



# **SENTINEL RETIREMENT FUND RULES**

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## 1. INTRODUCTION

- 1.1 The FUND was established on 1 March 1946 as the Mine Officials Pension Fund. On 1 March 2001 the FUND was restructured to operate on a pure defined contribution basis and became known as the Sentinel Mining Industry Retirement Fund. With effect from 1 July 2013 the total membership and total assets and liabilities of the TRANSFERRED FUND were transferred to this FUND. The FUND will become known as the Sentinel Retirement Fund with effect from 1 July 2013.
- 1.2 The registered office of the FUND is 1 Sunnyside Drive, Sunnyside Park, Parktown, Johannesburg.
- 1.3 The object of the FUND is to provide benefits
  - (a) for retirement, disability and withdrawal; and
  - (b) for beneficiaries upon the death of MEMBERS and PENSIONERS in terms of these RULES.
- 1.4 The FUND, in its own name, shall be capable in law of suing and of being sued and of acquiring, holding and alienating movable and immovable property.
- 1.5 The provisions of the RULES apply to MEMBERS, PENSIONERS and beneficiaries of the FUND, including those who transferred from the TRANSFERRED FUND on 1 July 2013, except where they are varied as set out in Annexure 1 in respect of the FUND and Annexure 2 in respect of the TRANSFERRED FUND.
- 1.6 The contributions, benefits and special conditions applicable to the participating EMPLOYERS and the MEMBERS in their service will be determined in accordance with the stipulations of the SPECIAL RULES. In the event of a conflict between a GENERAL RULE and a SPECIAL RULE, the provisions of the GENERAL RULE will prevail.
- 1.7 These RULES incorporate all amendments made up to 30 June 2013. If the registration of these revised RULES in terms of the ACT is effected later than 1 July 2013, the RULES shall nevertheless take effect from 1 July 2013.

## 2. DEFINITIONS

In these RULES words defined in the ACT and not in the RULES shall have the meanings given to them in the ACT, subject to the Annexures. Unless inconsistent with the context, all words and expressions signifying the singular shall include the plural and vice versa and words and expressions implying the masculine gender shall include the feminine. The following words and expressions shall have the following meanings:

"**ACT**" shall mean the Pension Funds Act, 1956, as amended, and the regulations made in terms of the ACT.

"**ACTUARY**" shall mean the actuary appointed in terms of these RULES.

"**APPOINTED PERSON**" shall mean a person appointed by the TRUSTEES as an officer of the FUND to a sub-committee of the TRUSTEES for purposes of performing his/her duties as a member of the sub-committee of the TRUSTEES in terms of his/her contract.

"**APPROVED PENSION FUND**" shall mean a pension fund approved by the REVENUE AUTHORITIES and registered under the provisions of the ACT.

"**APPROVED PROVIDENT FUND**" shall mean a provident fund, approved by the REVENUE AUTHORITIES and registered under the provisions of the ACT.

"**APPROVED PENSION PRESERVATION FUND**" shall mean a pension preservation fund, approved by the REVENUE AUTHORITIES and registered under the provisions of the ACT.

"**APPROVED PROVIDENT PRESERVATION FUND**" shall mean a provident preservation fund approved by the REVENUE AUTHORITIES and registered under the provisions of the ACT.

"**APPROVED RETIREMENT ANNUITY FUND**" shall mean a retirement annuity fund approved by the REVENUE AUTHORITIES and registered under the provisions of the ACT.

"**AUDITOR**" shall mean the auditor appointed in terms of these RULES.

"**AVERAGE FUND RISK SALARY**" shall mean the annual average of the MEMBER'S FUND RISK SALARY for the twelve-month period or over the full period of a MEMBER'S membership if such period is less than twelve months preceding the MEMBER'S death or disablement. The twelve-month period will include the MEMBER'S membership immediately prior to 1 July 2013, if applicable, of the TRANSFERRED FUND.

"**CONTRIBUTORY MEMBER**" shall mean a MEMBER who is in the service of the EMPLOYER and contributing to the FUND in terms of RULE 4.1.



**"DEATH COVER"** shall mean, for each twelve-month period from 1 January to 31 December:

- (a) in the event of death before 1 July 2013 the CONTRIBUTORY MEMBER will be entitled to the death cover multiple of his/her AVERAGE FUND RISK SALARY provided for in the RULES of this FUND or the TRANSFERRED FUND, as the case may be, prevailing at the time of death; and
- (b) in the event of death on or after 1 July 2013 the CONTRIBUTORY MEMBER will be entitled to the death cover multiple of his/her AVERAGE FUND RISK SALARY as specified in the SPECIAL RULES;

Effective: 24/03/2016

but shall not include INSURED DEATH COVER.

**"DISABILITY COVER"** shall mean, for each twelve-month period from 1 January to 31 December:

- (a) in the event of disability which commenced before 1 July 2013 the CONTRIBUTORY MEMBER will be entitled to the disability cover multiple of his/her AVERAGE FUND RISK SALARY provided for in the RULES of this FUND or the TRANSFERRED FUND, as the case may be, prevailing at the time the MEMBER became disabled, subject to approval by the TRUSTEES; and
- (b) in the event of disability which commenced on or after 1 July 2013 the CONTRIBUTORY MEMBER will be entitled to the disability cover multiple of his/her AVERAGE FUND RISK SALARY as specified in the SPECIAL RULES.

**"ELIGIBLE EMPLOYEE"** shall mean an employee as specified in the SPECIAL RULES who is eligible for membership of the FUND in terms of his/her conditions of employment with the EMPLOYER.

**"EMPLOYER"** shall mean:

- (a) those companies, institutions or organisations whose participation in the FUND as set out in the SPECIAL RULES, is accepted by the FUND; and
- (b) all companies, institutions and organisations participating in the FUND and/or the TRANSFERRED FUND on 30 June 2013.
- (c) in relation to any particular employee or MEMBER, the employer as specified in the SPECIAL RULES, by whom the person is or was last employed.

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**"EMPLOYER SURPLUS ACCOUNT"** shall mean an account as per RULE 12.5.5.

**"FINANCIAL YEAR"** shall mean each twelve-month period ending on 30 June.

**"FLEXIBLE ANNUITANT"** means a MEMBER who elects to receive a FLEXIBLE ANNUITY provided that it will include the SPOUSE, where appropriate, of a deceased FLEXIBLE ANNUITANT.

Effective: 27/11/2014

**"FLEXIBLE ANNUITY"** shall mean an annuity paid from a FLEXIBLE ANNUITY CAPITAL ACCOUNT in terms of these RULES.

**"FLEXIBLE ANNUITY CAPITAL ACCOUNT"** shall mean a retirement income draw down account and shall at any particular date for each FLEXIBLE ANNUITANT be the portion of the FUND CREDIT at retirement or the balance at any later date, which is utilised to provide for a FLEXIBLE ANNUITY to the FLEXIBLE ANNUITANT:

- (a) together with RETURNS on the balance of this amount as invested in the different investment portfolios, as applicable;
- (b) less such expenses in terms of the RULES as the TRUSTEES may determine from time to time;
- (c) less FLEXIBLE ANNUITY payments made.

**"FUND"** shall mean the Sentinel Retirement Fund.

**"FUND CREDIT"** shall mean for each MEMBER at any particular date the sum of:

- (a) the MEMBER contributions in terms of RULE 4.1.1 and the EMPLOYER contributions that are allocated towards retirement funding in terms of RULE 4.1.2;
- Effective: 27/11/2014
- (b) any amounts transferred to the FUND in terms of RULE 9.1;
  - (c) the MEMBER'S FUND CREDIT in respect of the TRANSFERRED FUND as at 30 June 2013 (if any);
  - (d) any additional contributions paid to the FUND in terms of these RULES 4.3;
  - (e) any RETURNS on the amounts in (a), (b), (c) and (d) as invested in the different investment portfolios from date processed by the FUND and allocated to the MEMBER'S FUND CREDIT;
  - (f) less such expenses deducted in terms of these RULES as determined by the TRUSTEES from time to time;
  - (g) less any amount deducted in terms of RULES 12.2 and 12.6;
  - (h) plus, in the case of a CONTRIBUTORY MEMBER or INTERIM MEMBER who is found to be disabled whilst in SERVICE and retires accordingly, his/her DISABILITY COVER (if any) payable in terms of these RULES.

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**"FUND RISK SALARY"** shall mean that portion of a MEMBER'S total remuneration, as agreed from time to time between a MEMBER and EMPLOYER as specified by the SPECIAL RULES, on which his/her contributions toward DEATH COVER or INSURED DEATH COVER and/or DISABILITY COVER (if any) shall be based.

