

|            |                 |                  |                            |
|------------|-----------------|------------------|----------------------------|
| ENQUIRIES: | Mr Benny Moloko | D. DIALLING NO.: | 012 428 8005               |
| OUR REF:   | 12/8/23555      | FAX:             | 012 346 5915               |
| DATE:      | 06 October 2022 | E-MAIL:          | mojalefa.moloko@fsca.co.za |

THE PRINCIPAL OFFICER  
**SACWU NATIONAL PROVIDENT FUND (UMBRELLA)**  
c/o OLD MUTUAL LIFE ASSURANCE COMPANY (SOUTH AFRICA) LIMITED  
P O BOX 66

cape town  
cape town  
8000P

**CASE NUMBER: 554884**

Dear Sir / Madam

**PENSION FUNDS ACT, 1956 (ACT 24 OF 1956) & INCOME TAX ACT, 58 OF 1962: REVISED RULES - SACWU NATIONAL PROVIDENT FUND (UMBRELLA)**

Your letter dated 05 July 2022 refers. Enclosed is a copy of the Revised Rules duly approved and registered in terms of section 12(4) of the Act.

The fund continues to be recognized as a Provident Fund in terms of the Income Tax Act no.58 of 1962.

Yours faithfully



**FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY**

Enclosure

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**Executive Committee:**

**Commissioner:** U. Kamlana    **I**    **Deputy Commissioners:** A. Ludin    **I**    K. Gibson

## **SACWU NATIONAL PROVIDENT FUND**

Fund Registration No: 12/8/23555/1 and SARS Approval No: 18/20/4/26926

## **RESOLUTION OF THE BOARD OF**

### **SACWU NATIONAL PROVIDENT FUND**

PASSED AT A BOARD MEETING HELD VIA MS TEAMS ON THE 18<sup>TH</sup> DAY OF JUNE 2022.

RESOLVED THAT the existing RULES of the FUND, as amended, be replaced by the attached RULES which are effective from 1 July 2022.

The reasons for the revised RULES are:

- 1 To consolidate the RULES to include the provisions of all previous registered amendments (amendments 1 to 10) into one set of RULES.
- 2 To replace the "Interim Board" with the new BOARD and to update all provisions in the RULES incidental thereto.
- 3 To remove the PARTICIPATING EMPLOYER SURPLUS ACCOUNT and any reference thereto from the RULES on the advice of the ACTUARY as there is no remaining balance in this account.
- 4 To remove the TRUSTEE EXPENSE ACCOUNT and any reference thereto from the RULES on the advice of the ACTUARY, as this is a duplication of the EXPENSE RESERVE ACCOUNT and therefore no longer required.
- 5 To add provisions under MASTER RULE 8.2 "ACCOUNTS", which states that the reserve accounts at FUND level, may at no time have a negative balance. In order for the AUTHORITY to grant valuation exemption to the FUND, the FUND must comply with the prescribed conditions as contemplated in Board Notice 59 of 2014.
- 6 To generally improve wording where this was considered necessary and to delete unnecessary provisions which are no longer applicable.

## CERTIFICATION

Certified that the resolution, in terms of which the RULES have been accepted, as passed by the BOARD on the 18<sup>th</sup> day of JUNE 2022 has been adopted in accordance with the provisions of the RULES of the FUND.



CHAIRMAN OF THE BOARD



PRINCIPAL OFFICER



BOARD MEMBER

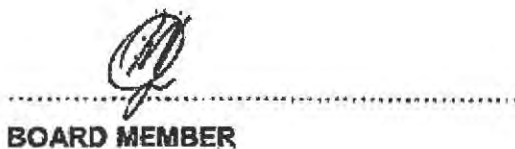
Certified that these are the RULES of the SACWU National Provident Fund, which will become effective on 1 July 2022.



CHAIRMAN OF THE BOARD



PRINCIPAL OFFICER

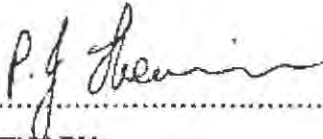


BOARD MEMBER





I hereby certify that the FUND remains financially sound after the registration of these revised RULES.



.....  
**ACTUARY**

Peter John Theunissen FASSA  
FSCA – approved valuator

27 June 2022  
.....

**DATE**

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## **RULE 1: DEFINITIONS AND INTERPRETATIONS**

In these RULES, unless the context indicates otherwise:

- The defined words and expressions are indicated by capital letters throughout.
- If a word appears in the singular, it must be read to include the plural; and likewise, if a word appears in the plural, it must be read to include the singular.
- If a pronoun or word refers to one gender it must be read to include the other genders.
- All the terms defined in the ACT which are not defined in the RULES, will bear the same meanings as are ascribed to them in the ACT.
- If reference is made to any statutory provision that has been repealed, the reference will be construed as a reference to the statutory provision, which substituted the provision referred to (if any).

**ACCOUNT** means an account as set out in these RULES.

**ACCUMULATED CREDIT** means the amount determined in terms of MASTER RULE 8.3(2).

**ACT** means the Pension Funds Act, 1956, as amended and the regulations and any board notice published under the Act, or, if repealed, the substituting Act of Parliament and any regulations regulating pension funds in South Africa.

**ACTUARY** means an actuary, as defined in the ACT, appointed by the BOARD in terms of MASTER RULE 3.19(2)(c).

**ADJUDICATOR** means the Pension Funds Adjudicator or Deputy Pension Funds Adjudicator and any acting Pension Funds Adjudicator appointed under the ACT.

**ADMINISTRATOR** means the administrator appointed by the BOARD in terms of MASTER RULE 3.19(2)(a) to administer on behalf of the BOARD disposition of benefits as may be provided for in terms of the RULES. In making such appointment the BOARD shall ensure that the administrator is duly registered in terms of section 13B of the ACT and it shall enter into an administration agreement between itself and the administrator as contemplated in Board Notice 24 of 2002 issued in terms of the ACT.

**ANNUITISATION POLICY STATEMENT** means the document, which in terms of MASTER RULE 3.10(16), sets out the annuitisation objectives and strategy of the FUND.



**APPROVED PENSION FUND** means a fund approved as a pension fund by the REVENUE AUTHORITY but shall exclude an APPROVED PRESERVATION PENSION FUND.

**APPROVED PRESERVATION PENSION FUND** means a fund which provides for the preservation of pension benefits and which has been approved as a preservation pension fund by the REVENUE AUTHORITY.

**APPROVED PRESERVATION PROVIDENT FUND** means a fund which provides for the preservation of pension benefits and which has been approved as a preservation provident fund by the REVENUE AUTHORITY.

**APPROVED PROVIDENT FUND** means a fund approved as a provident fund by the REVENUE AUTHORITY but shall exclude an APPROVED PRESERVATION PROVIDENT FUND.

**APPROVED RETIREMENT ANNUITY FUND** means a fund approved as a retirement annuity fund by the REVENUE AUTHORITY.

**AUDITOR** means an auditor engaged in public practice and registered under the Auditing Professions Act, 2005, appointed by the BOARD as the auditor of the FUND in terms of MASTER RULE 3.19(2)(b) and whose appointment has been approved by the AUTHORITY.

**AUTHORITY** means the Financial Sector Conduct Authority established in terms of the Financial Sector Regulation Act No. 9 of 2017.

**BANK ACCOUNT** means an account in the name of the FUND with a bank as defined in the Banks Act, 1990, or a mutual bank as defined in the Mutual Banks Act, 1993.

**BENEFICIARY** means any person (including a MEMBER) who is or becomes entitled to the payment of a benefit under these RULES.

**BOARD** means the BOARD constituted in terms of MASTER RULE 3 responsible for managing the FUND.

**BOARD MEMBER** means a person who is a member of the BOARD.

**CODE OF CONDUCT** means the code of conduct adopted by the BOARD of the FUND in terms of MASTER RULE 3.20.

**COMPLAINANT** means a complainant as defined in the ACT.

**DATE OF COMMENCEMENT** means 1 November 1989.

**DATE OF PAYMENT** means the date on which the final benefit is paid to in respect of a MEMBER, PRESERVER MEMBER, DEFERRED RETIREE or BENEFICIARY.



**DEFERRED RETIREE** means a MEMBER

- (a) who ceases to be an ELIGIBLE EMPLOYEE, becomes entitled to a retirement benefit in terms of the RULES, and who elects in terms of MASTER RULE 9.9 to defer the payment of such retirement benefit, or;
- (b) whose membership in the PREVIOUS FUND is akin to that described in (a) above and has been recorded as such by the FUND.

**DEFERRED RETIREE ACCOUNT** means the account maintained, in respect of each DEFERRED RETIREE, in terms of MASTER RULE 8.2(7).

**DEPENDANT** means a dependant as defined in the ACT.

**DISABILITY INCOME PLAN** means a separate group disability income arrangement in which the PARTICIPATING EMPLOYER participates for the benefit of its employees. The benefit payable under the DISABILITY INCOME PLAN is not a benefit of the FUND.

**EARLY RETIREMENT DATE** means the first day of any month, after the date the MEMBER attains age 55 but before the NORMAL RETIREMENT DATE, on which the MEMBER retires.

**ELIGIBLE EMPLOYEE** means an employee of a PARTICIPATING EMPLOYER and such other employee who satisfies the eligibility requirements specified in the SPECIAL RULES.

For the purposes of this definition, an employee who is in receipt of a benefit under the DISABILITY INCOME PLAN shall be deemed to be in full-time permanent employment with the PARTICIPATING EMPLOYER.

**EXIT NOTIFICATION** means notification by the PARTICIPATING EMPLOYER to the ADMINISTRATOR, either in writing or electronically, when a MEMBER retires, dies, withdraws from service or is retrenched.

**EXPENSE RESERVE ACCOUNT** means the ACCOUNT kept by the FUND in terms of MASTER RULE 8.2(2).

**FINANCIAL YEAR** means a period of twelve months commencing July in a year and ending June in the next year.

**FINANCIAL YEAR END** means 30 June.

**FUND** means SACWU National Provident Fund.

**FUND BONUS** means the amount determined in accordance with MASTER RULE 8.3(1).

**INSURER** means an insurer under the Insurance Act No. 18 of 2017.

**INVESTMENT POLICY STATEMENT** means the document which sets out the investment objectives and strategy of the FUND.

**INVESTMENT RESERVE ACCOUNT** means an ACCOUNT kept by the FUND in terms of MASTER RULE 8.2(5).

**LATE RETIREMENT** means the first day of the month that is after the NORMAL RETIREMENT DATE, on which a MEMBER elects to retire, subject to the consent of the PARTICIPATING EMPLOYER.

**MASTER RULES** means the rules of the FUND applicable to all PARTICIPATING EMPLOYERS and all MEMBERS, as distinct from the SPECIAL RULES.

**MEMBER** means an ELIGIBLE EMPLOYEE whose membership of the FUND has been recorded by the FUND in terms of MASTER RULE 6.2, a PRESERVER MEMBER and a DEFERRED RETIREE, unless the contrary is reflected within the context of the RULE.

**MEMBER ACCOUNT** means the individual ACCOUNT kept by the FUND in respect of each MEMBER (other than a PRESERVER MEMBER or a DEFERRED RETIREE or a MEMBER due an UNCLAIMED BENEFIT) in terms of MASTER RULE 8.2(1).

**NON-VESTED COMPONENT OF THE MEMBER ACCOUNT** means the portion of a MEMBER'S MEMBER ACCOUNT, over and above his VESTED COMPONENT OF THE MEMBER ACCOUNT.

**NORMAL RETIREMENT AGE** means,

- (a) in respect of a MEMBER, other than a PRESERVER MEMBER, the age selected by the PARTICIPATING EMPLOYER as set out in the SPECIAL RULES; and
- (b) in respect of a PRESERVER MEMBER, the age selected by the PRESERVER MEMBER, which may not be earlier than age 55.

**NORMAL RETIREMENT DATE** means midnight on the last day of the month during which the MEMBER attains the NORMAL RETIREMENT AGE.

**PARTICIPATING EMPLOYER** means either an employer whose application to participate in the FUND has been accepted by the FUND or whose participation in a PREVIOUS FUND has been transferred to the FUND, on the terms and conditions of participation as issued by the BOARD from time to time.

Any reference to a PARTICIPATING EMPLOYER in the RULES shall not apply to a PRESERVER MEMBER or a DEFERRED RETIREE.

**PARTICIPATION DATE** means the date on which a PARTICIPATING EMPLOYER begins to participate in the FUND as set out in the SPECIAL RULES.

**PENSIONABLE SALARY** means the remuneration as set out in the SPECIAL RULES.

**POLICY OF INSURANCE** means a policy of insurance issued by an INSURER.

**PRESERVER MEMBER** means a MEMBER

- (a) who ceases to be an ELIGIBLE EMPLOYEE and in terms of MASTER RULE 10.3(1)(a) or MASTER RULE 10.3(2) becomes such a member, or
- (b) whose membership in the PREVIOUS FUND is similar to that described in (a) above and has been recorded as such by the FUND.

**PRESERVER MEMBER ACCOUNT** means the account maintained, in respect of all PRESERVER MEMBERS, in terms of MASTER RULE 8.2(6).

**PREVIOUS FUND** means the fund identified in the application for approval of the scheme in terms of section 14 of the ACT in which a MEMBER, PRESERVER MEMBER or DEFERRED RETIREE participated prior to participation in this FUND (if any) and where the assets and liabilities in respect of such MEMBER, PRESERVER MEMBER or DEFERRED RETIREE in the PREVIOUS FUND will be, or have been, transferred to the FUND in terms of section 14 of the ACT.

**PRINCIPAL OFFICER** means the person appointed by the BOARD in terms of MASTER RULE 3.19(1)(a).

**PUBLISH** means the communication by means of the FUND'S WEBSITE of any information or notification that the FUND wishes to bring to the attention of a MEMBER or PARTICIPATING EMPLOYER.

**REVENUE AUTHORITY** means the South African Revenue Service in the application of the provisions of the Income Tax Act, 1962 (Act 58 of 1962), or in the issuing of directives or practice notes under the said Act, as the case may be.

**RESERVE ACCOUNT** means each of the following ACCOUNTS kept by the FUND in terms of MASTER RULE 8.2:

- EXPENSE RESERVE ACCOUNT;
- RISK RESERVE ACCOUNT;
- INVESTMENT RESERVE ACCOUNT.

