ANNEXURE F

EXAMPLES: - Financial Incentive Illustrations

Salary Level	Notch	Pensionable years	Total incentive payable	Pensionable salary %
R617 622, Level 10 Basic salary (based on a two week's salary)	12	10	R237 546.92	100%
		20	R475 093.85	
R1 125 825, level 12 Total cost to company (TCTC) (based on a two week's salary)	12	10	R433 009.62	70%
		20	R866 019.23	
R1 365 411, Level 13 TCTC (based on a two week's salary)	12	10	R525 158.08	70%
		20	R1 050 316.15	

Salary Level	Notch	Pensionable years	Total incentive payable	Pensionable salary %
R617 622, Level 10 Basic salary (based on one week's salary)	12	10	R118 773.46	100%
R1 125 825, level 12 TCTC (based on one week's salary)	12	10	R216 504.81	70%
R1 365 411, Level 13 TCTC (based on one week's salary)	12	10	R262 579.04	70%

2 weeks' pay	**1 weeks' pay**
If we take notch 12 of salary level 10, which is currently R617 622, and 10 years of pensionable service, the calculation will yield the following results: $\frac{\text{R617 622 x 10 years}}{26}$ = R237 546.92 (once-off)	If we take notch 12 of salary level 10, which is currently R617 622, and 10 years of pensionable service, the calculation will yield the following results: $\frac{\text{R617 622 x 10 years}}{52}$ = R118 773.46 (once off)

EXAMPLES: - Financial Incentive Illustrations

Salary Level	Notch	Pensionable years	Total incentive payable	Pensionable salary %
R617 622, Level 10 Basic salary (based on a two week's salary)	12	10	R237 546.92	100%
		20	R475 093.85	
R1 125 825, level 12 Total cost to company (TCTC) (based on a two week's salary)	12	10	R433 009.62	70%
		20	R866 019.23	
R1 365 411, Level 13 TCTC (based on a two week's salary)	12	10	R525 158.08	70%
		20	R1 050 316.15	

Salary Level	Notch	Pensionable years	Total incentive payable	Pensionable salary %
R617 622, Level 10 Basic salary (based on one week's salary)	12	10	R118 773.46	100%
R1 125 825, level 12 TCTC (based on one week's salary)	12	10	R216 504.81	70%
R1 365 411, Level 13 TCTC (based on one week's salary)	12	10	R262 579.04	70%

2 weeks' pay	**1 weeks' pay**
If we take notch 12 of salary level 10, which is currently R617 622, and 10 years of pensionable service, the calculation will yield the following results: $\frac{\text{R617 622 x 10 years}}{26}$ = R237 546.92 (once-off)	If we take notch 12 of salary level 10, which is currently R617 622, and 10 years of pensionable service, the calculation will yield the following results: $\frac{\text{R617 622 x 10 years}}{52}$ = R118 773.46 (once off) `

Person A

55 years of age – 15 years pensionable service

Pensionable salary - R617 622 (level 10)

Two weeks salary - (R617 622x 15)/26= **R356 320.38**

Financial Incentive for the first 20 years - R**356 320.38**

NB. The person has 15 years of pensionable service.

Person B

55 years of age – 30 years pensionable service

Pensionable salary - R617 622 (level 10)

Financial Incentive for the first 20 years - (R617 622 x 20)/26 = **R475 093.85**

Financial incentive for the remaining 10 years - (R617 622 x 10)/52 = **R118 773.46**

The total incentive payable = R475 093.85+ R118 773.46= **R593 867.31**

Person C

60-63 years of age – 20 years pensionable service

Pensionable salary - R617 622 (level 10)

Financial Incentive for the first 20 years - (R617 622 x10)/26 = **R237 546.92**

Financial Incentive for the first 20 years - (R617 622 x10)/52 = **R118 773.48**

The total financial incentive **R237 54. 92 + 118 773.48 = R356 320.40**

NB.

- normal retirement incentive for employees aged 60 to 63 years calculated at two (2) weeks' financial incentive for the first ten (10) years of pensionable service; and one (1) week's financial incentive for each completed year of pensionable service thereafter.
- For the MMS and SMS members who are on a cost to company packages, the financial incentive will be calculated based on the **Pensionable Salary,** for instance 60%, 70% or 75% of your total package that represents your pensionable salary portion.