Effective: 24/03/2016

**“FUND SALARY”** shall mean that portion of a MEMBER’S total remuneration, as agreed from time to time between a MEMBER and EMPLOYER as specified in the SPECIAL RULES.

**“GENERAL RULES”** shall mean the registered rules of the FUND, as well as the annexures as amended from time to time, but shall exclude the SPECIAL RULES.

**“INSURED DEATH COVER”** shall mean any policy proceeds payable as a result of the death of a CONTRIBUTORY MEMBER under a policy of insurance issued by a REGISTERED INSURER and sponsored by an EMPLOYER for all or groups of EMPLOYEES who are CONTRIBUTORY MEMBERS of the FUND, provided that the policy has been approved by the TRUSTEES and is held in the name of the FUND;

**“INTERIM MEMBER”** shall mean a person, including an interim member of the TRANSFERRED FUND, who has ceased to be a CONTRIBUTORY MEMBER but who has not yet made an election to become a NON-CONTRIBUTORY MEMBER or cease to be a MEMBER of the FUND.

**“MEMBER”** shall mean a person who, has been admitted to the FUND and has not ceased to be a CONTRIBUTORY MEMBER, an INTERIM MEMBER or a NON-CONTRIBUTORY MEMBER in terms of these RULES.

**“MANAGEMENT COMMITTEE”** shall, if so elected by the EMPLOYER as set out in the SPECIAL RULES, mean the committee members or their alternates appointed or elected in respect of each participating EMPLOYER in terms of these RULES.

**“MISMATCH RESERVE ACCOUNT”** shall mean the SPECIAL ACCOUNT as per RULE 12.5.3.

**“NON-CONTRIBUTORY MEMBER”** shall mean a MEMBER:

- (a) who, in terms of the RULES in force prior to 1 March 2001, excluding members of the TRANSFERRED FUND, ceased to be a contributing member of the FUND before 1 November 2000 and who became a non-contributing member through non-termination of his/her membership; or
- (b) who ceased to be a CONTRIBUTORY MEMBER, excluding members of the TRANSFERRED FUND, from 28 August 2002 until 30 June 2004 and did not terminate his/her membership of the FUND; or
- (bA) who, in terms of the rules of the TRANSFERRED FUND in force prior to 1 March 2003, ceased to be a contributing member of that fund before 1 March 2003 and who became a non-contributing member of that fund through non-termination of his/her membership; or
- (c) who left SERVICE on or after 1 July 2004 and elected to become a NON-CONTRIBUTORY MEMBER as envisaged in RULE 3.5.2; or
- (d) who was a non-contributory member of the TRANSFERRED FUND on 30 June 2013 in terms of the rules of that fund.

**"NORMAL RETIREMENT AGE"** shall mean the normal retirement age of the MEMBER as specified in the SPECIAL RULES or in the case of a NON-CONTRIBUTORY or INTERIM MEMBER, including such members from the TRANSFERRED FUND, his/her normal retirement age as was notified by his/her last EMPLOYER.

Effective: 27/11/2014

**"NORMAL RETIREMENT DATE"** shall mean the last day of the calendar month in which the MEMBER attains NORMAL RETIREMENT AGE.

**"PAY MONTH"** shall mean, for the payment of monthly PENSIONS, a period starting on the 16<sup>th</sup> of one month and ending on the 15<sup>th</sup> of the following month.

**"PARTICIPATION DATE"** shall mean the date on which an EMPLOYER commences participation in the FUND as specified in the SPECIAL RULES. In respect of an EMPLOYER which participated in the FUND or the TRANSFERRED FUND on 30 June 2013, the PARTICIPATION DATE shall be deemed to be 1 July 2013; provided that this shall not in any way affect the SERVICE of a MEMBER with any EMPLOYER prior to that date, or any rights or benefits in respect thereof.

Effective: 1/07/2013

**"PENSION"** shall mean a pension paid from the PENSIONS ACCOUNT and increased from time to time by such amount as the TRUSTEES, in consultation with the ACTUARY, shall determine, subject to the minimum pension increase provisions in terms of the ACT, provided that this shall not include a FLEXIBLE ANNUITY paid to a FLEXIBLE ANNUITANT.

**"PENSIONER"** shall mean a person in receipt of a PENSION from the FUND.

**"PENSIONS ACCOUNT"** shall mean the SPECIAL ACCOUNT as per RULE 12.5.2.

**"PRINCIPAL OFFICER"** shall mean the person appointed as such in terms of these RULES.

**"REGISTERED INSURER"** shall mean an insurer registered in terms of the Long Term Insurance Act, as amended.

**"REGISTRAR"** shall mean the Registrar of Pension Funds referred to in the ACT.

**"RETURNS"** shall mean any income (received or accrued) and capital gains and losses (realised and unrealised) of the FUND, net of expenses and tax charges, associated with the acquisition, holding or disposal of the asset of the FUND as may be determined by the TRUSTEES but excluding any late payment penalty interest (received or accrued) in terms of RULE 4.4.1, provided that:

Effective: 27/11/2014

(a) the RETURNS shall be allocated on such equitable basis as decided by the TRUSTEES;

Effective: 27/11/2014

(b) the calculation of RETURNS shall take into account the investment performance of the particular portfolio in which it is invested;

(c) such investment RETURNS may be positive or negative and shall be calculated from the date on which all or part of the MEMBER'S FUND CREDIT, SPECIAL ACCOUNTS, UNCLAIMED BENEFIT ACCOUNT or FLEXIBLE ANNUITY CAPITAL ACCOUNT is invested in that portfolio up to the date of disinvestment.

Effective: 27/11/2014

**"REVENUE AUTHORITIES"** shall mean the South African Revenue Service and any other statutory revenue authority whose approval of the FUND has been obtained.

**"RISK RESERVE ACCOUNT"** shall mean the account as per RULE 12.5.1.

**"RULES"** shall mean the GENERAL RULES and SPECIAL RULES.

**"SERVICE"** shall mean employment with the EMPLOYER and shall include any period during which the MEMBER is deemed to remain in SERVICE in terms of these RULES.

**"SPECIAL ACCOUNTS"** shall mean the special accounts established in terms of RULE 12.5.

**"SPECIAL RULES"** shall mean the rules which are applicable to each individual participating EMPLOYER and its ELIGIBLE EMPLOYEES and registered as such with the REGISTRAR.

**"SPOUSE"** shall mean at the date of the death of the MEMBER, PENSIONER or FLEXIBLE ANNUITANT the person who was his/her:

(a) legal spouse; or

(b) partner of a union according to customary law; or

(c) partner of a union recognised as a marriage under any religion; or

- (d) life partner in a relationship which the TRUSTEES regard as having been permanent, provided that in making such determination the TRUSTEES must have regard to whether or not there was, at the relevant date or dates, cohabitation as well as other factors which they, in their sole discretion, regard as being relevant;

at the time that the PENSIONER retired or at the date that the MEMBER or FLEXIBLE ANNUITANT died, provided that:

- (i) the SPOUSE of a PENSIONER shall be the SPOUSE as notified by him/her to the FUND at the date of his/her retirement;

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- (ii) the MEMBER or FLEXIBLE ANNUITANT notified the FUND of the existence of a SPOUSE prior to his/her death; unless the TRUSTEES, in their sole discretion, decide that such notification was not necessary in the particular circumstances;

- (iii) the SPOUSE of a FLEXIBLE ANNUITANT shall be the SPOUSE at the date of his/her death unless notified differently by him to the FUND;

- (iv) there may be more than one (1) person qualifying as SPOUSE.

**"TRANSFERRED FUND"** shall mean the Mine Employees Pension Fund with registration number 12/8/1216 which transferred all its members, pensioners, assets and liabilities to this FUND with effect from 1 July 2013.