**RISK BENEFIT** means the amount payable in terms of the RISK POLICY in the event of the death of a MEMBER, if applicable.

For the purpose of this definition, MEMBER shall exclude a PRESERVER MEMBER and a DEFERRED RETIREE.

**RISK BENEFIT POLICY STATEMENT** means the document, in terms of MASTER RULE 5.11(1), which sets out the strategy of the BOARD and parameters for the provision of RISK BENEFITS.

**RISK POLICY** means a POLICY OF INSURANCE issued by a RISK PROVIDER to the FUND in respect of MEMBERS in terms of these RULES.

**RISK PROVIDER** means, subject to the approval of the BOARD, an INSURER with whom the FUND effected a RISK POLICY.

**RISK RESERVE ACCOUNT** means the ACCOUNT kept by the FUND in terms of MASTER RULE 8.2(3).

**RULES** mean the MASTER RULES and the SPECIAL RULES collectively.

**SPECIAL RULES** means the rules separate from the MASTER RULES issued in respect of each PARTICIPATING EMPLOYER that set out certain additional terms and conditions, and limitations on or additions to the benefits of membership, of each MEMBER in the service of that PARTICIPATING EMPLOYER, as well as any additional terms and conditions of the participation of that PARTICIPATING EMPLOYER in the FUND.

**TERMINATION DATE** means when the FUND is liquidated in terms of MASTER RULE 7.1, the liquidation date in terms of MASTER RULE 7.1(4).

**TOTAL TRANSFER CREDIT** means the amount transferred to the FUND from a PREVIOUS FUND as approved in terms of Sections 14, 15B or 15E of the ACT.

**UNCLAIMED BENEFIT** means an unclaimed benefit as defined in the ACT.

**UNCLAIMED BENEFITS ACCOUNT** means the ACCOUNT kept by the FUND in respect of UNCLAIMED BENEFITS in terms of MASTER RULE 8.2(4).

**VESTED COMPONENT OF THE MEMBER ACCOUNT** means the portion of a MEMBER'S MEMBER ACCOUNT, which may be commuted for a lump sum payment as calculated in terms of MASTER RULES 9.6 and 9.7, as applicable.

**WEBSITE** means a website, as defined in the Electronic Communications and Transactions Act, 2002, set up by the FUND.

## **RULE 2: ESTABLISHMENT**

### **2.1 ESTABLISHMENT AND TYPE OF FUND**

- (1) The FUND was established on the DATE OF COMMENCEMENT and is known as the SACWU National Provident Fund.
- (2) The FUND is a defined contribution provident fund.

### **2.2 OBJECTIVE OF THE FUND**

The objective of the FUND is

- (1) to provide benefits to a MEMBER on retirement or withdrawal;
- (2) to provide benefits to the DEPENDANTS and nominees of a MEMBER in the event of the death of the MEMBER.

### **2.3 REGISTERED OFFICE OF THE FUND**

The registered office of the FUND is:

Mutualpark

Jan Smuts Drive

PINELANDS

7405

### **2.4 LEGAL STATUS AND POWERS OF THE FUND**

The FUND is a body corporate and as such has the capacity and powers of a natural person with full legal capacity insofar as a body corporate is capable of having such capacity or exercising such powers. This capacity and powers include the capacity and power to:

- (1) sue and be sued in its own name;
- (2) conclude agreements and perform juristic acts;
- (3) acquire, own, hypothecate, hire, let and dispose of property, whether movable or immovable, and whether the property is physical property or intellectual property;
- (4) amend the RULES; and
- (5) do all things that in the opinion of the BOARD are necessary or desirable to be done to achieve its objective and to carry out its functions and duties.



### **RULE 3: MANAGEMENT OF THE FUND**

#### **3.1 OBJECTIVE OF THE BOARD**

The BOARD must direct, control and oversee the operation of the FUND in accordance with the applicable laws and the provisions of these RULES.

#### **3.2 COMPOSITION OF THE BOARD**

##### **(1) Number of BOARD MEMBERS**

- (a) The BOARD shall consist of twelve (12) BOARD MEMBERS, namely –
  - (i) eleven (11) BOARD MEMBERS, elected by MEMBERS from their own ranks in accordance with the table below from the following geographical areas:

| <b>Geographical Area</b> | <b>Number of BOARD MEMBERS<br/>and alternates elected from<br/>each geographical area.</b> |
|--------------------------|--|
| Durban                   | 1 BOARD MEMBER   |
| East Rand                | 1 BOARD MEMBER   |
| Far East Rand            | 1 BOARD MEMBER   |
| Mpumalanga               | 1 BOARD MEMBER   |
| Modderfontein            | 1 BOARD MEMBER   |
| Newcastle                | 1 BOARD MEMBER   |
| Pretoria                 | 1 BOARD MEMBER   |
| Tembisa                  | 1 BOARD MEMBER   |
| Western Cape             | 1 BOARD MEMBER   |
| West Rand                | 1 BOARD MEMBER   |
| Vaal                     | 1 BOARD MEMBER   |

PLUS

- (ii) 1 (one) independent BOARD MEMBER appointed by the other BOARD MEMBERS.
- (b) If at any time there is a material change in the number of PARTICIPATING EMPLOYERS and/or MEMBERS in any particular geographical area, the BOARD may, subject to the ACT and these MASTER RULES review the number of BOARD MEMBERS and resolve to amend the composition of the BOARD accordingly.
- (c) The election of BOARD MEMBERS and their alternates and the appointment of an independent BOARD MEMBER shall take place every five years.
- (d) For each election the outgoing BOARD shall, subject to MASTER RULE 3.9 appoint an Election Task Team headed by a Chief Electoral Officer as the BOARD may appoint. In making the appointment of an Election Task Team the BOARD shall take into account the geographical spread of MEMBERS with reference to the table in paragraph (a) above. The duty of the Election Task Team shall be to coordinate the elections for and on behalf of BOARD MEMBERS.
- (e) The Election Task Team may itself conduct the elections of BOARD MEMBERS or it may in consultation and with the prior approval of the BOARD MEMBERS appoint an independent person or persons to conduct the elections to ensure that every MEMBER shall have an opportunity to cast a vote for the election of BOARD MEMBERS in terms of these MASTER RULES in a free and democratic manner. The Election Task Team shall prepare a Code of Conduct to which all election officials shall subscribe.
- (f) In order to achieve the objectives set out in paragraph (e) above, the Election Task Team shall call for written nominations for BOARD MEMBERS to be submitted by MEMBERS of the FUND in each of the geographical areas referred to in paragraph (a) above. Each nomination shall be submitted on the form as prescribed by the Election Task Team.

- (g) Each nomination shall be signed by at least three MEMBERS and completed and signed by the nominee thereby signifying acceptance of the nomination.
- (h) All nomination forms shall be lodged with the Election Task Team on or before the closing date for nominations as determined by the Election Task Team.
- (i) Should no more than the required number of candidates to fill vacancies in a particular geographical area be nominated the electoral officer shall declare the candidates to be elected unopposed.
- (j) A ballot paper containing the names and brief relevant details of each nominated candidate shall be sent in a closed envelope at least (14) fourteen days before the closing date for elections as determined by the Election Task Team.
- (k) MEMBERS shall be instructed to vote for exactly the number of candidates as there are vacancies. If more or fewer than this is elected, the ballot paper shall be regarded as spoilt and the vote will be void. MEMBERS must ensure that all the instructions for returning completed ballot forms are followed.
- (l) The Election Task Team will monitor the distribution and collection of ballot papers to ensure that no irregularities occur during the election process.
- (m) The electoral officer shall count the votes and announce the results of the election as soon as possible after the election date. The candidate with the highest number of votes shall be the elected BOARD MEMBER and the candidate who attained the next highest number of votes shall be the alternate BOARD MEMBER.
- (n) The names of the elected BOARD MEMBERS will thereafter be made available to each MEMBER.



**(2) Alternates**

- (a) The BOARD shall subject to MASTER RULE 3.4, appoint alternates to act in the place of a BOARD MEMBER during his absence or inability to act as a BOARD MEMBER.
- (b) The number of alternates shall not be less than the number of BOARD MEMBERS and an alternate may only act in the place of one BOARD MEMBER at a time.

**(3) Chair**

The BOARD shall appoint one of their members as the Chair and another BOARD MEMBER as the deputy Chair.

**3.3 POWER OF AUTHORITY TO APPOINT BOARD MEMBERS**

- (1) If at any time the FUND has no properly constituted BOARD contemplated in the ACT and has failed to constitute a BOARD after (90) ninety days' written notice by the AUTHORITY, the AUTHORITY may, notwithstanding these RULES, at the cost of the FUND -
  - (a) appoint so many persons as may be necessary to the BOARD or appoint so many persons as may be necessary to make up the full complement or quorum of the BOARD; and
  - (b) assign to such BOARD such specific duties as the AUTHORITY deems expedient.
- (2) A BOARD constituted in terms of MASTER RULE 3.3(1) holds office until the AUTHORITY is satisfied that the FUND has constituted a valid BOARD in terms of the ACT and the AUTHORITY has relieved the former BOARD in writing of its duties.

**3.4 ALTERNATES**

- (1) Alternates are subject to the same terms, qualifications and conditions applicable to BOARD MEMBERS.
- (2) An alternate, when acting for a BOARD MEMBER, shall have the same powers, duties and functions as a BOARD MEMBER.
- (3) An alternate may attend all meetings of the BOARD but may only vote if acting in the place of an absent BOARD MEMBER.

### **3.5 DISQUALIFICATION OF BOARD MEMBERS**

- (1) Any of the following persons shall be disqualified from being appointed or acting as a BOARD MEMBER:
  - (a) a body corporate;
  - (b) a minor or any other person under legal disability;
  - (c) any person who is the subject of any order under any Act disqualifying him from being a BOARD MEMBER;
  - (d) save under authority of a Court of law-
    - (i) an unrehabilitated insolvent;
    - (ii) any person removed from an office of trust on account of misconduct;
    - (iii) any person who has at any time been convicted of theft, fraud, forgery or uttering a forged document, perjury, an offence under any legislation relating to the prevention or combating of corruption or any other offence involving dishonesty or the management of assets entrusted to him.
- (2) The BOARD may, in addition to the disqualifications referred to in MASTER RULE 3.5(1), determine further criteria for eligibility to serve as a BOARD MEMBER.

### **3.6 TERM OF OFFICE**

#### **(1) BOARD MEMBERS**

- (a) Subject to the provisions of MASTER RULE 3.7, the BOARD MEMBERS hold office for a period of five years from the date on which the results of the elections are made known.
- (b) On expiry of the five -year period further elections must take place.
- (c) On the expiry of their term, the BOARD MEMBERS may make themselves available for re-election.

**(2) Chair**

- (a) The Chair shall serve for a maximum period of two years, unless otherwise decided by the BOARD.
- (b) Should the position of Chair become vacant before the expiry of his term of office, the BOARD must appoint another Chair for the unexpired portion of the term of office.
- (c) The Chair may be removed from such office in the event of a simple majority vote by the BOARD to this effect.

**(3) Deputy Chair and Acting Chair**

- (a) If the Chair is temporarily unable to discharge his duties, the Deputy Chair shall take up the position of Chair. If the Deputy Chair is also not available, the BOARD may resolve that one of their number be appointed as Acting Chair. Such appointment shall be for such period and for such purpose as resolved by the BOARD.
- (b) The provisions in these RULES regarding the Chair, shall *mutatis mutandis* apply to the position of the Deputy Chair and the Acting Chair.

**3.7 TERMINATION OF OFFICE**

- (1) A BOARD MEMBER or alternate may resign from office at any time by giving one month's written notice to the BOARD, unless the BOARD waives this notice period.
- (2) A BOARD MEMBER or the Chair may be removed from office by the BOARD on the grounds of misconduct or neglect of his duties after he has had a chance to state his case.
- (3) A BOARD MEMBER shall also cease to hold office if
  - (a) he is removed by the BOARD;
  - (b) his term expires;
  - (c) he becomes disqualified to be a BOARD MEMBER in terms of MASTER RULE 3.5;
  - (d) he fails to attend three consecutive meetings of the BOARD without the prior permission of the Chair; or
  - (e) he ceases to be a MEMBER of the FUND.

- (4) If the AUTHORITY has reason to believe that a BOARD MEMBER is not fit and proper to hold office, the AUTHORITY may, after giving the BOARD MEMBER a reasonable opportunity to be heard, direct the BOARD MEMBER to vacate office.

### **3.8 VACANCIES**

- (1) Should the position of a BOARD MEMBER become vacant, the BOARD may choose one of the alternates elected to fill the vacancy, provided that BOARD MEMBERS may be replaced with the person who attained the next most votes during the last BOARD MEMBERS' elections.
- (2) The BOARD must cause vacancies to be filled within such period as may be prescribed by the AUTHORITY.
- (3) Where the AUTHORITY directed a BOARD MEMBER to vacate office, the FUND must cause the vacancy to be filled in accordance with MASTER RULES 3.8(1) and 3.8(2), failing which the AUTHORITY may adopt the course set out in MASTER RULE 3.3.

### **3.9 POWERS OF THE BOARD**

#### **(1) Exercising of powers**

The BOARD must exercise all the powers of the FUND. The BOARD must exercise its discretionary powers -

- (a) reasonably, equitably, in the pursuit of a proper purpose and motive, in a manner that will not unduly fetter the exercise of its discretion; and
- (b) by applying, in the pursuit of a proper purpose, means that are reasonable and rationally in proportion to that purpose.

#### **(2) Delegation of powers to sub-committees or persons**

- (a) The BOARD may delegate any of its powers in these RULES to a sub-committee of BOARD MEMBERS or to any person, firm or company on such terms and conditions as it may think fit, including the power to sub-delegate.
- (b) Notwithstanding the above, the BOARD shall delegate any of its powers in these RULES, as is necessary for the effective operation of the FUND to representatives of each PARTICIPATING

EMPLOYER. Any disputes that cannot be resolved by such representatives shall be referred to the BOARD.

