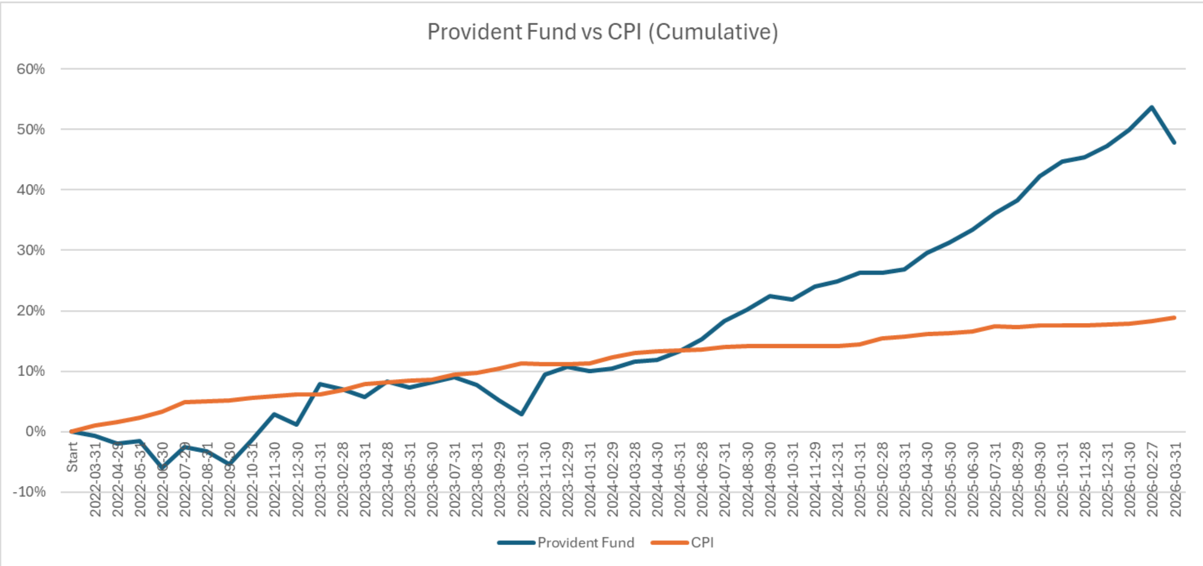
Source: RisCura. All returns in ZAR. Returns for periods longer than 12 months are annualised (per year).

p.a. = per annum (per year)

Growing your savings above inflation over the long-term

The chart below shows how the ECI Pension Fund and ECI Provident Fund have grown your savings compared to inflation over the past five years. The area between the two lines represents the real growth in your retirement savings; in other words, the amount by which your fund has grown above the rising cost of living.





Over five years, the ECI Pension Fund and ECI Provident Fund delivered a cumulative return of approximately 47% and 48%, respectively, while inflation has been around 19% over the same period. This means your retirement savings have grown meaningfully in real terms. They have genuinely increased in purchasing power, not just kept up with rising prices.

Fund performance to end of March 2026

Electrical Contracting Industry Pension Fund Fund Performance as at March 2026							
	Market value (ZAR)	**1M (%)**	**3M (%)**	**6M (%)**	**12M (%)**	**36M (%)**	**YTD (%)**
Electrical Contracting Industry Pension Fund	2 794 007 064	-5.84	-0.22	4.42	21.87	14.07	-0.22
ECI Pension Benchmark		-5.24	0.48	4.22	20.8	14.83	0.48
Active Return		-0.64	-0.7	0.19	0.89	-0.66	-0.7

Electrical Contracting Industry Provident Fund Fund Performance as at March 2026

	Market value (ZAR)	1M (%)	3M (%)	6M (%)	12M (%)	36M (%)	YTD (%)
Electrical Contracting Industry Provident Fund	61 446 102	-5.99	0.22	5.31	22.64	14.63	0.22
ECI Provident Benchmark		0.68	1.81	2.65	7.81	8.78	1.81
Active Return		-6.62	-1.57	2.59	13.75	5.37	-1.57

Defaulting Employers in terms of S13A

In terms of Section 13A of the Pension Funds Act, participating employers are required to pay all member and employer contributions to the Fund within the prescribed statutory period.

During the reporting period, the Board continued to monitor compliance with contribution payments.

Employers who failed to remit contributions within the required timeframe were classified as *defaulting employers*.

Late or unpaid contributions:

- Prejudice members' retirement benefits
- Attract statutory interest on arrear amounts
- Constitute a breach of the Pension Funds Act
- May result in reporting to the relevant regulatory authorities and/or legal recovery action

The Fund's administrators continue to follow up on outstanding contributions in accordance with the Fund Rules and regulatory requirements. Where necessary, formal legal processes are initiated to safeguard members' interests.

Scan the QR code for full details on Employers who have defaulted due to non-compliance.

MEMBER COMMUNICATION

- The Board continuously aim to improve communication with Members and Employers via Zoom Webinars. Trustees will explain the workings of the Funds, deal with dedicated topics and answer questions from Members and Employers of the Funds.

- Your feedback is invaluable and will help us tailor our updates to better suit your needs. www.eciretirementfunds.co.za
- The Fund's Annual Report, Member Booklet and all Newsletters issued to date are also available on the Fund website.
- The Fund has launched a **Member Satisfaction Survey,** now available on our website. This initiative empowers members to share their preferences regarding the frequency and type of communication they would like to receive from the Fund.

Member Satisfaction Survey

SOCIAL MEDIA PLATFORMS

Facebook Handle: @ECIRegionAandB

Instagram Handle: ECI_PensionFund

TikTok Handle: @eci_provident_fund

***MEMBER PORTAL** giving you 24/7 access to your benefit information*

The online portal provides a seamless and secure way to access your data anytime, anywhere. By utilising this platform, you can efficiently manage your information, stay informed, and make well-informed decisions with confidence.

The Member Portal can be accessed via the following link:

1. Members need to be onboarded on ASK with either their email address or Mobile Number
2. Template available to bulk register the members
3. Automated email/SMS will be sent to members once the template has been loaded.
4. Member will then need to change their password on initial login.

Access NBCLAND via the website on www.nbc.co.za

QUERIES

- If you have Queries, email the Funds at ecifund@nbcei.co.za OR via our Call Centre on 011 339 2312 OR via WhatsApp 068 210 6783, OR via Facebook/or via Facebook Messenger (search for @ECIRegionAandB).

- To ensure a speedy resolution to all your queries, please provide your email address, cellular phone, and **include your full name, surname, identity number and the name of your last/ current Employer**.