**"TRUSTEES"** shall mean the board of trustees appointed in terms of these RULES.

**"UNCLAIMED BENEFITS ACCOUNT"** shall mean the account as per RULE 12.5.4.

### 3. MEMBERSHIP

- 3.1 Any EMPLOYER may participate in the FUND by applying in writing to the TRUSTEES and subject to the approval of the TRUSTEES.
- 3.2 (a) Each person who was a MEMBER of this FUND on 30 June 2013 shall remain a MEMBER.
- (b) Each person who was a member of the TRANSFERRED FUND on 30 June 2013 shall become a MEMBER of this FUND.
- 3.3 Each ELIGIBLE EMPLOYEE who enters the SERVICE of an EMPLOYER subject to the SPECIAL RULES, on or after the PARTICIPATION DATE shall become a MEMBER of this FUND.
- 3.4 A CONTRIBUTORY MEMBER shall not be permitted to withdraw from membership while he/she remains in SERVICE of his/her EMPLOYER unless his/her conditions of employment change and he/she becomes eligible for membership of another APPROVED PENSION FUND or APPROVED PROVIDENT FUND to which his/her EMPLOYER contributes and he/she elects to transfer his/her FUND CREDIT as determined by RULE 9.2 to such APPROVED PENSION FUND or APPROVED PROVIDENT FUND or to an APPROVED RETIREMENT ANNUITY FUND. In the event the MEMBER does not elect to transfer his/her FUND CREDIT, he/she may remain a NON-CONTRIBUTORY MEMBER of the FUND, provided he/she notifies the FUND in terms of RULE 3.5.2.
- 3.5 The following provisions will apply to a CONTRIBUTORY MEMBER who ceases to be a CONTRIBUTORY MEMBER for reasons other than retirement or death:
- 3.5.1 Such person will become an INTERIM MEMBER with the option to make an election as envisaged in RULE 3.5.2.
- 3.5.2 Such person must notify the FUND in writing within twenty four (24) months of ceasing to be a CONTRIBUTORY MEMBER of his/her election to either become a NON-CONTRIBUTORY MEMBER or to claim a benefit for which he/she is eligible in terms of the GENERAL RULES. A person, who was an interim member in terms of the rules of the TRANSFERRED FUND on 30 June 2013, must make an election within twenty four (24) months of ceasing to be a CONTRIBUTORY MEMBER.
- 3.5.3 Should an INTERIM MEMBER fail to notify the FUND of his/her election as envisaged in RULE 3.5.2 within twenty four (24) months of leaving the SERVICE of his/her last EMPLOYER such benefits shall be credited to the UNCLAIMED BENEFITS ACCOUNT.

3.5.4 An INTERIM MEMBER will become a NON-CONTRIBUTORY MEMBER with effect from the date on which the FUND receives his/her election to become a NON-CONTRIBUTORY MEMBER, provided his/her election is received by the FUND before the expiry of the period referred to in RULE 3.5.2.

3.5.5 The INTERIM MEMBER'S election to become a NON-CONTRIBUTORY MEMBER is irrevocable.

3.5.6 A NON-CONTRIBUTORY MEMBER will only be entitled to a benefit in terms of RULES 5 and 6. This shall not apply to a person described in paragraph (a), (b) and (bA) of the definition of NON-CONTRIBUTORY MEMBERS.

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3.5.7 A NON-CONTRIBUTORY MEMBER and an INTERIM MEMBER shall not be eligible for DEATH COVER or DISABILITY COVER.

3.6 Notwithstanding any provisions to the contrary in these RULES, in the event that an EMPLOYER concludes an agreement with another entity in terms of Section 197 of the Labour Relations Act, as amended, the options available to such CONTRIBUTORY MEMBER in the SERVICE of that EMPLOYER shall be subject to the provisions of that agreement and RULE 9.2.3.

3.7 A MEMBER shall, subject to the provisions of the GENERAL RULES, cease to be a CONTRIBUTORY MEMBER of this FUND on the last effective date for which contributions are payable in respect of the MEMBER.

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3.8 If a MEMBER transfers to another APPROVED PROVIDENT FUND, APPROVED PENSION FUND, APPROVED RETIREMENT ANNUITY FUND or APPROVED PENSION PRESERVATION FUND and such transfer is subject to the provisions of Section 14 of the ACT, then with effect from the date on which he/she becomes a member of such fund, contributions in terms of RULE 4 shall cease and in the event of his/her death or disability, prior to transfer of his/her benefit in terms of these RULES from the FUND to such other fund, that part of the death or disability benefit in terms of RULE 6 shall not be payable.



3.9 Transfers between EMPLOYERS.

- (a) An INTERIM MEMBER who returns to SERVICE of his/her last participating EMPLOYER or another participating EMPLOYER will have his/her FUND CREDIT in terms of his/her previous membership merged with his/her current membership unless he/she qualified and elected to claim a benefit before he/she returned to SERVICE, in terms of these RULES; provided that where the FUND has awarded a benefit in respect of such previous period to the MEMBER, after his/her return to such SERVICE, the FUND will have no further liability toward the MEMBER or his/her beneficiaries in respect of such previous period.
  
- (b) A NON-CONTRIBUTORY MEMBER who returns to SERVICE as a CONTRIBUTORY MEMBER will cease to be a NON-CONTRIBUTORY MEMBER. His/her FUND CREDIT when he/she ceased to be a NON-CONTRIBUTORY MEMBER will be incorporated into his/her new CONTRIBUTORY MEMBER FUND CREDIT and will thus be subject to the terms and conditions set out in these RULES applicable to a CONTRIBUTORY MEMBER.
  
- (c) In the event that a MEMBER referred to in RULE 3.5.3 returns to SERVICE as a CONTRIBUTORY MEMBER, his/her FUND CREDIT in the UNCLAIMED BENEFIT ACCOUNT will be incorporated into his/her CONTRIBUTORY MEMBER FUND CREDIT and will thus be subject to the terms and conditions set out in these RULES applicable to a CONTRIBUTORY MEMBER.

## 4. CONTRIBUTIONS

### 4.1 Contributions by MEMBERS and EMPLOYERS

- 4.1.1 Each CONTRIBUTORY MEMBER shall contribute monthly to the FUND throughout his/her SERVICE, subject to RULE 10.1, at a rate set out in the SPECIAL RULES and applied to his/her FUND SALARY, subject to the minimum rate per RULE 4.1.3.
- 4.1.2 The EMPLOYER shall make a monthly contribution in respect of each CONTRIBUTORY MEMBER in its SERVICE, subject to RULE 10.1, at a rate set out in the SPECIAL RULES and applied to his/her FUND SALARY plus the applicable percentage of the FUND RISK SALARY to provide for the DEATH COVER and/or DISABILITY COVER (if applicable) as per the SPECIAL RULES, subject to the minimum rate per RULE 4.1.3.
- 4.1.3 A MEMBER'S and/or EMPLOYER'S contribution rate may be amended as set out in the SPECIAL RULES, provided that the combined contribution excluding the contribution towards DEATH COVER and/or DISABILITY COVER shall not be less than seventeen per cent (17%) of the FUND SALARY of that MEMBER in respect of an EMPLOYER who participated in the FUND on 1 July 2013, except for:

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- (a) an employee of an EMPLOYER that participated in the FUND on 1 July 2013, and who became a CONTRIBUTORY MEMBER after 31 December 2015; or
- (b) an employee of an EMPLOYER that participated in the FUND on 1 July 2013, who prior to becoming a CONTRIBUTORY MEMBER, was a member of another retirement fund in which his/her EMPLOYER participated.

Effective: 26/11/2015

- 4.1.4 The SPECIAL RULES shall specify the risk benefit options as per Annexure 3 to provide for DEATH COVER and/or DISABILITY COVER, if any. Where provision is made for INSURED DEATH COVER, this shall also be specified in the SPECIAL RULES.

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## 4.2 Allocation of Contributions

- (a) The total amount paid in terms of RULE 4.1 by a CONTRIBUTORY MEMBER shall be allocated to his/her FUND CREDIT and the EMPLOYER'S contribution shall be allocated to the MEMBER'S FUND CREDIT after allocation of the contribution in terms of Annexure 3 for DEATH COVER and/or DISABILITY COVER, if applicable, to the RISK RESERVE ACCOUNT as per RULE 12.5.1.2 as selected and specified in the SPECIAL RULES, or for INSURED DEATH COVER, if applicable, to the REGISTERED INSURER as specified in the policy and the SPECIAL RULES of the particular employer.

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- (b) A MEMBER who has reached his/her NORMAL RETIREMENT AGE and does not retire will have the full EMPLOYER contribution under RULE 4.1 allocated to his/her FUND CREDIT, in which event the DEATH and DISABILITY COVER in terms of RULES 6.1 and 7.1 shall no longer apply.

## 4.3 Additional Contributions by MEMBERS and EMPLOYERS

A MEMBER and/or EMPLOYER may make additional contributions to the FUND, in accordance with such conditions and procedures as the TRUSTEES may prescribe from time to time. Such additional contributions shall be allocated to the MEMBER'S FUND CREDIT. Acceptance of such contributions will be subject to the provisions of the Financial Intelligence Centre Act, as amended.

## 4.4 Payment of Contributions

- 4.4.1 Contributions in terms of RULE 4.1 shall be paid to the FUND in terms of RULE 4.2, and be deducted by the EMPLOYER from the MEMBER'S remuneration and paid to the FUND in terms of RULE 4.1, within seven (7) days after the end of the month to which they relate.

Effective: 27/11/2014

- 4.4.2 The FUND shall not accept any contribution adjustments whether positive or negative, in respect of a MEMBER to whom a benefit has been paid out in full prior to the FUND receiving notification of such adjustments.