- (c) The terms of a delegation may include the purpose, powers (including discretionary powers) and authority of the delegate.
- (d) The BOARD can determine how long such delegation must last.
- (e) The BOARD may notwithstanding any delegation of its powers, continue to exercise the powers delegated.
- (f) The BOARD may terminate any delegation of its powers or may vary the terms of any delegation.
- (g) RULES applicable to the BOARD, interpreted with the necessary amendments, apply to a sub-committee or other assignee or delegate as well.
- (h) A sub-committee may consist of any number of BOARD MEMBERS.
- (i) A decision taken by a sub-committee or other delegate pertaining to a matter requiring the exercise of the BOARD'S discretion in terms of the ACT must be referred to the BOARD to be reviewed and, if accepted, ratified at the next meeting of the BOARD.
- (j) Any delegation may not amount to neglect by the BOARD of its duty to direct, control and oversee the business of the FUND.

### **3.10 DUTIES OF THE BOARD**

In pursuing the objectives of the FUND, the BOARD must -

- (1) take all reasonable steps to ensure that the interests of MEMBERS in terms of the RULES and the provisions of the ACT are protected at all times especially in the event of an amalgamation or transfer of any business contemplated in section 14 of the ACT or splitting of the FUND, termination or reduction of contributions to the FUND by a PARTICIPATING EMPLOYER, increase contributions and withdrawal of a PARTICIPATING EMPLOYER;
- (2) act with due care, diligence and good faith;
- (3) avoid conflicts of interest;
- (4) act with impartiality in respect of all MEMBERS and BENEFICIARIES;

- (5) ensure that proper control systems are employed by or on behalf of the BOARD;
- (6) ensure that adequate and appropriate information is communicated to the MEMBERS of the FUND informing them of their rights, benefits and duties in terms of the MASTER RULES subject to such disclosure requirements as may be prescribed by the AUTHORITY;
- (7) take all reasonable steps to ensure that contributions are paid timeously to the FUND under the provisions of the ACT;
- (8) obtain expert advice on matters where the BOARD may lack sufficient expertise;
- (9) ensure that these RULES and the operation and administration of the FUND comply with any relevant legislation and with any legally binding ruling laid down by the AUTHORITY or the REVENUE AUTHORITY;
- (10) ensure that such accounts, registers and records as are necessary for the proper working of the FUND are kept;
- (11) maintain such register or registers (at the FUND'S registered office) containing the information referred to in Regulation 31 to the ACT.
- (12) be aware that they have a fiduciary duty to MEMBERS in respect of accrued benefits or any amount accrued to provide a benefit, as well as a fiduciary duty to the FUND to ensure that that the FUND is financially sound and is responsibly managed and governed in accordance with these MASTER RULES and the ACT;
- (13) act independently;
- (14) comply with any other prescribed requirements;
- (15) ensure that all BOARD MEMBERS, within 6 (six) months of election in terms of these MASTER RULES, attain such levels of skills and training as may be prescribed by the AUTHORITY and that BOARD MEMBERS retain such level of skill throughout their term of office;
- (16) adopt, implement, update and adhere to FUND policy statements, particularly amongst others: an INVESTMENT POLICY STATEMENT, a RISK BENEFIT POLICY STATEMENT, an ANNUITISATION POLICY STATEMENT, a Trustee Expense Policy, a Travel and Expense Reimbursement Policy Statement and a CODE OF CONDUCT in terms of MASTER RULE 3.20.



- (17) ensure that a MEMBER, a PRESERVER MEMBER and a DEFERRED RETIREE is provided with access to retirement benefits counselling before any retirement, withdrawal benefit is paid or transferred in terms of MASTER RULE 10;

### **3.11 MEETINGS OF THE BOARD**

#### **(1) Number and frequency**

- (a) The BOARD must meet from time to time to conduct the business of the FUND.
- (b) Meetings of the BOARD must take place as often as resolved by the BOARD, but at least two meetings must be held in each FINANCIAL YEAR.
- (c) The Chair may convene a Special Meeting of the BOARD should necessity arise. Any eight BOARD MEMBERS may request the Chair to convene a Special Meeting of the BOARD provided the matters to be discussed at the meeting are clearly stated in the request. Upon receipt of the request the Chair shall within (7) seven days of such receipt convene a Special Meeting of the BOARD to deal with the matters stated therein.

#### **(2) Video and telephone conferencing**

- (a) BOARD MEMBERS may conduct a meeting by using a conference telephone or any communication equipment (including video link) that allows everybody participating in the meeting to speak to and hear each other.
- (b) Taking part in a meeting conducted in terms of this RULE will, provided there is a quorum present, be counted as a meeting of the BOARD.
- (c) The remaining provisions of these RULES applicable to meetings of the BOARD apply to any meeting conducted in this manner.

#### **(3) Chair**

- (a) The Chair presides over and maintains order at meetings to ensure that meetings are conducted in a proper manner.
- (b) If the Chair is absent from any meeting the Deputy Chair shall preside over that particular meeting. Such Deputy Chair must have

the same powers and duties in relation to conducting the meeting as the Chair.

**(4) Notice of meetings**

The Chair must ensure that at least (14) fourteen days prior written notice of a meeting of the BOARD is given to

- (a) all BOARD MEMBERS,
- (b) alternates, and
- (c) the PRINCIPAL OFFICER

but the BOARD may waive the notice period.

**(5) Voting rights**

- (a) The PRINCIPAL OFFICER must attend all meetings of the BOARD, unless he is unable to attend or is excused by the BOARD.
- (b) The BOARD may not transact any business unless the required quorum for meetings is present by the time the meeting proceeds to business.
- (c) A quorum for meetings shall be 6 BOARD MEMBERS plus the independent BOARD MEMBER.
- (d) At a meeting of the BOARD each BOARD MEMBER (including the Chair) has one vote.
- (e) A decision of any meeting of the BOARD will be carried by a simple majority vote of the BOARD MEMBERS present at such formerly constituted meeting.
- (f) In the event of a tie of votes on a particular matter, the matter will be referred to the next meeting of the BOARD. If no majority of votes is obtained at that meeting, the BOARD MEMBERS must decide on the appointment of an independent expert in the matter under dispute for a recommendation. If no majority decision can be reached by the BOARD MEMBERS on the appointment or recommendation provided by the independent expert, then the matter shall be referred to an arbitrator agreed upon by the BOARD MEMBERS.



The determination of the arbitrator so appointed will be binding on all the parties. The cost of resolving disputes in terms of this MASTER RULE shall be borne by the FUND.

- (g) The BOARD shall not have the right to make decisions regarding the contributions, a MEMBER'S retirement age, increasing/reducing future benefits or discontinuing the FUND without the prior written consent of the PARTICIPATING EMPLOYER.
- (h) Decisions of the BOARD that affect the financial soundness of the FUND will be subject to the approval of the ACTUARY. Such decisions shall include decisions concerning contributions, FUND BONUS and increasing/reducing future benefits.

**(6) Secretary**

- (a) The BOARD may appoint a secretary from time to time. The secretary's functions may include the arrangement of meetings; the taking of minutes; the counting of votes; and the recording of resolutions at meetings.
- (b) Fees for secretarial services must be determined by the BOARD from time to time.

**(7) Minutes**

- (a) Proper minutes must be taken of all proceedings at a meeting of the BOARD. These minutes must be signed by the Chair and kept in a minute book recording all resolutions passed by the BOARD, the pages of which minute book must be bound in such a way as to render the withdrawal or insertion of a page impossible and must be numbered consecutively.
- (b) The minutes of each meeting must be distributed to all BOARD MEMBERS, alternates and the PRINCIPAL OFFICER.

### **3.12 ROUND ROBIN RESOLUTIONS**

#### **(1) Written resolutions other than by electronic means**

A resolution in writing signed and conveyed to the PRINCIPAL OFFICER by at least 75% of all the BOARD MEMBERS will be as valid and effective as if it was passed at a meeting of the BOARD duly convened and held, provided that the proposed resolution was submitted in writing to all the BOARD MEMBERS.

#### **(2) Electronic resolutions**

A proposal circulated to all the BOARD MEMBERS via e-mail will, provided that the number of the BOARD MEMBERS who signify their acceptance by return of e-mail is no less than 75% of the total number of BOARD MEMBERS, be deemed carried. Such a resolution will be as valid and effective as a resolution passed at a meeting of the BOARD duly convened and held.

#### **(3) Resolutions passed**

As a matter of good governance any resolution passed under MASTER RULE 3.12 must be recorded in the minutes at a meeting of the BOARD held after the resolution was passed.

### **3.13 REMUNERATION OF BOARD MEMBERS**

BOARD MEMBERS are not remunerated for services performed in the execution of their duties as BOARD MEMBERS unless the BOARD MEMBER is an independent BOARD MEMBER.

The BOARD shall, on advice of the ADMINISTRATOR and the ACTUARY, determine the remuneration of the PRINCIPAL OFFICER and any other officers of his office.

### **3.14 EXPENSES OF BOARD MEMBERS**

Any expenses incurred in terms of the Trustee Expense Policy by any BOARD MEMBER or the board of representatives referred to in MASTER RULE 3.9(2)(b), may be recovered from the FUND if such expenses were duly authorised by the BOARD in accordance with specific resolutions taken by it or in accordance with the Travel and Expense Reimbursement Policy of the FUND. All expenses so paid shall be recorded in the consolidated financial statements of the FUND.

### **3.15 INDEMNIFICATION AND FIDELITY GUARANTEE**

- (1) Any BOARD MEMBER and any officer of the FUND shall be indemnified by the FUND against any claim for damages arising from the management and administration of the FUND where such BOARD MEMBER or officer acted in good faith.
- (2) The FUND must obtain insurance, as it deems sufficient to indemnify the FUND against losses owing to the dishonesty or fraud of any of its officers (including the BOARD MEMBERS).

### **3.16 SIGNATURES TO DOCUMENTS**

- (1) All documents or contracts purporting to bind the FUND will be binding upon the FUND provided that they are signed by such persons empowered to sign them on behalf of the FUND by means of a proper resolution adopted in accordance with these RULES.
- (2) Where the ACT prescribes specific formalities for the signature of documents, such documents are only binding upon the FUND if these requirements are complied with.

### **3.17 SAFE CUSTODY OF TITLE DEEDS AND SECURITIES**

The BOARD must make adequate arrangements to ensure the continued safety of any title deed or other security belonging to or held by the FUND and that such a document is marked in a manner which will render it possible at all times to establish readily that the document belongs to or is held by the FUND.

### **3.18 BOARDS' DISCRETION**

- (1) Any question arising in connection with a dispute between the FUND and any MEMBER or BENEFICIARY whose claim is derived from a MEMBER or the MEMBER'S DEPENDANTS, or other person on any matter whether arising out of the RULES or its interpretation or not, will, if not resolved by the representatives appointed and elected to maintain the affairs of a particular PARTICIPATING EMPLOYER, be decided on by the BOARD, provided that if any party to such dispute is dissatisfied with the decision of the BOARD the matter will be dealt with in terms of MASTER RULE 5.1.
- (2) In deciding on any question of fact (e.g. that of dependency) the BOARD may act on such evidence as they deem adequate whether it amounts to legal proof or not.

- (3) In the event of a contingency arising which has not been provided for in these RULES, the decision of the BOARD, if not inconsistent with the provisions of these RULES, will be final and conclusive.
- (4) The BOARD shall be entitled to make any arrangements and regulations for the administration of the FUND and to do anything not inconsistent with these RULES or the applicable Acts that, in its opinion, is for the benefit and protection of the MEMBERS and BENEFICIARIES.

### **3.19 APPOINTMENTS**

#### **(1) PRINCIPAL OFFICER**

- (a) The BOARD must appoint a PRINCIPAL OFFICER on such terms and conditions as it may determine and subject to the provisions of the ACT.
- (b) If the PRINCIPAL OFFICER is unable for any reason to discharge his duties for more than (30) thirty days, the BOARD must appoint another person as PRINCIPAL OFFICER for such period.
- (c) The BOARD must inform the AUTHORITY in writing of every appointment of a PRINCIPAL OFFICER within (30) thirty days of such appointment.

#### **(2) Other Appointments**

The BOARD shall make the following appointments:

- (a) ADMINISTRATOR;
- (b) an AUDITOR;

The BOARD shall give the AUDITOR access to all books, accounts and records connected with the FUND. The AUDITOR must certify, in writing, the result of each audit.

- (c) an ACTUARY;
- (d) one or more RISK PROVIDER; and
- (e) such other service providers as required from time to time.

### **3.20 CODE OF CONDUCT**

- (1) The BOARD must adopt a CODE OF CONDUCT. As evidence of commitment to abide by the CODE OF CONDUCT, each BOARD MEMBER must sign acceptance of the CODE OF CONDUCT. Any BOARD MEMBER who declines to sign or subscribe to the CODE OF CONDUCT must vacate his office as BOARD MEMBER immediately.
- (2) The CODE OF CONDUCT may at the discretion of the BOARD and subject to that person's consent, be applicable to any person involved in any way in the management, administration or provision of any service to the FUND; and may also contain such sanction against such person breaching this CODE OF CONDUCT as the BOARD may decide.

### **3.21 BOARD MEMBERS MUST REPORT TO THE AUTHORITY**

- (1) A BOARD MEMBER must-
  - (a) within 21 (twenty-one) days of removal as BOARD MEMBER for reasons other than the expiry of that BOARD MEMBER'S term of office or voluntary resignation, submit a written report to the AUTHORITY detailing the BOARD MEMBER'S perceived reasons for the termination; and
  - (b) on becoming aware of any material matter relating to the affairs of the FUND which, in the opinion of the BOARD MEMBER, may seriously prejudice the financial viability of the FUND or its MEMBERS, inform the AUTHORITY thereof in writing.
- (2) A disclosure made in terms of this MASTER RULE shall be subject to sections 8 and 9 of the Protected Disclosures Act and any BOARD MEMBER who makes a protected disclosure may not suffer any occupational or other detriment.
- (3) A BOARD MEMBER who suffers any detriment including occupational detriment as a result of a protected disclosure as contemplated in the Protected Disclosures Act may –
  - (a) seek such remedies as provided for in section 4 of the Protected Disclosures Act;
  - (b) approach any competent court for appropriate relief;
  - (c) pursue any other process and seek any remedy provided for in law.

### **3.22     LIMITATION OF A BOARD MEMBER'S LIABILITY**

A BOARD MEMBER may, in any proceedings against him be relieved by a court from any liability either in whole or in part, and on terms that such court may consider just, if it appears to the court that the BOARD MEMBER has acted independently, honestly and reasonably and that in the circumstances of the case, having regard to the appointment of the BOARD MEMBER, it would be fair to excuse such a BOARD MEMBER.