Effective: 27/11/2014

- 4.4.3. If contributions have been outstanding in full or partially for three (3) consecutive months since receipt of the last contributions, the TRUSTEES shall have the discretion to terminate the EMPLOYER'S participation in the FUND upon giving thirty (30) days written notice to the EMPLOYER, the MEMBER representative union, the MANAGEMENT COMMITTEE (if applicable) and the liquidator (if applicable).
- 4.4.4. An EMPLOYER whose participation in the FUND has been terminated in terms of RULE 4.4.3 may, at the discretion of the TRUSTEES, be re-instated if:
- (a) all arrear contributions and interest in terms Section 13A of the ACT are paid in full; or
  - (b) a written agreement is in place whereby the arrear contributions and interest in terms of Section 13A of the ACT will be repaid within a reasonable period as agreed to by the TRUSTEES; and
  - (c) subsequent contributions are paid in terms of RULES 4.1 and 4.4.1.
- 4.4.5. The following persons shall be personally liable for compliance with Section 13A of the ACT and for the payment of contributions as prescribed by the ACT:
- (a) if the EMPLOYER is a company, every director who is regularly involved in the management of the company's overall financial affairs;
  - (b) if the EMPLOYER is a close corporation, registered under the Close Corporations Act, 1984 (Act 69 of 1984), every member who controls or is regularly involved in the management of the close corporation's overall financial affairs; or
  - (c) in respect of any other EMPLOYER of any legal status or description that has not already been referred to in paragraphs (a) and (b), every person in accordance with whose directions or instructions the governing body or structure of the EMPLOYER acts or who controls or who is regularly involved in the management of the EMPLOYER'S overall financial affairs.

4.4.6

- (a) The FUND shall request the EMPLOYER in writing to notify it of the identity of any such person so personally liable in terms of RULE 4,4,5.
- (b) In the event that EMPLOYER fails to comply with the requirements of RULE 4.4.6 (a), all the directors (in respect of a company, all the members regularly involved in the management of the closed corporation (in respect of a closed corporation), or all the persons comprising the governing body of the EMPLOYER, as the case may be, shall be personally liable in terms of RULE 4.4.5.

Rule 4.4.6 - Effective: 27/11/2014

4.4.7

The TRUSTEES shall report any non-compliance with RULE 4.4, in accordance with such conditions and in the format as may be prescribed.

## **5. RETIREMENT BENEFITS**

### **5.1 Qualification Criteria**

#### **5.1.1 Early Retirement**

A MEMBER may retire early if he/she is within ten (10) years of his/her NORMAL RETIREMENT DATE and has reached the age of 50 years, in which event he/she shall receive the benefits referred to in Rule 5.2, read with Rule 5.3.

#### **5.1.2 Normal Retirement**

A MEMBER who reaches his/her NORMAL RETIREMENT DATE and is no longer in the SERVICE of his/her EMPLOYER, shall receive the benefit referred to in RULE 5.2, read with RULE 5.3. As of 1 March 2015 a MEMBER may take such benefit after his/her NORMAL RETIREMENT AGE, subject to a maximum retirement age set by the REVENUE AUTHORITIES from time to time.

Effective: 01/03/2015

#### **5.1.3 Late Retirement**

A MEMBER may retire later than his/her NORMAL RETIREMENT DATE if this is permitted by his/her EMPLOYER.

#### **5.1.4 Disability Early Retirement**

- (a) A CONTRIBUTORY MEMBER or INTERIM MEMBER who submits an application to be found disabled whilst in the SERVICE of an EMPLOYER must do so within six (6) months of leaving such SERVICE, or as otherwise decided by the TRUSTEES where appropriate.
- (b) Subject to the provisions of RULE 7, a MEMBER who is found disabled in terms of these RULES will be eligible for the benefit provided for in RULE 7.1; provided that:
  - (i) in the case of a CONTRIBUTORY MEMBER or INTERIM MEMBER who is found to have been disabled whilst in the SERVICE of an EMPLOYER, FUND CREDIT will include his/her DISABILITY COVER (if any);
  - (ii) FUND CREDIT will not include DISABILITY COVER in the case of: a MEMBER referred to in sub-paragraph (i) who, in terms of the applicable SPECIAL RULES, did not contribute towards the DEATH COVER and DISABILITY COVER at the time; or A NON-CONTRIBUTORY MEMBER or an INTERIM MEMBER who is found to have become disabled after leaving SERVICE.

- (iii) the benefit in terms of RULE 5.1.2 shall be payable in the case of: a MEMBER referred to in sub-paragraph (i) who has passed his/her NORMAL RETIREMENT AGE; or a NON-CONTRIBUTORY MEMBER or an INTERIM MEMBER who has reached his/her NORMAL RETIREMENT AGE.
- (c) Subject to the provisions of RULE 7, a MEMBER will be found disabled for purposes of these RULES if the TRUSTEES determine that he/she is totally and permanently disabled to perform his/her own and any similar occupation in a specific environment. The burden of proof shall rest with the MEMBER.

Effective: 241/03/2016

## **5.2 Retirement Benefit Options**

### **5.2.1 Lump sum benefits**

Prior to the commencement date of his/her PENSION and his/her FLEXIBLE ANNUITY (if applicable), a MEMBER may elect to commute a lump sum as allowed by the REVENUE AUTHORITIES from time to time.

If the total FUND CREDIT does not exceed the limit set by the REVENUE AUTHORITIES from time to time, the whole of the FUND CREDIT may be taken as a lump sum.

The options set out in RULES 5.2.2 to 5.2.4 apply to a MEMBER'S FUND CREDIT after payment of any lump sum.

### **5.2.2 First Tier Options**

5.2.2.1 At retirement the MEMBER will become entitled to a PENSION and must make the elections set out below:

- (a) Term certain guarantee:  
The PENSION amount will continue to be paid for a minimum period of five (5) years after retirement, irrespective of whether the PENSIONER is alive or not. A MEMBER may elect at retirement to increase this guarantee period in increments of five (5) years to a maximum period of twenty five (25) years.
- (b) A MEMBER who has a SPOUSE at retirement is compelled to provide for a SPOUSE PENSION that follows on the expiry of the term certain guarantee period, at a level of 75% of his/her PENSION at his/her date of death or he/she may, at retirement, elect to increase this provision to a level of 100%.

- (i) Where there is more than one (1) person qualifying as a SPOUSE, provision shall be made for each SPOUSE, at the sole discretion of the TRUSTEES, and the total provision made for such SPOUSES shall be equal to the benefit which would have been provided for one (1) SPOUSE. In the event of the death of one (1) of the SPOUSES the benefit payable to such SPOUSE shall cease to be payable and the benefit payable to the remaining SPOUSES shall not be re-calculated.
- (ii) In the event that a MEMBER is estranged from his/her SPOUSE at retirement, he/she may provide the FUND in writing with such evidence as it may deem acceptable, in which case the TRUSTEES may deem that the MEMBER does not have a SPOUSE for purposes of RULE 5.2.2.1(b).
- (iii) If it subsequently transpires that the MEMBER failed to disclose that he/she had a SPOUSE at retirement or fraudulently informed the FUND that he/she was estranged from such SPOUSE, the FUND shall not be liable to such SPOUSE for a SPOUSE'S PENSION or for any loss incurred by such SPOUSE.

5.2.2.2 The sum of any SPOUSE'S PENSION provision and any child's pension in payment shall not exceed the PENSIONER'S PENSION.

5.2.2.3 The PENSION shall be calculated using factors supplied by the ACTUARY after taking into account the exercise of any option in terms of this RULE.

### **5.2.3 Second Tier Options**

5.2.3.1 A MEMBER who qualifies to retire in terms of RULE 5.1 and whose FUND CREDIT or balance of FUND CREDIT, after payment of a lump sum in terms of RULE 5.2.1 and the purchase of a PENSION in terms of RULE 5.2.2, is greater than a minimum level set by the REVENUE AUTHORITIES from time to time may, in respect of the whole or part of the balance of the FUND CREDIT, after payment of a lump sum in terms of RULE 5.2.1 and less that part of the FUND CREDIT used to purchase a PENSION up to the aforementioned minimum level, elect the following additional options; provided that all PENSIONS elected will become payable simultaneously:

- (a) An additional PENSION with a term certain guarantee which may but need not be different to the term certain guarantee elected in terms of RULE 5.2.2.1(a), provided that such term certain guarantee will be subject to the restrictions set out in RULE 5.2.2.1(a), and



- (b) A MEMBER who has a SPOUSE at retirement shall have the option to either not provide for a SPOUSE PENSION, or to provide for a SPOUSE PENSION, that follows on the expiry of the term certain guarantee period, at a level of 25%, 50%, 75% or 100% of his/her PENSION at his/her date of death.