## **RULE 4: CONTRIBUTIONS**

The provisions of this MASTER RULE 4 do not apply to a PRESERVER MEMBER or a DEFERRED RETIREE or a MEMBER due an UNCLAIMED BENEFIT.

### **4.1 MEMBER'S CONTRIBUTIONS**

- (1) Each MEMBER must contribute in respect of each calendar month of membership of the FUND at the rate specified in the SPECIAL RULES. The contribution must be credited to the MEMBER ACCOUNT when it is received by the FUND.
- (2) A minimum MEMBER contribution will be 7,5 percent of the MEMBER'S PENSIONABLE SALARY.
- (3) A MEMBER may contribute such additional voluntary amounts as he may decide to be applied towards retirement funding. Such amounts must be credited to the MEMBER ACCOUNT of the MEMBER concerned when it is received by the FUND.

### **4.2 CONTRIBUTIONS BY PARTICIPATING EMPLOYER**

- (1) The PARTICIPATING EMPLOYER must contribute to the FUND in respect of each month of membership of each MEMBER at the rates specified in the SPECIAL RULES. The total contribution must be credited to the MEMBER ACCOUNT when the contribution is received by the FUND.
- (2) The minimum PARTICIPATING EMPLOYER contribution in respect of each MEMBER will be 7,5 percent of the MEMBER'S PENSIONABLE SALARY.
- (3) The contribution in MASTER RULE 4.2(1) includes:
  - (a) the cost of any premium necessary to provide the RISK BENEFITS in respect of each MEMBER. The amount in respect of the premium must be transferred from the MEMBER ACCOUNT to the RISK RESERVE ACCOUNT.
  - (b) the amount determined from time to time by the BOARD to cover the fees and expenses of the FUND. The amount in respect of the contribution towards fees and expenses must be transferred



from the MEMBER ACCOUNT to the EXPENSE RESERVE ACCOUNT.

- (c) the cost of any premium payable by the EMPLOYER to the INSURER with whom the disability income and funeral benefits are insured with, shall be paid to the INSURER.

It is specifically provided that the terms and conditions applicable to the premiums in (c) above and the payment of the disability income and funeral benefits are set out in the policy issued by the INSURER with whom such benefits have been insured. Accordingly the FUND is not liable for payment of any disability income or funeral benefits.

- (4) Should the costs specified in MASTER RULES 4.2(3)(a) and 4.2(3)(b) exceed the contribution made by the PARTICIPATING EMPLOYER in terms of MASTER RULE 4.2(1), the shortfall will be dealt with in such manner as the BOARD, in consultation with the PARTICIPATING EMPLOYER and the ACTUARY, may decide.
- (5) Any contribution made in terms of MASTER RULE 4.2(6) may be made with the express purpose of augmenting the benefits payable in terms of MASTER RULES 9, 10 and 11 to a particular MEMBER or group of MEMBERS, subject to the approval of the REVENUE AUTHORITY before such augmentation takes place.
- (6) The PARTICIPATING EMPLOYER may make any additional contribution to be credited to the MEMBER ACCOUNT of the MEMBER on the understanding that this may or may not be tax deductible in the hands of the PARTICIPATING EMPLOYER depending on any requirement of the REVENUE AUTHORITY.
- (7) The BOARD may, as part of an investigation into a failure by or inability of a PARTICIPATING EMPLOYER to pay the said contributions and for reasons it considers appropriate under the circumstances, temporarily suspend the retirement funding portion of the PARTICIPATING EMPLOYER'S contributions payable to the FUND by that PARTICIPATING EMPLOYER. Such suspension will be in terms of a written agreement concluded between the BOARD and the PARTICIPATING EMPLOYER and will be for such period, not



exceeding 12 months, as is agreed to by the BOARD, subject to the registration of the SPECIAL RULES by the AUTHORITY.

#### **4.3 EXTERNAL CONTRIBUTIONS**

The FUND may acquire contributions, money or assets or contingent liabilities from any other APPROVED PENSION FUND or APPROVED PROVIDENT FUND or such other retirement funding arrangement on terms agreeable to the BOARD.

#### **4.4 PAYMENT OF CONTRIBUTIONS**

The PARTICIPATING EMPLOYER must pay contributions to the FUND within a period of (7) seven days from the end of the calendar month to which such contributions relate. The payment of contributions is regulated under the ACT.

#### **4.5 SUSPENSION OR TERMINATION OF CONTRIBUTIONS**

The PARTICIPATING EMPLOYER may, with the written agreement and after giving six months' written notice to the BOARD, suspend or terminate its contributions, in which case the BOARD will act in terms of MASTER RULE 7.2.

#### **4.6 CONTRIBUTIONS IN THE EVENT OF A STRIKE**

In the event of a strike all contribution by and in respect of a MEMBER will be suspended; save that in the event of a strike constituting a legal strike, the premiums due in respect of RISK BENEFITS and the administration costs will continue to be paid by the PARTICIPATING EMPLOYER.

#### **4.7 AMOUNTS TRANSFERRED TO THE FUND FROM OTHER FUNDS**

- (1) Subject to the approval of the AUTHORITY in terms of Section 14 or Section 15E (as applicable) of the ACT any amount relating to the transfer of business of a MEMBER, a PRESERVER MEMBER or a DEFERRED RETIREE from any APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND may be transferred to the FUND with effect from the date of approval by the AUTHORITY.

- (a) The MEMBER'S TOTAL TRANSFER CREDIT must be allocated amongst such of the accounts of the FUND as specified in terms of the application in terms of section 14 or section 15E of the ACT, as approved by the AUTHORITY, when it has been received by the FUND.
  - (b) Where the section 14 or section 15E application does not make provision for the allocation of the MEMBER'S TOTAL TRANSFER CREDIT to be specifically allocated amongst any accounts, such amount must be credited to the MEMBER ACCOUNT of the MEMBER concerned when it has been received by the FUND.
  - (c) In respect of a PRESERVER MEMBER, the PRESERVER MEMBER'S TOTAL TRANSFER CREDIT must be credited to the PRESERVER MEMBER ACCOUNT of the PRESERVER MEMBER concerned when it has been received by the FUND.
  - (d) In respect of a DEFERRED RETIREE, the DEFERRED RETIREE'S TOTAL TRANSFER CREDIT must be credited to the DEFERRED RETIREE ACCOUNT of the DEFERRED RETIREE concerned when it has been received by the FUND.
- (2) Any amount in respect of unclaimed benefits relating to beneficiaries of a PARTICIPATING EMPLOYER, may, subject to the approval of the BOARD, be paid to the FUND in terms of section 14 of the ACT. Any such amount must be credited to the UNCLAIMED BENEFITS ACCOUNT when it has been received by the FUND.
  - (3) Any amount relating to the membership of a MEMBER, PRESERVER MEMBER or DEFERRED RETIREE in another fund approved in terms of the ACT and subject to any requirements of the REVENUE AUTHORITY may, provided the BOARD agrees thereto, be paid to the FUND. Any such amount must be credited to the MEMBER ACCOUNT of the MEMBER, PRESERVER MEMBER ACCOUNT of the PRESERVER MEMBER or DEFERRED RETIREE ACCOUNT of the DEFERRED RETIREE, as applicable, when it has been received by the FUND.

## **RULE 5: MISCELLANEOUS PROVISIONS**

### **5.1 COMPLAINTS PROCEDURE UNDER THE ACT**

- (1) A COMPLAINANT who has a complaint relating to
  - (a) the administration of the FUND; or
  - (b) the investment of the money of the FUND; or
  - (c) the interpretation and application of the RULESmay lodge a written complaint with the PRINCIPAL OFFICER or the BOARD under the ACT.
- (2) A complaint so lodged must be properly considered and replied to in writing within (30) thirty days of receipt of such complaint.
- (3) If the COMPLAINANT is not satisfied with the reply received, or if the reply is not received within (30) thirty days of receipt of the complaint, the COMPLAINANT may lodge the complaint with the ADJUDICATOR.
- (4) The ADJUDICATOR may, on good cause shown by any affected party, extend the period of (30) thirty days referred to above or condone non-compliance with the time limit specified above.

### **5.2 UNPAID LEAVE**

Where a MEMBER and a PARTICIPATING EMPLOYER agree on unpaid leave, including maternity or paternity leave, the membership of the FUND by the MEMBER will not be affected and the contributions payable by the MEMBER and the PARTICIPATING EMPLOYER shall continue to be paid to the FUND by the PARTICIPATING EMPLOYER. The PARTICIPATING EMPLOYER shall negotiate the basis on which arrear contributions payable by the MEMBER will be recouped by the PARTICIPATING EMPLOYER.

### **5.3 PAYMENT OF BENEFITS**

- (1) Benefits are to be paid by means of an electronic funds transfer to an account in the name of:
  - (a) the BENEFICIARY, or
  - (b) the APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND,

APPROVED PRESERVATION PENSION FUND or APPROVED RETIREMENT ANNUITY FUND elected by the BENEFICIARY in accordance with the RULES and/or the ANNUITISATION POLICY STATEMENT, or

- (c) the INSURER chosen by the BENEFICIARY in the event that a pension needs to be purchased in terms of the MASTER RULE 5.13 and the ANNUITISATION POLICY STATEMENT;

with a bank as defined in the Banks Act, No. 94 of 1990, or a mutual bank as defined in the Mutual Banks Act, No. 124 of 1993.

- (2) The PARTICIPATING EMPLOYER or the BENEFICIARY must furnish the details of the bank account to the FUND.
- (3) At the request of a BENEFICIARY, payment to himself can be made by means of a non-transferable cheque made payable to the BENEFICIARY and posted to the postal address as notified to the FUND by the BENEFICIARY. In this event payment is made on such terms and conditions as advised by the FUND, if any.

#### **5.4 DEDUCTIONS IN TERMS OF THE ACT**

- (1) The FUND may make any deduction from a benefit or the value of the MEMBER ACCOUNT, PRESERVER MEMBER ACCOUNT or DEFERRED RETIREE ACCOUNT, as the case may be, as is allowed in terms of the ACT and other acts that it refers to in this regard.
- (2) The FUND may also reasonably withhold payment of a portion or the whole of a benefit that a MEMBER is entitled to, provided that:
  - (a) the amount of benefit so withheld does not exceed the amount that may be deducted in terms of the ACT;
  - (b) the FUND is satisfied that the EMPLOYER has made out a prima facie case against the MEMBER concerned and has a reasonable chance of success in the proceedings that have been or are in the process of being instituted;
  - (c) the FUND is satisfied that the EMPLOYER is not at any stage responsible for any undue delay in the prosecution of the proceedings;

- (d) once the proceedings have been finally determined by a competent court of law, or settled or withdrawn, any benefit amount to which the MEMBER is entitled, and which was withheld, is paid immediately; and
- (e) the FUND may, at the express written request of the MEMBER, permit the benefit amount withheld to be isolated in whatever manner the FUND deems appropriate from the possibility of a decrease therein as a result of poor investment performance.

#### **5.5 PROOF OF AGE**

A BENEFICIARY must provide satisfactory proof of age to the FUND before the payment of a death or retirement benefit is to be made, unless the FUND specifies otherwise. If a BENEFICIARY does not comply with this RULE, payment of benefits may be withheld until such information is furnished. If the BENEFICIARY does not comply or if such information so furnished is false or incorrect, the FUND is not liable for any loss sustained by the BENEFICIARY as a result.

#### **5.6 COMMUNICATION TO THE FUND TO BE IN WRITING**

Any notice, request, instruction or other communication given by any person in terms of the RULES to the FUND must, unless otherwise specified, be in writing and together with complete and correct documentation, where applicable. Any person giving such notice, request, instruction or other communication bears the onus of proof that it was received by the FUND.

#### **5.7 UNCLAIMED BENEFITS**

- (1) The BOARD must take such steps, as it considers appropriate to trace any person entitled to an UNCLAIMED BENEFIT, the costs of which is debited against the MEMBER ACCOUNT, PRESERVER MEMBER ACCOUNT or DEFERRED RETIREE ACCOUNT, as the case may be.
- (2) Any UNCLAIMED BENEFIT, which despite such steps is not paid out within such period considered appropriate by the BOARD or as determined from time to time by the REVENUE AUTHORITY, must be transferred to the UNCLAIMED BENEFITS ACCOUNT. Any benefit credited to this account must be retained in this account until it



becomes payable in terms of MASTER RULE 5.7(4).

- (3) Amounts in the UNCLAIMED BENEFITS ACCOUNT must be invested by the BOARD in an investment fund designated for that purpose or in an investment fund which preserves capital, as determined by the BOARD. For the purposes of this RULE, "an investment fund that preserves capital" means the preservation of capital in nominal, and not real, terms.
- (4) A benefit shall only become payable from the UNCLAIMED BENEFITS ACCOUNT to a BENEFICIARY when the BOARD is satisfied that a valid claim has been submitted and that any additional information required by the FUND has been provided. However, where the benefit has remained unclaimed for at least twenty-four months, the BOARD may arrange for it to be deposited in any fund legally entitled to hold unclaimed benefits in accordance with the provisions of the ACT and the requirements of the REVENUE AUTHORITY. Upon completion of the deposit, the FUND shall have no further liability in respect of the benefit and any subsequent claim lodged by a MEMBER or any person alleging an entitlement to the benefit shall be dealt with in terms of the rules of the fund into which the benefit was deposited.

## **5.8 MEMBERS' RIGHT TO DOCUMENTS**

- (1) Subject to the payment of such fee as may be decided upon by the BOARD from time to time, the BOARD must deliver on written request to a MEMBER a copy of the current RULES of the FUND and, if applicable, the most recent Annual Financial Statements of the FUND already submitted to the AUTHORITY.
- (2) Any MEMBER may inspect, without charge at the registered office of the FUND, any or all of the following:
  - (a) a copy of the RULES and SPECIAL RULES applicable to him;
  - (b) the most recent Annual Financial Statements prepared under the ACT (if any);
  - (c) any documentation relevant to an arrangement being carried out by the FUND under the ACT to bring the FUND into a financially

sound condition as required by the AUTHORITY.

- (3) A MEMBER may make extracts from the above documents. Any costs arising from the making of extracts must be paid by the MEMBER, unless the BOARD decides otherwise.
- (4) A MEMBER is entitled to receive details of the benefits, contributions and investments applicable in which the MEMBER ACCOUNT, PRESERVER MEMBER ACCOUNT or DEFERRED RETIREE ACCOUNT is invested annually within 6 (six) months from the FINANCIAL YEAR END of the FUND or the annual review date of the SUB-FUND, as the case may be. For the purposes of communicating benefits to MEMBERS, where reference is made to the MEMBER'S ACCUMULATED CREDIT, such amount shall represent the estimated balance in the MEMBER ACCOUNT, PRESERVER MEMBER ACCOUNT or DEFERRED RETIREE ACCOUNT as at the effective date of the communication.

#### **5.9 AMENDMENTS TO RULES**

- (1) The BOARD may, subject to MASTER RULE 5.9(3), amend the MASTER RULES as well as the SPECIAL RULES in accordance with the ACT.
- (2) The BOARD must notify the REVENUE AUTHORITY of each Rule amendment within two months after it has been registered in terms of the ACT.
- (3) If an amendment to the MASTER RULES or SPECIAL RULES is registered by the AUTHORITY after the effective date of the amendment, such amendment is deemed to take effect on the effective date of the amendment. This is not authority to act in terms of such amendment prior to registration.



#### **5.10 HOUSING LOAN AND GUARANTEE**

- (1) The BOARD shall have the power to grant a loan to a MEMBER for a purpose referred to in Section 19(5)(a) of the ACT. Such loan shall be subject to the provisions set out in Section 19(5)(b), (c) and (cA) of the ACT.
- (2) The FUND may furnish a guarantee in respect of a residential loan by a financial institution or the PARTICIPATING EMPLOYER to a MEMBER, provided that the guarantee, the loan and the purpose of the loan complies with the provisions of the ACT. Such guarantee will further be subject to any requirements laid down by the FUND.
- (3) Should a MEMBER, while being a MEMBER, default on repayment of a loan in respect of which the FUND has furnished a guarantee as contemplated above, the BOARD may, as a last resort and after it is satisfied that no other arrangement for the repayment of the loan can be made, instruct that the resultant liability of the FUND be recouped from the MEMBER ACCOUNT together with the employees' tax that by law may be payable to the REVENUE AUTHORITY as a result of such recoupment.
- (4) If, on transfer of the MEMBER'S membership to another APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND, APPROVED PRESERVATION PENSION FUND or APPROVED RETIREMENT ANNUITY FUND, the FUND is liable under a guarantee referred to above and the BOARD is satisfied that it is not otherwise reasonably possible to negotiate repayment of the amount owing to the FUND by the MEMBER in respect of that liability or to transfer the guarantee, the FUND may deduct, from the amount that the FUND must transfer to the other fund for the benefit of the MEMBER, the amount owing as well as the employees' tax that by law may be payable to the REVENUE AUTHORITY as a result of such deduction.

- (5) Any amount recouped from the MEMBER ACCOUNT while being a MEMBER or deducted on transfer of membership in respect of a guarantee referred to will be deemed to be a benefit payment made by the FUND to the MEMBER for reasons other than as a result of death or retirement.

#### **5.11 INSURANCE OF RISK BENEFIT AND LIMITATION OF FUND'S LIABILITY**

- (1) The BOARD must describe its strategy with regard to the provision of RISK BENEFITS in a RISK BENEFIT POLICY STATEMENT which is properly documented and kept up to date, subject to the provisions of MASTER RULE 3.10(6).
- (2) A MEMBER'S participation in respect of any RISK BENEFIT is conditional on the MEMBER meeting the insurability requirements of the RISK PROVIDER and such limitations and conditions as may be laid down by the RISK PROVIDER in respect of such benefit from time to time and as provided for in the RISK POLICY. The BENEFICIARY must ensure any required medical evidence and any other information required by the RISK PROVIDER is submitted to and received by the RISK PROVIDER. The FUND shall not be liable for the cost of providing such medical evidence or other information.
- (3) The liability of the FUND to any MEMBER in respect of any RISK BENEFIT shall be limited to the amount which is paid in respect of such benefit by the RISK PROVIDER with whom such benefit is insured, provided that any non-payment by the RISK PROVIDER is not caused by the negligence of the FUND.
- (4) The PARTICIPATING EMPLOYER must ensure that the full premiums in respect of the RISK BENEFIT are paid to the FUND timeously to enable the FUND to pay the premium to the RISK PROVIDER. The RISK PROVIDER may suspend or terminate insurance for the MEMBERS who are employees of a PARTICIPATING EMPLOYER under the RISK POLICY as from the due date on which the FUND fails to pay the full premium payable within the timeframe as specified in the RISK POLICY.

## **5.12 NOTIFICATION AND INFORMATION**

- (1) The PARTICIPATING EMPLOYER must provide the FUND with all EXIT NOTIFICATIONS.
- (2) The PARTICIPATING EMPLOYER is further obliged to provide the FUND with such information required in respect of contributions and any other information as required from time to time.
- (3) The FUND is entitled to rely on any information or communication received from the PARTICIPATING EMPLOYER in respect of a MEMBER in its service including, without limiting the generality of the foregoing –
  - (a) if such communication reflects any election made by a MEMBER or BENEFICIARY entitled to make any such election under these RULES, or
  - (b) information relating to the MEMBER, in particular his PENSIONABLE SALARY or age.
- (4) No MEMBER, BENEFICIARY or person enjoying rights in succession to any MEMBER or BENEFICIARY has any claim against the FUND in respect of any loss which may arise as a result of the reliance by the FUND on any information or communication conveyed to it by the PARTICIPATING EMPLOYER.
- (5) The provisions of MASTER RULES 5.12(3) and 5.12(4) do not apply if the information or communication is conveyed directly to the FUND by the MEMBER or BENEFICIARY or if the MEMBER or BENEFICIARY notifies the FUND that MASTER RULE 5.12(3) is not to apply to him. If the information provided by the MEMBER differs from that previously provided by the PARTICIPATING EMPLOYER, the MEMBER bears the onus of proof that such later information was received by the FUND.

- (6) Any notice or communication sent directly to the address of the MEMBER, as provided by the PARTICIPATING EMPLOYER to the FUND, or the address as provided by the PRESERVER MEMBER or DEFERRED RETIREE (whether postal address, and e-mail address or cell phone number) will be deemed as having been received by the MEMBER, PRESERVER MEMBER or DEFERRED RETIREE and shall be regarded as due notice.

**5.13 PURCHASE OF PENSIONS**

The balance of the MEMBER'S retirement benefit after commutation in terms of MASTER RULE 9.3 shall be used to purchase a pension in terms of MASTER RULE 9.4.

**5.14 ALLOCATION OF BENEFITS ON DEATH**

Death benefits are allocated in accordance with the provisions of the ACT.

**5.15 ACTUARIAL VALUATIONS**

In order for the FUND to be exempt from Sections 9A and 16 of the ACT, the AUTHORITY will require, at least once every three years, a certificate from the ACTUARY certifying that the FUND complies with the prescribed conditions as contemplated in Board Notice 59 of 2014.

**5.16 AUDIT STATUS OF THE FUND**

The FUND will in accordance with the ACT be subject to audit in respect of each FINANCIAL YEAR.

**5.17 CURRENCY**

All benefits and contributions are payable in South African currency.

**5.18 MONEYS OF THE FUND MAY NOT REVERT TO THE PARTICIPATING EMPLOYER**

Except as otherwise provided in the ACT, no money or assets of the FUND may revert to or become the property of the PARTICIPATING EMPLOYER.

**5.19 COST OF TRACING BENEFICIARIES AND DISTRIBUTING PROCEEDS AMONGST BENEFICIARIES**

The BOARD must take all reasonable steps to trace BENEFICIARIES. If any costs are incurred as a consequence:

- (1) of such tracing, and/or
- (2) an investigation to determine the appropriate allocation of the benefit amongst a number of potential BENEFICIARIES,

such reasonable costs may, at the BOARD'S discretion, be taken into account when determining the benefit payable.

**5.20 PAYMENT OF INTEREST**

To the extent that interest may be due in respect of any amount payable by the FUND in terms of these RULES, then such interest is payable at the same rate and capitalised in the same way, if at all, as the interest received by the FUND; provided that –

- (1) any such interest must be reduced by any tax thereon due by the FUND;
- (2) no such interest is payable in respect of any period during which FUND BONUS is received on the amount payable and distributed as part of that amount;
- (3) that portion of the interest added up until the date of the application to the REVENUE AUTHORITY for the tax directive will be included in the application to the REVENUE AUTHORITY and that portion of the interest added from the date of the application to the REVENUE AUTHORITY to the date of payment of the benefit is subject to taxation in the hands of the BENEFICIARY.

**5.21 RULES ARE NOT CONDITIONS OF SERVICE**

These RULES are not conditions of service. They do not govern the rights of employees of the PARTICIPATING EMPLOYER and the rights of the PARTICIPATING EMPLOYER in regard to the employment of employees.

## **5.22 MINIMUM BENEFITS**

Any benefit payable in terms of these RULES shall not be less than the MEMBER'S minimum individual reserve as defined and calculated in terms of the ACT.

## **5.23 TRANSFERS TO AN APPROVED PRESERVATION PROVIDENT FUND OR AN APPROVED PRESERVATION PENSION FUND**

- (1) A MEMBER'S benefits under these RULES may be transferred to an APPROVED PRESERVATION PROVIDENT FUND or an APPROVED PRESERVATION PENSION FUND in respect of a MEMBER, less –
  - (i) any transfer to an APPROVED RETIREMENT ANNUITY FUND for the benefit of the MEMBER; and
  - (ii) any deduction in terms of MASTER RULE 5.4.
- (2) The FUND must inform the transferee APPROVED PRESERVATION PROVIDENT FUND or APPROVED PRESERVATION PENSION FUND of -
  - (a) any deduction in terms of MASTER RULE 5.4;
  - (b) any amount debited to the MEMBER ACCOUNT, or deducted from an amount, the remainder of which was credited to the MEMBER ACCOUNT, in recoupment of the amount paid by the FUND on the MEMBER'S residential loan; and
  - (c) any payment made to, or on behalf of, the MEMBER'S former spouse or another person in terms of a court order, where the amount of such payment was debited to, or deducted from an amount, the remainder of which was credited to the MEMBER ACCOUNT.

## **5.24 INALIENABILITY OF BENEFITS**

Save to the extent permitted in legislation, no benefit or right to a benefit in terms of these RULES may be reduced, transferred, ceded, pledged, hypothecated, attached, appropriated or executed.



## **RULE 6: PARTICIPATION**

### **6.1 PARTICIPATING EMPLOYERS**

- (1) Any employer may apply to the BOARD to participate in the FUND on the basis that those of its ELIGIBLE EMPLOYEES who qualify for membership in terms of MASTER RULE 6.2 become MEMBERS.
- (2) The participation of a PARTICIPATING EMPLOYER in the FUND commences on the PARTICIPATION DATE.
- (3) SPECIAL RULES shall be issued in respect of each PARTICIPATING EMPLOYER. The SPECIAL RULES may amplify, select or clarify the application of any provision of the MASTER RULES provided that it is clearly stated in the SPECIAL RULES. To the extent that a provision in the SPECIAL RULES does not clearly indicate that it is to amplify, select or clarify the application of a provision of the MASTER RULES and that provision is in conflict with a provision of the MASTER RULES, then the provision of the MASTER RULES shall prevail.
- (4) The SPECIAL RULES shall set out inter alia the following:
  - (a) the requirements of the PARTICIPATING EMPLOYER for employees to join the FUND and the categories of ELIGIBLE EMPLOYEES who will join the FUND, if the application is accepted;
  - (b) the contribution rates;
  - (c) NORMAL RETIREMENT AGE;
  - (d) any other information that may be required from time to time by the BOARD.
- (5) The BOARD may amend the SPECIAL RULES with the consent of the relevant PARTICIPATING EMPLOYER.
- (6) A subsidiary of a holding company which is a PARTICIPATING EMPLOYER may at the discretion of the BOARD be permitted to participate in the FUND relating to that PARTICIPATING EMPLOYER but only on the basis that:
  - (a) such subsidiary must withdraw from the FUND on the basis described in MASTER RULE 7.2 if the PARTICIPATING



EMPLOYER notifies the FUND in writing thereof or the BOARD is notified that such PARTICIPATING EMPLOYER is no longer the holding company of such subsidiary;

- (b) the holding company as PARTICIPATING EMPLOYER enjoys all the rights and carries all the responsibilities (especially, without limiting the generality of this, in relation to the provisions regarding contributions payable to the FUND) of such a subsidiary permitted to participate in the FUND in terms of this RULE.
- (7) A PARTICIPATING EMPLOYER may delegate any of its duties and responsibilities under these RULES to a Member Committee. Such delegation will however not absolve the PARTICIPATING EMPLOYER from its duties and responsibilities in terms of these RULES.

## **6.2 MEMBERS**

- (1) A person who is an ELIGIBLE EMPLOYEE on the PARTICIPATION DATE, may choose to become a MEMBER within twelve months from that date, failing which such ELIGIBLE EMPLOYEE may only become a MEMBER if he or she still satisfies the eligibility requirements as set out in the SPECIAL RULES and the REVENUE AUTHORITY agrees to such ELIGIBLE EMPLOYEE becoming a MEMBER.
- (2) A person who becomes an ELIGIBLE EMPLOYEE after the PARTICIPATION DATE is obliged to participate in the FUND from the date on which he becomes an ELIGIBLE EMPLOYEE or such other date that the PARTICIPATING EMPLOYER may decide, provided that the PARTICIPATING EMPLOYER must ensure that such ELIGIBLE EMPLOYEE is enrolled as a MEMBER by giving written notice to the FUND as required under the ACT and in the manner prescribed by the BOARD from time to time.
- (3) A MEMBER'S participation in respect of a RISK BENEFIT is always conditional on his compliance with the INSURER'S requirements as laid down in the RISK POLICY from time to time and participation in such benefit only commences once the conditions of the RISK POLICY have been complied with.