5.2.3.2 The PENSION elected in terms of this RULE shall be calculated using factors approved by the ACTUARY after taking into account the exercise of any option in terms of this RULE.

#### **5.2.4 Third Tier Option**

5.2.4.1 A MEMBER who qualifies to retire in terms of RULE 5.1 and whose FUND CREDIT or balance of FUND CREDIT after payment of a lump sum in terms of RULE 5.2.1 would purchase a PENSION in terms of RULE 5.2.2 and RULE 5.2.3 greater than the minimum level set by the REVENUE AUTHORITIES may elect a FLEXIBLE ANNUITY, provided that he/she complies with the eligibility requirements set by the TRUSTEES from time to time and provided further that all PENSIONS and FLEXIBLE ANNUITIES elected will become payable simultaneously.

5.2.4.2 The value of the annual FLEXIBLE ANNUITY will be based on the balance of the available FLEXIBLE ANNUITY CAPITAL ACCOUNT and must be within the limits set by the REVENUE AUTHORITIES from time to time.

5.2.4.3 A FLEXIBLE ANNUITANT, on his/her anniversary date, or the SPOUSE as elected in terms of paragraph (d)(iii) of the definition of SPOUSE, may elect to convert the balance of his/her FLEXIBLE ANNUITY CAPITAL ACCOUNT to a PENSION in terms of RULE 5.2.3. The PENSION elected shall be calculated using factors approved by the ACTUARY. The balance of his/her FLEXIBLE ANNUITY CAPITAL ACCOUNT will then be transferred to the PENSIONS ACCOUNT.

### 5.3 Payment of PENSION and FLEXIBLE ANNUITY

- 5.3.1 Notwithstanding the provisions of these RULES, PENSIONS already in payment to PENSIONERS on 30 June 2013 shall continue to be paid from the FUND including those PENSIONS awarded in accordance with the provisions of the rules of the TRANSFERRED FUND on 30 June 2013.
- 5.3.2 Subject to the provisions of RULE 13.10, the balance of the FUND CREDIT of a MEMBER who retires, after paying any amount which is taken as a lump sum, shall be transferred to the PENSIONS ACCOUNT, provided that in the case of a MEMBER electing a FLEXIBLE ANNUITY in terms of RULE 5.2.4, that portion of his/her FUND CREDIT at the time of retirement used to purchase a FLEXIBLE ANNUITY will form the opening balance of his/her FLEXIBLE ANNUITY CAPITAL ACCOUNT and will not be transferred to the PENSIONS ACCOUNT.
- 5.3.3 On the anniversary date, the FLEXIBLE ANNUITY payable for the year in advance to a FLEXIBLE ANNUITANT who retires in terms of these RULES will be transferred from his/her FLEXIBLE ANNUITY CAPITAL ACCOUNT, to an account held in the FLEXIBLE ANNUITANT'S name and invested in the money market portfolio, from which amounts will be transferred to the PENSIONS ACCOUNT on a monthly basis to facilitate payment to the FLEXIBLE ANNUITANT.
- Effective: 27/11/2014
- 5.3.4 Each PENSION and FLEXIBLE ANNUITY shall be payable for each PAY MONTH, unless otherwise agreed to by the TRUSTEES from time to time.
- 5.3.5 The first monthly instalment of a PENSION payable to a PENSIONER or a FLEXIBLE ANNUITY shall be payable for the PAY MONTH following the award of his/her PENSION or FLEXIBLE ANNUITY, and such PENSION or FLEXIBLE ANNUITY shall be payable to the PENSIONER or FLEXIBLE ANNUITANT for the PAY MONTH in which the PENSIONER or FLEXIBLE ANNUITANT dies.
- 5.3.6 If, within the term certain guarantee period provided in terms of RULES 5.2.2.1(a) and 5.2.3.1(a), a PENSIONER dies, leaving a SPOUSE, his/her PENSION shall continue to be paid to his/her SPOUSE for the remainder of the term certain guarantee period and thereafter the SPOUSE'S PENSION provided for in terms of RULES 5.2.2.1 and 5.2.3.1 shall become payable, subject to eligibility as set out in the definition of SPOUSE. If there is no SPOUSE, the PENSION that would have been paid for the remainder of the term certain guarantee period shall be capitalised and distributed in terms of Section 37C of the ACT.

Effective: 27/11/2014

5.3.7 A PENSION provided for in terms of RULES 5.2.2.1(b) and 5.2.3.1(b) read with RULE 6.2 shall cease on the death of the SPOUSE, provided that if the death of the SPOUSE occurs within the term certain guarantee period elected in terms of RULES 5.2.2.1(a) and 5.2.3.1(a), the balance of the capitalised PENSION shall be paid to the SPOUSE'S estate.

Effective: 27/11/2014

5.3.8 Each PENSIONER or FLEXIBLE ANNUITANT shall provide such evidence of his/her survival or continued eligibility for a PENSION or FLEXIBLE ANNUITY as the TRUSTEES may require. If such evidence is not produced, the TRUSTEES may direct that payment of the PENSION or FLEXIBLE ANNUITY be suspended until such evidence is produced.

5.3.9 The payment of a FLEXIBLE ANNUITY elected in terms of RULE 5.2.4 will be subject to the following conditions:

- (a) if the FLEXIBLE ANNUITANT changes his/her initial election, within the limits contemplated in RULE 5.2.4.2, the election must be in writing on each anniversary date;
- (b) if the FLEXIBLE ANNUITANT does not exercise his/her annuity option within the period as determined by the TRUSTEES, his/her FLEXIBLE ANNUITY may be adjusted to an amount as determined by TRUSTEES in consultation with the ACTUARY and advised in writing to the FLEXIBLE ANNUITANT;
- (c) the FLEXIBLE ANNUITY payable shall be paid exclusively out of the balance of the FLEXIBLE ANNUITY CAPITAL ACCOUNT;
- (d) subject to RULE 5.3.9(f) below, if a FLEXIBLE ANNUITANT dies, leaving a SPOUSE, the balance of the FLEXIBLE ANNUITY CAPITAL ACCOUNT will be used to provide for one of the following as elected by the SPOUSE in writing within six (6) months from the date of the death of the FLEXIBLE ANNUITANT:
  - (i) a FLEXIBLE ANNUITY for the SPOUSE in which case the SPOUSE will be regarded as a FLEXIBLE ANNUITANT and the provisions of this RULE will apply mutatis mutandis to the SPOUSE'S FLEXIBLE ANNUITY; or
  - (ii) a PENSION that is selected in terms of RULE 5.2.4.3; or
  - (iii) a lump sum subject to the relevant legislation; or
  - (i) a combination of (ii) and (iii) above;

- (e) subject to RULE 5.3.9(f), if a FLEXIBLE ANNUITANT dies without leaving a SPOUSE, the remaining balance of the deceased's FLEXIBLE ANNUITY CAPITAL ACCOUNT will be paid in terms of Section 37C of the ACT;
- (f) if a FLEXIBLE ANNUITANT who was a SPOUSE prior to becoming a FLEXIBLE ANNUITANT dies, the balance of the deceased's FLEXIBLE ANNUITY CAPITAL ACCOUNT will be paid to such FLEXIBLE ANNUITANT'S estate.

#### **5.3.10 Interest Payable on Lump Sum**

- (a) Interest shall be payable on any lump sum benefit due on retirement.
- (b) Interest shall be payable from the day after submission to the REVENUE AUTHORITY for a tax directive to the date of payment of the benefit.
- (c) The rate of interest shall be equal to the rate earned on the FUND'S money market portfolio.

**5.3.11** A benefit payable to a MEMBER who retired will accrue from the later of the day following his/her last day of SERVICE or the day following the date on which he/she exercises his/her option to elect a benefit in terms of RULE 5; provided that in the case of retirement in terms of RULE 5.1.4, the accrued date will be the date as decided by the TRUSTEES in terms of RULE 7.2.2.

## 6. DEATH BENEFITS

### 6.1 Death of a MEMBER

#### 6.1.1 Benefit Amount

6.1.1.1 If a CONTRIBUTORY MEMBER dies while in SERVICE an amount equal to the sum of the following shall be payable in accordance with RULE 6.1.3:

- (a) his/her FUND CREDIT; and
- (b) subject to the provisions of RULES 6.1.2, 10, 14.1 and 14.2 his/her DEATH COVER in terms of the SPECIAL RULES (if any), or his/her INSURED DEATH COVER (if any) as referred to in the SPECIAL RULES.

Effective: 24/03/2016

6.1.1.2 If a NON-CONTRIBUTORY MEMBER or an INTERIM MEMBER dies, an amount equal to his/her FUND CREDIT shall be payable in accordance with RULE 6.1.3.