### **6.3 CONTINUATION OF PARTICIPATION**

- (1) All MEMBERS shall remain MEMBERS until their retirement, withdrawal from service or death in service of a PARTICIPATING EMPLOYER.
- (2) Notwithstanding the provisions of paragraph (1) above, FUND membership of a MEMBER may cease –
  - (a) if a MEMBER is promoted or transferred to a category of service within the PARTICIPATING EMPLOYER where membership of the FUND is no longer compulsory and such MEMBER elects, to become a member of another APPROVED PENSION FUND or PROVIDENT FUND of their choice in which the PARTICIPATING EMPLOYER participate;
  - (b) if the SPECIAL RULES make provision for the BOARD to allow ELIGIBLE EMPLOYEES by their own choice, during a window-period approved by the BOARD after hearing representations on the matter, to become members of another APPROVED PENSION FUND or PROVIDENT FUND in which the PARTICIPATING EMPLOYER participates.

### **6.4 CESSATION OF PARTICIPATION**

- (1) A MEMBER'S participation shall cease if
  - (a) the MEMBER no longer qualifies as an ELIGIBLE EMPLOYEE but remains in the service of the PARTICIPATING EMPLOYER, or
  - (b) the MEMBER is permitted to join another fund in terms of his conditions of service.

In the case of sub-RULE (a) and (b) above the PARTICIPATING EMPLOYER must forthwith notify the FUND in writing that the participation of the MEMBER in the FUND in terms of this MASTER RULE has ceased and in the notice state the date upon which the MEMBER'S participation ceased.

- (2) In the case of a PRESERVER MEMBER, the PRESERVER MEMBER'S participation in the FUND shall cease if the PRESERVER MEMBER informs the FUND in writing that he wishes to participate in another APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND, APPROVED PRESERVATION PENSION FUND or APPROVED RETIREMENT ANNUITY FUND. In such a case, the balance in the corresponding PRESERVER MEMBER ACCOUNT, shall be transferred to the APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND, APPROVED PRESERVATION PENSION FUND or APPROVED RETIREMENT ANNUITY FUND as requested by the PRESERVER MEMBER.
- (3) If a MEMBER'S participation ceased in terms of MASTER RULE 6.4(1) above, the following provisions shall apply:
- (a) in the case of a MEMBER referred to in MASTER RULE 6.4(1)(a) above, the assets and liabilities of the FUND relating to such MEMBER or category of MEMBERS shall,
- (i) be retained in the FUND in respect of a MEMBER who elects to become a PRESERVER MEMBER in terms of MASTER RULE 10.3(1)(a), or
- (ii) be transferred, to another APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND, APPROVED PRESERVATION PENSION FUND or APPROVED RETIREMENT ANNUITY FUND, subject to the requirements of the ACT and the terms of the scheme of transfer entered into between the FUND and such other fund, unless where there is no provision made for another fund the MEMBER shall be entitled to receive the entire withdrawal benefit in terms of MASTER RULE 10.2 as cash.

- (b) In the case of a MEMBER referred to in MASTER RULE 6.4(1)(b) above, the assets and liabilities of the FUND relating to the MEMBER shall,
  - (i) be retained in the FUND in respect of a MEMBER who elects to become a PRESERVER MEMBER in terms of MASTER RULE 10.3(1)(a), or
  - (ii) be transferred to the fund selected by the MEMBER subject to the terms of the scheme of transfer entered into between the FUND and the transferee fund.

#### **6.5 TEMPORARY ABSENCE OF MEMBERS**

The membership of a MEMBER continues if the MEMBER is absent from service and such absence is authorised by the PARTICIPATING EMPLOYER concerned, provided that -

- (1) the entitlement of such a MEMBER to any RISK BENEFIT is subject to the provisions of these RULES and the terms and conditions of the RISK POLICY concerned;
- (2) the contributions payable by the MEMBER (if any) and the PARTICIPATING EMPLOYER immediately before such absence shall continue to be paid, unless the PARTICIPATING EMPLOYER decides otherwise and notifies the FUND accordingly in writing.

#### **6.6 MEMBERS IN RECEIPT OF DISABILITY INCOME BENEFITS UNDER THE DISABILITY INCOME PLAN**

- (1) An employee who is in receipt of a benefit under the DISABILITY INCOME PLAN on PARTICIPATION DATE, will be regarded as an ELIGIBLE EMPLOYEE, provided the PARTICIPATING EMPLOYER provides the FUND with details of such employee and provided contributions for such employee are paid to the FUND.
- (2) A MEMBER, other than a PRESERVER MEMBER or a DEFERRED RETIREE, who becomes disabled and qualifies for a benefit under the DISABILITY INCOME PLAN, shall not be regarded as being absent from service under MASTER RULE 6.5 above and will continue to be a MEMBER for as long as a disability income benefit is payable, provided that where such MEMBER'S service with his

PARTICIPATING EMPLOYER is terminated for whatever reason, other than death, before the MEMBER'S retirement, membership of the FUND shall cease and the provisions of MASTER RULE 10.3 shall *mutatis mutandis* apply in this regard.

- (3) If the benefit payable to a MEMBER under the DISABILITY INCOME PLAN for any reason ceases to be payable and provided the MEMBER has not withdrawn from the PARTICIPATING EMPLOYER'S service in terms of (2) above, the following will apply:
  - (a) where the MEMBER does not return to the active service of the EMPLOYER,
    - (i) the retirement benefit, where such MEMBER is within a reasonable period of retirement as determined by the BOARD, or
    - (ii) the withdrawal benefit in terms of RULE 10, as decided by the BOARD, will be payable, or
  - (b) where the MEMBER returns to the active service of the PARTICIPATING EMPLOYER, membership of the FUND will continue.

#### **6.7 CESSATION WHEN NO LONGER AN ELIGIBLE EMPLOYEE**

Where a MEMBER ceases to be an ELIGIBLE EMPLOYEE and there are contributions by and in respect of such MEMBER which have been payable but remained unpaid to the FUND,

- (a) the MEMBER will be entitled to a benefit in terms of the Rules, that is, taking account those contributions which have been paid to the FUND prior to the date that the MEMBER ceases to be an ELIGIBLE EMPLOYEE; and
- (b) such contributions which were payable before the MEMBER ceases to be an ELIGIBLE EMPLOYEE with interest at a rate prescribed in terms of section 13A of the ACT shall be paid by the FUND to the MEMBER as an arrear payment.

## **RULE 7: LIQUIDATION PROVISIONS**

### **7.1 LIQUIDATION OF THE FUND**

- (1) The BOARD may, subject to prior agreement by at least two-thirds of the MEMBERS, cause the FUND to be liquidated.
- (2) The last month for which contributions are payable to the FUND and in which the RISK BENEFITS apply will be the month in which agreement is reached to liquidate the FUND.
- (3) If the FUND is to be liquidated, the BOARD must, subject to the approval of the AUTHORITY, appoint a liquidator.
- (4) The liquidation date is the date on which the liquidator's appointment is approved by the AUTHORITY.
- (5) The assets of the FUND must be determined as at the date of liquidation.

### **7.2 PARTIAL LIQUIDATION IN RELATION TO A PARTICIPATING EMPLOYER**

- (1) If a PARTICIPATING EMPLOYER is liquidated, sequestrated, wound up or elects to cease participating in the FUND, and does not advise the FUND of another APPROVED PENSION FUND or APPROVED PROVIDENT FUND in which it will participate and to which the assets and liabilities shall be transferred in terms of the ACT, the PARTICIPATING EMPLOYER shall be liquidated.
- (2) If a PARTICIPATING EMPLOYER is liquidated, the BOARD must, subject to the approval of the AUTHORITY, appoint a liquidator. The liquidation date of the PARTICIPATING EMPLOYER is the date on which the liquidator's appointment is approved.
- (3) On the liquidation date all accrued debits and credits in respect of the ACCOUNTS of the PARTICIPATING EMPLOYER must be processed so that the balances can be determined as at the liquidation date.
- (4) On the liquidation date all accrued debits and credits in respect of the accounts of the PARTICIPATING EMPLOYER must be processed so that the balances of the PARTICIPATING EMPLOYER can be determined. The aggregate of all credit balances on the liquidation date in any of the accounts of the PARTICIPATING EMPLOYER,



after the liquidator made provision for liquidation expenses and payment of any taxation due, must be allocated proportionately amongst the MEMBER ACCOUNTS, as recommended by the ACTUARY and approved by the liquidator. The value of each MEMBER'S ACCOUNT must be determined, and thereafter, as elected by the MEMBER be retained in the PRESERVER MEMBER ACCOUNT or be paid in the same way as if the MEMBER exits the FUND as a result of withdrawal from the PARTICIPATING EMPLOYER'S service. The provisions of MASTER RULE 10.3 shall *mutatis mutandis* apply in this regard. Former members who were employed by that PARTICIPATING EMPLOYER and who left the FUND within the twelve months preceding the liquidation date shall participate in the distribution. If the former MEMBERS who qualify to participate in this distribution cannot be traced, the corresponding amounts so distributed will be credited to the UNCLAIMED BENEFITS ACCOUNT.

### **7.3 TRANSFER TO ANOTHER FUND**

If a PARTICIPATING EMPLOYER has decided, for whatever reason, to join another APPROVED PENSION FUND or APPROVED PROVIDENT FUND, the amount standing to the credit in the ACCOUNTS must be transferred to such fund subject to the requirements of the ACT and MASTER RULE 6.4.

### **7.4 TRANSFER OR AMALGAMATION IN RESPECT OF A PARTICIPATING EMPLOYER**

If a PARTICIPATING EMPLOYER transfers to or amalgamates with some other organisation, the other organisation may either apply to join the FUND as a PARTICIPATING EMPLOYER or the PARTICIPATING EMPLOYER may terminate its participation as set out in MASTER RULE 7.2. If the other organisation is already a PARTICIPATING EMPLOYER, the PARTICIPATING EMPLOYER will be amalgamated with the PARTICIPATING EMPLOYER of the other organisation.



**7.5 PARTIAL TRANSFER OR AMALGAMATION IN RESPECT OF A PARTICIPATING EMPLOYER**

If a part of the business of a PARTICIPATING EMPLOYER transfers to or amalgamates with some other business, company or organisation, the provisions of MASTER RULE 7.2, shall mutatis mutandis, apply in respect of such part of the PARTICIPATING EMPLOYER'S business.

**7.6 TERMINATION OF A PARTICIPATING EMPLOYER BY THE BOARD**

The BOARD has the right to terminate the participation of a PARTICIPATING EMPLOYER in the FUND provided that at least (20) twenty days' notice and no more than (60) sixty days' notice of such termination is given by the BOARD to the PARTICIPATING EMPLOYER. Upon such termination, the provisions of MASTER RULE 7.2 apply in the same way, provided that the provisions of MASTER RULE 7.3 must apply if the PARTICIPATING EMPLOYER notifies the FUND thereof within (20) twenty days of the notice above. The BOARD may agree to any extension of these notice periods.

**7.7 NO MEMBERS REMAINING**

If there should be no MEMBER remaining then that PARTICIPATING EMPLOYER must be terminated with the provisions of MASTER RULE 7.2 to apply provided that if any assets of that PARTICIPATING EMPLOYER remain after the partial liquidation in terms of MASTER RULE 7.2 then such assets must be distributed on such basis as the BOARD considers equitable to those persons who withdrew from the PARTICIPATING EMPLOYER within the preceding twelve months of such partial liquidation. If such a distribution is made, and some of the former members cannot be traced to make payment, then the corresponding assets must be credited to the UNCLAIMED BENEFITS ACCOUNT.

**7.8 NOTIFICATION TO AUTHORITIES**

The BOARD must ensure that the REVENUE AUTHORITY and the AUTHORITY are notified of the cessation of participation of a PARTICIPATING EMPLOYER under the FUND.

## **RULE 8: FINANCIAL PROVISIONS**

### **8.1 GENERAL**

- (1) All contributions received by the FUND are paid into a BANK ACCOUNT.
- (2) On receipt of an EXIT NOTIFICATION, or on the TERMINATION DATE of the FUND or SUB-FUND or the effective date of the decision contemplated in MASTER RULE 7.1(1), or after receipt of any RISK BENEFIT in terms of MASTER RULE 11, the amount in the MEMBER ACCOUNT, PRESERVER MEMBER ACCOUNT and DEFERRED RETIREE ACCOUNT, as applicable, must be disinvested and be invested in an investment fund which preserves capital as determined by the BOARD until it is paid to the MEMBER, PRESERVER MEMBER or DEFERRED RETIREE or a BENEFICIARY or it is used to purchase a pension in accordance with MASTER RULE 5.13 or it is credited to the UNCLAIMED BENEFITS ACCOUNT in terms of MASTER RULE 5.7.

For the purposes of this RULE, "an investment fund that preserves capital" means the preservation of capital in nominal, and not real, terms.

### **8.2 ACCOUNTS**

The FUND must keep the following ACCOUNTS for the administration of the FUND:

The following ACCOUNTS, none of which constitutes a "contingency reserve account" for the purposes of the ACT, are kept at a FUND level:

- (a) EXPENSE RESERVE ACCOUNT;
- (b) RISK RESERVE ACCOUNT;
- (c) UNCLAIMED BENEFITS ACCOUNT;
- (d) INVESTMENT RESERVE ACCOUNT;
- (e) PRESERVER MEMBER ACCOUNT; and
- (f) DEFERRED RETIREE ACCOUNT.

The following ACCOUNT(S), none of which is a “contingency reserve account” for the purposes of the ACT, are kept at a PARTICIPATING EMPLOYER level:

- (g) MEMBER ACCOUNT; except that when a MEMBER becomes a PRESERVER MEMBER or a DEFERRED RETIREE, the MEMBER ACCOUNT in respect of the PRESERVER MEMBER or the DEFERRED RETIREE will be transferred to the PRESERVER MEMBER ACCOUNT or DEFERRED RETIREE ACCOUNT, as appropriate, and be kept at FUND level.

**(1) MEMBER ACCOUNT**

The following debits and credits are recorded in the MEMBER ACCOUNT:

(a) DEBITS

(b) CREDITS

|  |   |
|--|---|
| (i) Any retirement benefit payable under MASTER RULE 9.  | (i) Contributions in terms of MASTER RULE 4.1(1), 4.1(2), 4.2(1) or 4.2(8).                                       |
| (ii) Any withdrawal benefit payable under MASTER RULE 10.                                      | (ii) Amounts transferred in terms of MASTER RULES 4.7(1) and 4.7(2) if applicable.                                |
| (iii) Any benefit payable on death under MASTER RULE 11.                                       | (iii) Amounts received from the RISK RESERVE ACCOUNT in respect of a claim for a RISK BENEFIT.                    |
| (iv) Risk contributions payable to the RISK RESERVE ACCOUNT in terms of MASTER RULE 4.2(3)(a). | (iv) Positive FUND BONUSES transferred from the INVESTMENT RESERVE ACCOUNT in terms of MASTER RULES 8.3(1)(c)(i). |

|   |   |
|---|---|
| (v) Any amount payable to the UNCLAIMED BENEFITS ACCOUNT.   | (v) Amounts received in respect of penalties levied and received in accordance with Section 13A of the ACT payable by a PARTICIPATING EMPLOYER on the late payment of contributions to the FUND, for the MEMBERS concerned. |
| (vi) Contributions towards fees and expenses.   | (vi) Amounts transferred from any RESERVE ACCOUNT as determined by the BOARD in consultation with the ACTUARY   |
| (vii) Any partial benefit payment as allowed by the ACT.  |   |
| (viii) Any cost involved in tracing the MEMBER or, on his death, his DEPENDANTS.                                  |   |
| (ix) Negative FUND BONUSES transferred from the INVESTMENT RESERVE ACCOUNT in terms of MASTER RULES 8.3(1)(c)(i). |   |
| (x) Any amount payable to the PRESERVER   |   |

|  |  |
|--|--|
| MEMBER ACCOUNT.  |  |
| (xi) Any amount payable to the DEFERRED RETIREE ACCOUNT. |  |

**(2) EXPENSE RESERVE ACCOUNT**

The EXPENSE RESERVE ACCOUNT may never have a negative balance.

The following debits and credits are recorded in the EXPENSE RESERVE ACCOUNT:

**(a) DEBITS**

**(b) CREDITS**

|  |  |
|--|--|
| (i) Any amount transferred to a MEMBER ACCOUNT, PRESERVER MEMBER ACCOUNT or DEFERRED RETIREE ACCOUNT as determined by the BOARD. | (i) Any amount transferred from the INVESTMENT RESERVE ACCOUNT, as determined by the BOARD to meet any shortfall in the EXPENSE RESERVE ACCOUNT. |
| (ii) Administration fees, expenses and costs incurred by the FUND.   | (ii) Any amount transferred in terms of MASTER RULE 4.7(1)(a).   |
|  | (iii) Contributions towards expenses in terms of MASTER RULE 4.2(3)(b).  |
|  | (iv) Amounts received from the UNCLAIMED BENEFITS ACCOUNT as determined by the BOARD to fund the expenses of the FUND.                           |

**(3) RISK RESERVE ACCOUNT**

The RISK RESERVE ACCOUNT may never have a negative balance.

The following debits and credits are recorded in the RISK RESERVE ACCOUNT:

**(a) DEBITS**

**(b) CREDITS**

|  |  |
|--|--|
| (i) Premiums payable to the RISK PROVIDER for RISK BENEFIT cover, including, if applicable in terms of the RISK POLICY, any interest on such premiums. | (i) Contributions payable for RISK BENEFITS received from the MEMBER ACCOUNT in terms of MASTER RULE 4.2(3)(a).  |
| (ii) Any amounts transferred to the MEMBER ACCOUNT in respect of a claim for a RISK BENEFIT.   | (ii) Any RISK BENEFIT received from the RISK PROVIDER.   |
| (iii) Any amount transferred to a MEMBER ACCOUNT as determined by the BOARD.   | (iii) Any amount transferred in terms of MASTER RULE 4.7(1)(a).  |
|  | (iv) Any transfers from the INVESTMENT RESERVE ACCOUNT in respect of interest accruing on premiums payable to the RISK PROVIDER in terms of the RISK POLICY. |

**(4) UNCLAIMED BENEFITS ACCOUNT**

The FUND must keep an UNCLAIMED BENEFITS ACCOUNT for MEMBERS whose benefits have become unclaimed. The following debits and credits are recorded in the UNCLAIMED BENEFITS ACCOUNT:

**(a) DEBITS**

**(b) CREDITS**

|  |   |
|--|---|
| (i) Any amount validly claimed in respect of a benefit credited to this account by any MEMBER or DEPENDANT or other person entitled to make any claim in respect of any benefit. | (i) Any amount transferred from the MEMBER ACCOUNT in respect of UNCLAIMED BENEFITS.                                |
| (ii) Reasonable costs to trace BENEFICIARIES charged against the benefit due to the BENEFICIARY.   | (ii) Any positive FUND BONUS transferred from the INVESTMENT RESERVE ACCOUNT in terms of MASTER RULE 8.3(1)(c)(ii). |
| (iii) Amounts transferred to the EXPENSE RESERVE ACCOUNT as determined by the BOARD to fund the expenses of the FUND.  | (iii) Any amount transferred in terms of MASTER RULE 4.7(1)(a).   |
| (iv) Any UNCLAIMED BENEFIT and the investment return thereon payable to any fund legally entitled to hold unclaimed benefits in accordance with the                              |   |



|  |  |
|--|--|
| provisions of the ACT and the requirements of the REVENUE AUTHORITY.   |  |
| (v) Any negative FUND BONUS transferred from the INVESTMENT RESERVE ACCOUNT in terms of MASTER RULE 8.3(1)(c)(ii). |  |

**(5) INVESTMENT RESERVE ACCOUNT**

The following debits and credits are recorded in the INVESTMENT RESERVE ACCOUNT:

**(a) DEBITS**

**(b) CREDITS**

|   |   |
|---|---|
| (i) Amounts transferred to the EXPENSE RESERVE as determined by the BOARD in consultation with the ACTUARY from time to time.                           | (i) Positive investment returns.  |
| (ii) Positive FUND BONUSES transferred to the MEMBER ACCOUNT, the UNCLAIMED BENEFITS ACCOUNT, PRESERVER MEMBER ACCOUNT or the DEFERRED RETIREE ACCOUNT. | (ii) Negative FUND BONUSES transferred to the MEMBER ACCOUNT, the UNCLAIMED BENEFITS ACCOUNT, PRESERVER MEMBER ACCOUNT or the DEFERRED RETIREE ACCOUNT. |
| (iii) Negative investment returns.  | (iii) Amounts payable by the PARTICIPATING  |

|       |  |
|-------|--|
|       | EMPLOYER in respect of penalties levied in accordance with Section 13A of the ACT on the late payment of contributions to the FUND.  |
| (iv)  | Any amount transferred to a MEMBER ACCOUNT as determined by the BOARD in consultation with the ACTUARY.  |
| (v)   | Any amount transferred specifically to augment the MEMBER'S ACCUMULATED CREDIT as explained in MASTER RULE 8.3(2).   |
| (vi)  | Any amount levied in accordance with Section 13A of the ACT on the late payment of contributions to the FUND, and not received by the FUND, to be written off as an expense of the FUND. |
| (vii) | Any amount transferred to a MEMBER ACCOUNT in respect of penalties received in accordance with Section 13A of the ACT on the late payment of contributions to the                        |

|  |  |
|--|--|
| FUND, for the MEMBER concerned.  |  |
| (viii) Any transfers to the RISK RESERVE ACCOUNT in respect of interest accruing to premiums payable to the RISK PROVIDER in terms of the RISK POLICY. |  |

**(6) PRESERVER MEMBER ACCOUNT**

The following debits and credits are recorded in a PRESERVER MEMBER ACCOUNT for each PRESERVER MEMBER which will, in aggregate, comprise the balance attributable to each PRESERVER MEMBER:

**(a) DEBITS**

**(b) CREDITS**

|   |   |
|---|---|
| (i) Any retirement benefit payable under MASTER RULE 9.                   | (i) The balance in the MEMBERS' ACCOUNT on the MEMBER'S termination of service with a PARTICIPATING EMPLOYER where such termination results in the transfer of the MEMBER'S interest in the FUND to the PRESERVER MEMBERS' ACCOUNT. |
| (ii) Any withdrawal payment under MASTER RULE 10.                         | (ii) Amounts transferred in terms of MASTER RULES 4.7(1)(c) and 4.7(3) if applicable.   |
| (iii) The benefit payable on the death of a PRESERVER MEMBER under MASTER | (iii) Positive FUND BONUSES transferred from the INVESTMENT RESERVE   |

| RULE 11.  | ACCOUNT in terms of<br>MASTER RULE 8.2(5)(a)(ii). |
|---|---|
| (iv) Any partial benefit payment as allowed by the ACT.   |   |
| (v) Any cost involved in tracing the PRESERVER MEMBER or, on his death, his DEPENDANTS.                           |   |
| (vi) Negative FUND BONUSES transferred from the INVESTMENT RESERVE ACCOUNT in terms of MASTER RULE 8.2(5)(b)(ii). |   |
| (vii) Any amount payable to the DEFERRED RETIREE ACCOUNT.   |   |

**(7) DEFERRED RETIREE ACCOUNT**

The following debits and credits are recorded in a DEFERRED RETIREE ACCOUNT for each DEFERRED RETIREE which will, in aggregate, comprise the balance of each DEFERRED RETIREE:

**(a) DEBITS**

**(b) CREDITS**

|  |  |
|--|--|
| (i) Any amount commuted on retirement and paid either to the DEFERRED RETIREE in cash or to the REVENUE AUTHORITY. | (i) The balance in the MEMBER ACCOUNT on the MEMBER'S retirement from the service with the PARTICIPATING EMPLOYER, where such retirement results in the transfer of the MEMBER'S interest in the FUND to the DEFERRED RETIREE ACCOUNT. |
|--|--|

|   |   |
|---|---|
| (ii) The cost of any pension purchased on retirement.   | (ii) Positive FUND BONUSES transferred from the INVESTMENT RESERVE ACCOUNT in terms of MASTER RULE 8.2(5)(a)(ii). |
| (iii) The benefit payable on the death of a DEFERRED RETIREE under MASTER RULE 11.                                | (iii) Amounts transferred from the PRESERVER MEMBER ACCOUNT in terms of MASTER RULE 8.2(6)(a)(vii).               |
| (iv) Any partial benefit payment as allowed by the ACT.   | (iv) Amounts transferred in terms of MASTER RULES 4.7(1)(d) and 4.7(3) if applicable.                             |
| (v) Any cost involved in tracing the DEFERRED RETIREE or, on his death, his DEPENDANTS.                           | (v) Amounts transferred from any account as determined by the BOARD in consultation with the ACTUARY.             |
| (vi) Negative FUND BONUSES transferred from the INVESTMENT RESERVE ACCOUNT in terms of MASTER RULE 8.2(5)(b)(ii). |   |

### 8.3 OTHER FINANCIAL MATTERS

#### (1) Determination of the FUND BONUS:

- (a) The BOARD may from time to time declare a FUND BONUS on the recommendation of the ACTUARY.
- (b) The FUND BONUS must be based on the growth of the investments of the FUND, as well as any other profits or losses less any expenses and tax charges that arise in the FUND and which in the opinion of the ACTUARY should be included and can be either positive or negative.

(c) The FUND BONUS so declared is credited to:

- (i) the MEMBER ACCOUNT of each person who was a MEMBER as at such date as determined by the BOARD at the time of the declaration of the FUND BONUS; and
- (ii) the UNCLAIMED BENEFITS ACCOUNT, PRESERVER MEMBER ACCOUNT and the DEFERRED RETIREE ACCOUNT.

**(2) Calculation of ACCUMULATED CREDIT**

The ACCUMULATED CREDIT is equal to the balance available in the MEMBER ACCOUNT, PRESERVER MEMBER ACCOUNT and DEFERRED RETIREE ACCOUNT, as applicable, in respect of a MEMBER.

**(3) Review of FUND expenses**

The BOARD must review the balance in the EXPENSE RESERVE ACCOUNT at least once in each FINANCIAL YEAR to determine the amounts, if any, that will be required to be transferred from the other accounts to meet the FUND expenses for the next FINANCIAL YEAR.

**(4) Management of RESERVE ACCOUNTS**

The BOARD must review the balance in each RESERVE ACCOUNT at least once in each FINANCIAL YEAR and must, after such review, apportion so much from each RESERVE ACCOUNT which the BOARD, in consultation with the ACTUARY, may decide is surplus to the requirement of each such ACCOUNT amongst the MEMBERS to whom such RESERVE ACCOUNT relates in the proportion that the balance standing to the credit of the MEMBER ACCOUNT of each such MEMBER bears to the MEMBER ACCOUNT of all the other such MEMBERS.



## **RULE 9: RETIREMENT BENEFIT**

### **9.1 RETIREMENT**

- (1) A MEMBER, other than a PRESERVER MEMBER or DEFERRED RETIREE, shall be entitled to a retirement benefit on whichever of the following events first occurs -
- (a) his NORMAL RETIREMENT DATE, unless the NORMAL RETIREMENT DATE has been deferred in terms of sub-rule (e);
  - (b) the MEMBER may, retire on the EARLY RETIREMENT DATE, subject to three months' written notice by the MEMBER to the PARTICIPATING EMPLOYER in circumstances other than those in terms of sub-rule (c) and (d), and the PARTICIPATING EMPLOYER notifies the FUND in writing of such approval;
  - (c) the application by the MEMBER to retire before the NORMAL RETIREMENT DATE due to the ill health of the MEMBER provided that the PARTICIPATING EMPLOYER is satisfied that as a result of such ill health the MEMBER is incapable, as a result of sickness, accident, injury or incapacity through infirmity of mind or body, of performing the duties required of a person in the occupation or post in which the MEMBER was employed by his PARTICIPATING EMPLOYER on the last day on which he was present at work;
  - (d) the application by the MEMBER to retire as a result of the termination of his employment for operational reasons prior to his NORMAL RETIREMENT DATE, as certified by the PARTICIPATING EMPLOYER, provided that the MEMBER is not more than ten years younger than the NORMAL RETIREMENT AGE;
  - (e) the LATE RETIREMENT DATE provided the contributions that would otherwise be payable had such MEMBER not attained his NORMAL RETIREMENT DATE must continue to be payable until retirement.