6.1.1.3 A MEMBER will cease to be entitled to the DEATH COVER in terms of RULE 6.1.1.1(b) after his/her NORMAL RETIREMENTAGE.

#### 6.1.2 Terms and Conditions

6.1.2.1 The DEATH COVER options available for inclusion in the SPECIAL RULES shall be determined annually by the TRUSTEES in consultation with the ACTUARY and shall be notified in writing to the EMPLOYER or MANAGEMENT COMMITTEE (if applicable) and the MEMBERS annually in advance.

6.1.2.2 The TRUSTEES may, in their sole discretion, insure all or part of the DEATH COVER with a REGISTERED INSURER.

6.1.2.3 Subject to the SPECIAL RULES applicable to a particular EMPLOYER, the TRUSTEES may approve INSURED DEATH COVER in respect of all or groups of CONTRIBUTORY MEMBERS in the SERVICE of that particular EMPLOYER.

Effective: 24/03/2016

### **6.1.3 Payment of Death Benefit and Commutation**

6.1.3.1 On the death of a MEMBER who is survived by a SPOUSE or SPOUSES as defined in these RULES:

- (a) a PENSION of such amount as can be purchased by fifty per cent (50%) of the benefit determined in terms of RULE 6.1.1 shall be payable to the SPOUSE or SPOUSES; and
- (b) the balance of the benefit determined in terms of RULE 6.1.1 shall be allocated in terms of Section 37C of the ACT to the person or persons and in the proportions determined by the TRUSTEES, provided that should the TRUSTEES allocate an amount to the SPOUSE referred to in RULE 6.1.3.1(a), such SPOUSE may elect to convert such lump sum or part thereof in favour of a PENSION.

6.1.3.2 On the death of a MEMBER who is not survived by a SPOUSE as defined in these RULES, the benefit determined in terms of RULE 6.1.1 shall be distributed by the TRUSTEES in terms of Section 37C of the ACT.

6.1.3.3 Any PENSION paid to a SPOUSE in terms of RULE 6.1.3 will be paid in accordance with the provisions of RULE 5.3.

6.1.3.4 Subject to the provisions of RULE 13.10 the amount allocated for a SPOUSE'S PENSION in terms of RULES 6.1.3.1(a) or 6.1.3.1(b) shall be transferred to the PENSIONS ACCOUNT and the amount of such SPOUSE'S PENSION will be calculated using factors agreed to by the ACTUARY after taking into account the exercise of the option set out in RULE 5.2.2.1(a). However the options set out in RULES 5.2.1, 5.2.2.1(b), 5.2.3, and 5.2.4 will not be available to the SPOUSE.

### **6.1.4 Interest Payable on Lump Sum**

- (a) Interest shall be payable on any lump sum benefit due on death.
- (b) Interest shall be payable from the day after submission to the REVENUE AUTHORITY for a tax directive to the date of payment of the benefit.
- (c) The rate of interest shall be equal to the rate earned on the FUND'S money market portfolio.

**6.2 SPOUSE'S PENSIONS payable on a PENSIONER'S death after retirement**

6.2.1 Subject to the provisions of RULES 5.2 and RULE 5.3.6, on the death of a PENSIONER who was a MEMBER of the FUND, a PENSION will be payable to his/her SPOUSE.

Effective: 27/11/2014

6.2.2 Subject to the provisions of RULES 5.3.9 and 13.10, the PENSION payable to a SPOUSE shall be paid from the PENSIONS ACCOUNT.

Effective: 27/11/2014

6.2.3 The PENSION payable to a SPOUSE shall be paid in terms of RULE 5.3.

## **7. DISABILITY BENEFIT IN SERVICE**

### **7.1 Benefit Amount**

A MEMBER who retires early due to disability in terms of RULE 5.1.4 shall, subject to the provisions of RULES 7.2, 7.3, 10, 14.1 and 14.2 become entitled to a PENSION as can be provided by his/her FUND CREDIT at the date of such early retirement, in terms of RULE 5.2 read with Rule 5.3.

Effective: 27/11/2014

### **7.2 Terms and Conditions**

7.2.1 The DISABILITY COVER options available for inclusion in the SPECIAL RULES shall be determined annually by the TRUSTEES in consultation with the ACTUARY and shall be notified in writing to the EMPLOYER or MANAGEMENT COMMITTEE (if applicable) and MEMBERS annually in advance.

7.2.2 The TRUSTEES may, in their discretion, determine when a MEMBER becomes totally and permanently disabled to perform his/her own and any similar occupation in a specific environment. The burden of proof of such permanent disability shall rest with the MEMBER.

Effective: 27/11/2014

7.2.3 The TRUSTEES shall determine when the DISABILITY COVER shall become payable.

7.2.4 The TRUSTEES may, in their sole discretion, insure all or part of the DISABILITY COVER AMOUNT with a REGISTERED INSURER.

### **7.3 Restrictions**

7.3.1 The EMPLOYER shall be required to provide the entry medical examination for all newly appointed ELIGIBLE EMPLOYEES to the TRUSTEES as set out in the SPECIAL RULES.

7.3.2 Acting on the results of this examination, the TRUSTEES may decide that the DISABILITY COVER shall be restricted in such manner as they deem appropriate.

7.3.3 At the time of awarding a disability benefit in terms of RULE 7, the TRUSTEES may, in their discretion, exclude the medical condition, related impairments or occupation the terms in respect of which the disability benefit is awarded for purposes of future DISABILITY COVER.

Effective: 27/11/2014

7.3.4 The TRUSTEES must inform the MEMBER in writing of the terms of any restriction imposed in terms of RULE 7.3.



7.3.5 Where a MEMBER has previously received a disability benefit from the FUND or the TRANSFERRED FUND, the TRUSTEES shall have the discretion to:

- (a) exclude the MEMBER from receiving a further benefit in terms of RULE 7; or
- (b) award the MEMBER the benefit to which he/she would otherwise be entitled in terms of RULE 7; or
- (c) award the MEMBER a benefit that has been reduced as decided by the TRUSTEES in consultation with the ACTUARY;

Provided that the TRUSTEES shall take into account whether or not the medical condition, impairment or occupation is the same as or similar to that for which the MEMBER had previously received a benefit from the FUND or the TRANSFERRED FUND; whether or not specific terms and conditions that applied when the disability benefit was awarded previously apply on the current occasion; a comparison of the specific environment in which the MEMBER worked previously and on the current occasion; the period of time since the MEMBER returned to SERVICE; and any other factors which they consider relevant.

Effective: 27/11/2014

#### **7.4 Payment of Disability Benefit and Commutation**

7.4.1 On the retirement of a MEMBER in terms of RULE 7 the MEMBER may elect, as provided for in RULE 5.2.1, to commute for a lump sum that part of the PENSION payable in terms of RULE 7.1 which is not more than the limit set by the relevant legislation from time to time.

7.4.2 Any PENSION and, if applicable, FLEXIBLE ANNUITY payable in terms of RULE 7 will be paid in accordance with the provisions of RULE 5.3.

#### **7.5 Interest Payable on Lump Sum**

- (a) Interest shall be payable on any lump sum benefit due on disability.
- (b) Interest shall be payable from the day after submission to the REVENUE AUTHORITY for a tax directive to the date of payment of the benefit.
- (c) The rate of interest shall be equal to the rate earned on the FUND'S money market portfolio.

## **8. TERMINATION OF MEMBERSHIP**

### **8.1 Benefit**

Subject to the provisions of RULE 3 a MEMBER who leaves SERVICE for any reason other than death and has not reached his/her NORMAL RETIREMENT AGE, shall become entitled to a lump sum benefit equal to his/her FUND CREDIT. The benefit shall be paid together with any late payment interest in terms of RULE 8.3. This shall not deprive the MEMBER of any alternative option that he/she may have in terms of the RULES.

### **8.2 Payment of Benefit**

8.2.1 Subject to the provisions of RULE 13.10 the benefit in terms of RULE 8.1 shall be payable to the MEMBER as a lump sum, provided that application is made by the MEMBER within twenty four (24) months from the date on which the MEMBER leaves SERVICE. After the date on which he/she leaves SERVICE, the MEMBER shall not be eligible for DEATH COVER or DISABILITY COVER.

Effective: 27/11/2014

8.2.2 The MEMBER may transfer part or all of the benefit to an APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PENSION PRESERVATION FUND or APPROVED RETIREMENT ANNUITY FUND.

8.2.3 When a benefit has been paid to the MEMBER or transferred in terms of RULE 8.2.2 the MEMBER shall have no further claim on the FUND.