- (2) A PRESERVER MEMBER may apply to receive a retirement benefit at any time on or after age 55 provided he may on application to the FUND retire before age 55 due to ill-health if, in the opinion of the BOARD and subject to such medical evidence as the BOARD may require, the PRESERVER MEMBER is permanently incapacitated due to sickness, accident, injury or infirmity of mind or body.
- (3) A DEFERRED RETIREE may apply to receive a retirement benefit at any time.
- (4) A MEMBER will only be entitled to receive a retirement benefit provided for in this MASTER RULE after submitting to the ADMINISTRATOR a properly completed EXIT NOTIFICATION.

## **9.2 BENEFIT ON RETIREMENT**

Subject to MASTER RULE 9.1, a MEMBER receives a pension upon his election to receive a retirement benefit. The amount of the pension is that which can be purchased with the balance of the MEMBER ACCOUNT, PRESERVER MEMBER ACCOUNT, DEFERRED RETIREE ACCOUNT or UNCLAIMED BENEFITS ACCOUNT, as applicable, at the DATE OF PAYMENT, after allowing for any amounts commuted for cash in terms of MASTER RULE 9.3.

## **9.3 COMMUTATION**

- (1) On retirement, in terms of MASTER RULE 9.1, at the DATE OF PAYMENT, a MEMBER may elect to commute up to a maximum of -
  - (i) the amount calculated per MASTER RULES 9.6 or 9.7, as the case may be, as the MEMBER'S VESTED COMPONENT OF THE MEMBER ACCOUNT; plus
  - (ii) one-third of his NON-VESTED COMPONENT OF THE MEMBER ACCOUNT,of the balance of the MEMBER'S MEMBER ACCOUNT, PRESERVER MEMBER ACCOUNT, DEFERRED RETIREE ACCOUNT and UNCLAIMED BENEFITS ACCOUNT, as applicable, provided that:
  - on the DATE OF PAYMENT, the amount of the VESTED COMPONENT OF THE MEMBER ACCOUNT and any portion

of his NON-VESTED COMPONENT OF THE MEMBER ACCOUNT, which are not elected to be received as a lump sum payment, will be applied to purchase a pension as provided for in these MASTER RULES;

- if the MEMBER'S NON-VESTED COMPONENT OF THE MEMBER ACCOUNT at DATE OF PAYMENT does not exceed the amount prescribed by the Income Tax Act, or if the MEMBER is deceased, it may be commuted for a cash lump sum in full.

- (2) If the REVENUE AUTHORITY permits the entire pension secured as referred to in MASTER RULE 9.3(1) above be paid in cash and the MEMBER elects to receive the entire amount on retirement in cash, upon such payment to him, the MEMBER ceases to be a MEMBER and the FUND no longer has any liability to the MEMBER or any person enjoying rights in succession to such MEMBER.

#### **9.4 PURCHASE OF PENSIONS**

- (1) Any pension purchased in terms of these MASTER RULES and the ANNUITISATION POLICY STATEMENT must be purchased by the FUND from an INSURER chosen by the BENEFICIARY. The BENEFICIARY shall upon purchase of such pension have no claim of whatsoever nature for payment of the pension or any other amount arising from the pension purchased and the choice made by the BENEFICIARY, against the FUND, any of its officials (including a BOARD MEMBER), employees or service providers.
- (2) The pension so purchased constitutes a benefit payment from the FUND and must,
  - (i) be in the name of the BENEFICIARY;
  - (ii) be compulsory, non-commutable and non-assignable;
  - (iii) be payable at least for the lifetime of the MEMBER;
  - (iv) be in full and final settlement of the benefit due and payable to the BENEFICIARY in terms of the RULES.

- (3) Once the pension is purchased, the liability of the FUND in respect of the MEMBER is transferred to the INSURER from whom the pension was purchased with the result that the MEMBER thereupon ceases to be a MEMBER of the FUND and the FUND no longer has any liability to the MEMBER or to any person enjoying rights in succession to such MEMBER.
- (4) The ANNUITISATION POLICY STATEMENT shall, inter alia, set out the annuitisation strategy of the BOARD for the FUND and shall, subject to the MASTER RULES, from time to time provide for any matter the BOARD regards as appropriate in relation to the annuity options offered by the FUND.

#### **9.5 CESSATION OF RISK BENEFIT**

A MEMBER'S RISK BENEFIT will cease in terms of the RISK POLICY.

#### **9.6 VESTED COMPONENT OF THE MEMBER ACCOUNT FOR MEMBERS 55 YEARS OF AGE OR OLDER ON 1 MARCH 2021**

The VESTED COMPONENT OF THE MEMBER ACCOUNT, for a MEMBER who was 55 years of age or older on 1 March 2021, and who was a member of an APPROVED PROVIDENT FUND or an APPROVED PRESERVATION PROVIDENT FUND, (including the FUND) on that date, is calculated as follows-

- (a) any amount contributed to an APPROVED PROVIDENT FUND, (including the FUND) or transferred to an APPROVED PRESERVATION PROVIDENT FUND prior to, on and after 1 March 2021 of which that person is or was a member on 1 March 2021; plus
- (b) any other amount credited to the MEMBER'S individual account or minimum individual reserve of such APPROVED PROVIDENT FUND, (including an amount credited to the MEMBER ACCOUNT of the FUND) or APPROVED PRESERVATION PROVIDENT FUND, prior to, on and after 1 March 2021, plus
- (c) any fund return, as defined in the ACT, in relation to the contributions or transfers contemplated in sub-paragraphs (a) or (b) above of this MASTER RULE.

**9.7 VESTED COMPONENT OF THE MEMBER ACCOUNT FOR MEMBERS UNDER 55 YEARS OF AGE ON 1 MARCH 2021**

The VESTED COMPONENT OF THE MEMBER ACCOUNT, for a MEMBER who was under 55 years of age on 1 March 2021, and who was a member of an APPROVED PROVIDENT FUND or APPROVED PRESERVATION PROVIDENT FUND, (including the FUND) on that date is calculated as follows-

- (a) any amount contributed to an APPROVED PROVIDENT FUND, (including the FUND) or transferred to an APPROVED PRESERVATION PROVIDENT FUND prior to 1 March 2021, plus
- (b) any other amounts already credited to the MEMBER'S individual account or minimum individual reserve of such APPROVED PROVIDENT FUND or APPROVED PRESERVATION PROVIDENT FUND, (including an amount credited to the MEMBER ACCOUNT of the FUND) by 1 March 2021, plus
- (c) any fund return, as defined in the ACT, in relation to the contributions or transfers contemplated in sub-paragraphs (a) or (b) above of this MASTER RULE.

**9.8 IMPACT OF SECTION 37D DEDUCTIONS ON THE CALCULATION OF THE VESTED COMPONENT OF THE MEMBER ACCOUNT**

The MEMBER'S VESTED COMPONENT OF THE MEMBER ACCOUNT and NON-VESTED COMPONENT OF THE MEMBER ACCOUNT are reduced proportionately by any amount which is permitted by the ACT to be deducted from a MEMBER'S individual account or minimum individual reserve in such APPROVED PROVIDENT FUND, (including from the MEMBER ACCOUNT) or APPROVED PRESERVATION PROVIDENT FUND.

**9.9 DEFERRED RETIREE**

A MEMBER or a PRESERVER MEMBER who is entitled to receive a retirement benefit in terms of MASTER RULE 9.1(1) may elect to defer receipt of his retirement benefit and become a DEFERRED RETIREE, provided that:

- (a) the FUND is not required to make any deduction from the MEMBER'S benefit in terms of section 37D(1)(b)(ii) of the ACT, or

- (b) the MEMBER is not excluded from becoming a DEFERRED RETIREE in terms of the resolution adopted by the BOARD.

#### **9.10 DEATH OF A DEFERRED RETIREE**

- (1) If a DEFERRED RETIREE dies before electing to receive his retirement benefit in accordance with MASTER RULE 9.2, the balance in the MEMBER ACCOUNT, PRESERVER MEMBERS' ACCOUNT, DEFERRED RETIREE ACCOUNT and UNCLAIMED BENEFITS ACCOUNT, as applicable, at the DATE OF PAYMENT shall become payable and MASTER RULE 9.2 and 9.3 will be applied.
- (2) However if a DEFERRED RETIREE has elected to receive his retirement benefit and completed and submitted his EXIT NOTIFICATION and thereafter dies before the DATE OF PAYMENT, the benefit will be paid to the MEMBER'S estate in cash.

#### **9.11 TRANSFER TO AN APPROVED RETIREMENT ANNUITY FUND, AN APPROVED PRESERVATION PROVIDENT FUND OR AN APPROVED PRESERVATION PENSION FUND**

On retirement from service, in terms of MASTER RULE 9.1, a MEMBER may elect to request the FUND to transfer the benefit payable in terms of MASTER RULE 9.2 to an APPROVED RETIREMENT ANNUITY FUND, an APPROVED PRESERVATION PROVIDENT FUND or an APPROVED PRESERVATION PENSION FUND, following which the FUND will have no further liability towards the MEMBER.



## **RULE 10: WITHDRAWAL BENEFIT**

### **10.1 RIGHT TO A WITHDRAWAL BENEFIT**

- (1) In the case of a MEMBER, who is not a PRESERVER MEMBER or a DEFERRED RETIREE, such MEMBER is entitled to receive a withdrawal benefit -
  - (a) when he ceases to be an ELIGIBLE EMPLOYEE for reasons other than those referred to elsewhere in the MASTER RULES, the PARTICIPATING EMPLOYER notifies the FUND that he is no longer eligible and the FUND receives an EXIT NOTIFICATION, subject to the provisions of MASTER RULE 6.4(2); and
  - (b) when he is not eligible for any other benefit as described in the RULES.
- (2) A PRESERVER MEMBER may, at any time, be entitled to receive a withdrawal benefit provided for in this MASTER RULE, after submitting to the ADMINISTRATOR a properly completed EXIT NOTIFICATION.
- (3) A MEMBER who remains in service after NORMAL RETIREMENT DATE in terms of MASTER RULE 9.1(1)(e) and a DEFERRED RETIREE may not elect to withdraw and receive a withdrawal benefit from the FUND.

### **10.2 AMOUNT OF WITHDRAWAL BENEFIT**

The withdrawal benefit of a MEMBER is the balance in the MEMBER'S ACCOUNT, PRESERVER MEMBER ACCOUNT and UNCLAIMED BENEFITS ACCOUNT at the DATE OF PAYMENT.

### **10.3 PAYMENT OF WITHDRAWAL BENEFIT**

- (1) A MEMBER may elect to:
  - (a) remain on the FUND by becoming a PRESERVER MEMBER;  
or
  - (b) receive the entire withdrawal benefit as cash; or
  - (c) request the FUND to transfer the entire benefit to:

- (i) an APPROVED PENSION FUND, or
    - (ii) an APPROVED PROVIDENT FUND, or
    - (iii) an APPROVED RETIREMENT ANNUITY FUND, or
    - (iv) an APPROVED PRESERVATION PROVIDENT FUND; or
    - (v) an APPROVED PRESERVATION PENSION FUND.
  - (d) subject to the requirements of the REVENUE AUTHORITY, receive part of the withdrawal benefit in cash and request the FUND to transfer the balance in accordance with MASTER RULE 10.3(1)(c).
- (2) A MEMBER must submit an EXIT NOTIFICATION to the FUND in terms of MASTER RULE 10.3(1) within the period PUBLISHED on the WEBSITE to enable the benefit to be paid. Where the MEMBER fails to submit the EXIT NOTIFICATION, the MEMBER will be deemed to have elected to continue membership of the FUND and become a PRESERVER MEMBER.
- (3) The choice elected by the MEMBER in terms hereof is irrevocable. If the MEMBER has elected to receive his withdrawal benefit in terms of MASTER RULE 10.3(1)(b) and transfer his benefit in terms of MASTER RULE 10.3(1)(c) above, the MEMBER is not entitled to any other benefits in terms of the RULES. If the MEMBER has elected to become, or defaulted into being a PRESERVER MEMBER in terms of MASTER RULE 10.3(1)(a) or MASTER RULE 10.3(2) above respectively, the benefits payable in terms of the RULES will, thereafter, be those of a PRESERVER MEMBER.
- (4) The payment or transfer of the withdrawal benefit is subject to tax and any other requirements of the REVENUE AUTHORITY.
- (5) Where a MEMBER has withdrawn and dies before payment of his benefit has been made, the entire benefit will be paid to the MEMBER'S estate in cash.

#### **10.4 CESSATION OF RISK BENEFIT**

A MEMBER'S RISK BENEFIT will cease in terms of the RISK POLICY.

## **RULE 11: BENEFITS PAYABLE ON DEATH**

### **11.1 DEATH BEFORE RETIREMENT**

- (1) If a MEMBER dies before retirement, a death benefit is payable. The amount of such lump sum death benefit shall comprise of the balance in the MEMBER ACCOUNT, PRESERVER MEMBER ACCOUNT, DEFERRED RETIREE ACCOUNT and UNCLAIMED BENEFITS ACCOUNT, as applicable, at the DATE OF PAYMENT.
- (2) Upon receipt by the ADMINISTRATOR of the RISK BENEFIT and pending the payment thereof to the BENEFICIARY, the RISK BENEFIT and the benefit as described in paragraph (1) above must be invested in an investment fund which preserves capital, as determined by the BOARD.
- (3) MASTER RULES 5.14 and 11.2 will be applicable when paying the benefits.

### **11.2 NATURE OF BENEFIT**

#### **(1) Cash**

The BOARD may direct that all or part of the benefit payable on death in terms of MASTER RULE 11.1 or 11.2 be paid in cash in such manner as directed by the BOARD in accordance with the ACT.

and/or

#### **(2) Pension**

The BOARD may direct that a pension or pensions be purchased in terms of MASTER RULE 5.13. A major DEPENDANT or major nominated beneficiary must consent, in writing, to such purchase.

### **11.3 DEATH AFTER RETIREMENT**

- (1) Where a MEMBER has retired and dies before electing to receive his retirement benefit in accordance with MASTER RULE 9.2, the balance in the MEMBER ACCOUNT, PRESERVER MEMBER ACCOUNT, DEFERRED RETIREE ACCOUNT and UNCLAIMED BENEFITS ACCOUNT, as applicable, at the DATE OF PAYMENT shall become payable and MASTER RULES 9.4 and 11.2 will be applicable.

- (2) However if a MEMBER has elected to receive his retirement benefit and completed and submitted his EXIT NOTIFICATION and thereafter dies before the DATE OF PAYMENT, the benefit will be paid to the MEMBER'S estate in cash.