### **8.3 Interest Payable on Lump Sum**

- (a) Interest shall be payable on any lump sum benefit due on leaving SERVICE.
- (b) Interest shall be payable from the day after submission to the REVENUE AUTHORITY for a tax directive to the date of payment of the benefit.
- (c) The rate of interest shall be equal to the rate earned on the FUND'S money market portfolio.

## 9. TRANSFERS

### 9.1 Transfers into the FUND

- 9.1.1 If a member of an APPROVED PENSION FUND or APPROVED PROVIDENT FUND prior to becoming a MEMBER chooses to transfer the benefit to which he/she is entitled on leaving that fund into this FUND, the amount so transferred shall be applied to the MEMBER'S FUND CREDIT, to the extent permitted by law.
- 9.1.2 The TRUSTEES shall have the power to take transfer of the assets and liabilities or a portion thereof from an APPROVED PENSION FUND or APPROVED PROVIDENT FUND for the purpose of RULE 9.1.1, to the extent permitted by law.
- 9.1.3 The FUND may also accept transfer from an APPROVED PENSION FUND, APPROVED PROVIDENT FUND of an amount in respect of a MEMBER who has elected to transfer to the FUND an amount awarded to such person in terms of a court order contemplated in Section 7 (8) of the Divorce Act, as amended.

### 9.2 Transfers out of the FUND

- 9.2.1 In the event of the transfer to an APPROVED PENSION FUND or APPROVED PROVIDENT FUND of:
- (a) one or more MEMBERS in the SERVICE of a participating EMPLOYER; or
  - (b) part or all of the business of the FUND; or
  - (c) one (1) or more MEMBERS as envisaged in RULE 3.4;

the TRUSTEES shall, subject to the provisions of RULE 9.2.2, have the power to effect the transfer of all or part of the assets and liabilities of the FUND to such an APPROVED PENSION FUND or APPROVED PROVIDENT FUND.

Effective: 27/11/2014

- 9.2.2 The following conditions shall apply in the event of a full or partial transfer in terms of RULE 9.2.1:
- (a) the transfer value of a MEMBER shall be equal to his/her FUND CREDIT;
  - (b) notwithstanding any RULE to the contrary, approval in terms of Section 14 of the ACT will be required for any transfers specified in Section 14 or in any instructions to that effect from the REGISTRAR or other relevant authority;

- (c) any transfer in terms of Section 14 of the ACT may be subject to penalty interest, if applicable, in terms of the ACT.

9.2.3 Notwithstanding any other provisions of the RULES, in the event of a transfer of an EMPLOYER'S business as contemplates in Section 197 of the Labour Relations Act as amended, no MEMBER affected by such transfer shall become entitled to a benefit in terms of RULE 8.1. The TRUSTEES shall arrange for the FUND CREDIT of such MEMBER to be transferred to an APPROVED PENSION FUND or APPROVED PROVIDENT FUND in which his new employer participates; provided that, depending on the provisions of the agreement governing the transfer of business contemplated in Section 197 of the Labour Relations Act as amended and, if applicable, the terms and conditions of the MEMBER'S contract of employment with his new EMPLOYER and if the MEMBER so elects, the TRUSTEES may arrange for the transfer of the MEMBER'S FUND CREDIT to:

- (a) an APPROVED RETIREMENT ANNUITY FUND; or
- (b) subject to any requirements of the REVENUE AUTHORITIES, to an APPROVED PENSION PRESERVATION FUND.

On finalisation of the transfer in terms of this RULE, the MEMBER shall cease to be a MEMBER of the FUND. If the MEMBER does not elect to transfer his/her FUND CREDIT, he/she may remain a NON-CONTRIBUTORY MEMBER of the FUND, provided he/she notifies the FUND in terms of RULE 3.5.2.

Effective: 27/11/2014

### **9.3 Transfers between participating EMPLOYERS**

Where a CONTRIBUTING MEMBER or INTERIM MEMBER leaves the employment of an EMPLOYER and immediately thereafter takes up employment with another participating EMPLOYER, the MEMBER will not be entitled to a withdrawal benefit in terms of RULE 8.

### **9.4 Transfers of pensioners from other funds**

- 9.4.1 If a pensioner receiving a pension or annuity from an APPROVED PENSION FUND is permitted by the rules of that fund and the REGISTRAR to transfer to the FUND, the amount transferred for these purposes shall be credited to the PENSIONS ACCOUNT.

- 9.4.2 The TRUSTEES shall have the power to take transfer of the assets and liabilities from an APPROVED PENSION FUND for purposes of RULE 9.4.1, to the extent permitted by law.
- 9.4.3 Upon such a transfer, the person concerned shall be a PENSIONER of the FUND and shall be entitled to a PENSION payable in terms of these RULES, subject to such terms and conditions as may be determined.

Effective: 16/09/2016

## 10. ABSENCE

### 10.1 Absence with the EMPLOYER'S Consent

If a CONTRIBUTORY MEMBER is absent from the SERVICE of the EMPLOYER, with the EMPLOYER'S consent, the MEMBER'S membership shall continue and the EMPLOYER shall elect one (1) of the following options, as set out in the SPECIAL RULES:

Effective: 27/11/2014

- (a) to maintain both the MEMBER and the EMPLOYER contributions as set out in RULE 4 and remain entitled to the DEATH and DISABILITY COVER as set out in RULE 6, subject to the SPECIAL RULES; or
- (b) to cease all contributions under RULE 4; in which event the DEATH and DISABILITY COVER set out in Rule 6, subject to the SPECIAL RULES, shall not become payable upon the MEMBER'S death or disability during the period of the MEMBER'S leave; or
- (c) to contribute only toward DEATH COVER or INSURED DEATH COVER and/or DISABILITY COVER, as set out in the SPECIAL RULES and remain entitled to the DEATH COVER or INSURED DEATH COVER and/or DISABILITY COVER as set out in RULE 6 and 7.

Effective: 24/03/2016

## **11. MANAGEMENT OF THE FUND**

### **11.1 Management structure**

11.1.1 The FUND shall, with effect from 1 July 2018, be managed by eleven (11) TRUSTEES, consisting of one (1) independent TRUSTEE appointed by the FUND, two (2) TRUSTEES appointed by the Minerals Council South Africa, two (2) TRUSTEES appointed by the Mines Professional Association, two (2) TRUSTEES appointed by the National Union of Mineworkers, two (2) TRUSTEES appointed by UASA the Union and two (2) TRUSTEES appointed by the Solidarity Trade Union. The TRUSTEES are responsible for performing the obligations and duties as set out in the ACT and in these RULES.

11.1.2 Any irregularity in the appointment of a TRUSTEE shall not invalidate any decision of the TRUSTEES.

### **11.2 Management Powers and Duties**

11.2.1 The TRUSTEES shall have the power to delegate all or part of their specific functions vested in them, on such terms and conditions as they may specify, to the sub-committees, comprising TRUSTEES and/or APPOINTED PERSONS or organisations and officers of the FUND. A decision of a sub-committee to which a power is so delegated shall, unless the TRUSTEES stipulate that it must be referred to them for ratification, be regarded as a decision made by the TRUSTEES. It is specifically provided that the TRUSTEES shall retain full responsibility for any sub-committee to whom the TRUSTEES' power of decision making has been delegated in terms of this RULE.

11.2.2 The TRUSTEES shall have the power in the name of the FUND to enter into and sign any contracts or documents and to institute, conduct, defend, compound, settle or abandon any legal proceedings by or against the FUND and to delegate these powers as deemed necessary and reasonable.

11.2.3 The TRUSTEES may, if necessary, withdraw the delegation at any time on reasonable notice.

11.2.4 The TRUSTEES have a fiduciary duty to the FUND, members and beneficiaries and not the representative constituencies that appointed them.

### **11.3 Independent TRUSTEE**

11.3.1 The FUND shall appoint one (1) TRUSTEE, hereinafter referred to as an "Independent TRUSTEE" who is not employed by an EMPLOYER, does not provide any other service to the FUND, and is not a member of the representative constituencies. The independent TRUSTEE shall also act as the chairperson of the TRUSTEES. The FUND shall also appoint an alternate independent TRUSTEE, subject to the above conditions.

11.3.2 Any irregularity in the appointment of the independent TRUSTEE or his alternate shall not invalidate any decision of the TRUSTEES.

### **11.4 APPOINTED PERSON**

11.4.1 The TRUSTEES may appoint an APPOINTED PERSON to a sub-committee of the FUND.

11.4.2 Any irregularity in the appointment of an APPOINTED PERSON shall not invalidate any decision and/or resolution of the sub-committee or the TRUSTEES.

### **11.5 MANAGEMENT COMMITTEES**

11.5.1 An EMPLOYER may establish a MANAGEMENT COMMITTEE in terms of these RULES.

11.5.2 The EMPLOYER and ELIGIBLE EMPLOYEES of such EMPLOYER may decide on the composition and functioning of the MANAGEMENT COMMITTEE, subject to the following:

- (a) all costs associated with the MANAGEMENT COMMITTEE will be carried by the EMPLOYER;
- (b) all decisions of the MANAGEMENT COMMITTEE shall be binding on the EMPLOYER and ELIGIBLE EMPLOYEES of the EMPLOYER subject to the RULES and the approval by the TRUSTEES;
- (c) the MANAGEMENT COMMITTEE members or their alternates (if any) shall not be entitled to any remuneration from the FUND for any duties performed in connection with the FUND;
- (d) in the event of a dispute between the TRUSTEES and the MANAGEMENT COMMITTEE, the decision of the TRUSTEES shall prevail and be binding on the MANAGEMENT COMMITTEE;
- (e) the TRUSTEES shall take all reasonable steps to ensure that the interests of MEMBERS are protected; the TRUSTEES may not influence the constitution of the MANAGEMENT COMMITTEES and shall not be liable for the negligence, incompetence, dishonesty or fraud of the MANAGEMENT COMMITTEE;



- (f) the MANAGEMENT COMMITTEE is not authorised to act for or on behalf of or perform any services of the TRUSTEES and/or the FUND, and neither the TRUSTEES nor the FUND shall be liable or responsible for any claim whatsoever arising from an act or omission of the MANAGEMENT COMMITTEE;
- (g) the MANAGEMENT COMMITTEE is appointed for the benefit of and on behalf of the EMPLOYER and the MEMBERS of that EMPLOYER. The MANAGEMENT COMMITTEE shall perform acts and render services expressly authorised in terms of the RULES.

## **11.6 Disqualification for holding office and removal of a TRUSTEE, APPOINTED PERSON or MANAGEMENT COMMITTEE member**

11.6.1 No person in any of the following categories shall be eligible for appointment as a TRUSTEE, APPOINTED PERSON or MANAGEMENT COMMITTEE member:

- (a) an un-emancipated minor or any person who is under a similar legal disability or limitation;
- (b) any person who is prohibited to be a director or is declared delinquent in terms of the Companies Act or in terms of the Close Corporations Act;
- (c) an un-rehabilitated insolvent;
- (d) any person who has been removed from an office of trust on grounds of misconduct involving dishonesty;
- (e) any person who has been convicted in the Republic of South Africa or elsewhere and imprisoned without the option of a fine or fined more than the prescribed amount for theft, fraud, forgery, perjury, misrepresentation or dishonesty in the promotion, formation or management of a company or in connection with any act contemplated in the Companies Act, Insolvency Act, Close Corporation Act, Competition Act, Financial Intelligence Act, Financial Securities Act, Pension Funds Act and/or the Prevention and Combating of Corrupt Activities Act.

11.6.2 A TRUSTEE or APPOINTED PERSON shall cease to hold office:

- (a) when the FUND receives written notice of his resignation; or
- (b) when he failed to attend three (3) consecutive meetings; and/or
- (c) when the other TRUSTEES resolve that he be removed from office; or
- (d) when the organisation which appointed him/her in terms of RULES 11.1.1 notifies the FUND that he be removed from office; or
- (e) when the term of office or contract with the FUND has expired in terms of RULE 11.7; or
- (f) when he commences employment with the FUND; or

- (g) when he breaches any of the provisions of the code of conduct adopted by the TRUSTEES; or
- (h) following a peer performance review, it is found that he does not meet the necessary standards as decided by the TRUSTEES; or
- (i) when he dies or becomes permanently incapacitated.

## **11.7 Term of Office and Remuneration**

11.7.1 Each TRUSTEE appointed in terms of RULES 11.1.1 or 11.3 shall hold office for five (5) years (or such shorter period as may be resolved by the TRUSTEES or specified in his contract with the FUND) unless he ceases to hold office in terms of RULE 11.6.2. A TRUSTEE whose term of office has expired shall be eligible for re-appointment; provided he has not been disqualified to hold office in terms of RULE 11.6.

11.7.2 Any TRUSTEE vacancy shall be filled within such period as prescribed by the REGISTRAR.

11.7.3 The TRUSTEES shall determine any remuneration to be paid, and the nature of any expenses to be refunded, to TRUSTEES or APPOINTED PERSONS for attendance at meetings and other work performed in connection with the FUND.

11.7.4 Any TRUSTEE vacancy shall not invalidate a decision of the TRUSTEES, provided that there is a quorum at the relevant meetings.

## **11.8 At all meetings of the TRUSTEES**

11.8.1 Should the independent TRUSTEE be absent the TRUSTEES present shall choose one (1) of their number to act as chairperson of the meeting.

11.8.2 The TRUSTEES shall meet from time to time to conduct the business of the FUND, but not fewer than four (4) times in any FINANCIAL YEAR.

11.8.3 Notice of at least fifteen (15) days for meetings shall be given to the TRUSTEES unless the TRUSTEES agree to waive such notice period. Minutes of all meetings must be kept.

11.8.4 At all meetings of the TRUSTEES:

- (a) The quorum shall consist of six (6) TRUSTEES, which must include at least one (1) independent TRUSTEE (other than for the purposes of RULE 11.3.1);
- (b) voting rights shall be allocated such that the independent TRUSTEE shall have a deliberate vote and a casting vote, which shall be exercised in the event of equality of votes. Each TRUSTEE shall have one vote;

- (c) the TRUSTEES will make a reasonable effort to reach consensus on matters under consideration. Failing that, the meeting may stand adjourned for one (1) week. If at the following meeting consensus can still not be reached, the decision of the majority of the TRUSTEES present, subject to RULE 11.8.4(a), shall be a decision and be binding on the TRUSTEES.

11.8.5 Round robin resolutions:

- (a) Written resolutions signed by the TRUSTEES to form a quorum; and
- (b) Electronic resolutions circulated via e-mail and responded to by return e-mail by the majority of the TRUSTEES;

shall be of the same force and effect as if passed at a meeting of TRUSTEES and must be recorded in the FUND'S minute book; provide that this shall not apply if any TRUSTEE has any objection to such resolution, in which case the matter shall be considered at a meeting of the TRUSTEES.

## 11.9 Appointments by the TRUSTEES

11.9.1 The TRUSTEES shall appoint an AUDITOR and may terminate any such appointment and make another in its place at any time. The TRUSTEES shall review such appointment at least every five (5) years.

11.9.2 The TRUSTEES shall appoint an ACTUARY and may terminate any such appointment and make another in his place at any time. The TRUSTEES shall review such appointment at least after every second statutory valuation.

11.9.3 The TRUSTEES shall appoint a PRINCIPAL OFFICER in terms of the ACT and may withdraw any such appointment and appoint another in his place at any time.

- (a) If the PRINCIPAL OFFICER is absent from South Africa or is otherwise unable to perform his duties for a period as prescribed by the REGISTRAR, the TRUSTEES shall within thirty (30) days appoint another person as PRINCIPAL OFFICER. The TRUSTEES shall review such appointment at least every five (5) years.

- (b) The TRUSTEES may appoint a Deputy Principal Officer as contemplated in the ACT and notify the REGISTRAR thereof in writing. If the PRINCIPAL OFFICER is absent from South Africa or is otherwise unable to perform his duties, the Deputy Principal Officer shall act in his stead. The PRINCIPAL OFFICER may in writing delegate any of his functions to the Deputy Principal Officer subject to conditions that he determines. The PRINCIPAL OFFICER is not divested or relieved of a function so delegated and may withdraw the delegation at any time.

11.9.4 The TRUSTEES may appoint consultants on such terms as they may determine and may withdraw any such appointment at any time. The TRUSTEES shall review such appointment at least every five (5) years.

11.9.5 The TRUSTEES shall arrange for the employment of employees, and/or may appoint administrators not in the employment of the FUND, to administer the FUND.

#### **11.10 Indemnification of the FUND, its Officers and Employees**

11.10.1 The TRUSTEES, PRINCIPAL OFFICER, APPOINTED PERSONS, MANAGEMENT COMMITTEE members and other officers of the FUND shall be indemnified by the FUND against all proceedings, costs and expenses incurred by reason of any claim in connection with the FUND not arising from their gross negligence, dishonesty or fraud.

11.10.2 The TRUSTEES shall take reasonable steps to ensure that the FUND is insured against any loss resulting from, but not limited to, errors, omissions, negligence, dishonesty or fraud of any of the TRUSTEES, PRINCIPAL OFFICER, APPOINTED PERSONS, other officers and employees of the FUND.

11.10.3 The TRUSTEES shall take reasonable steps to ensure that any appointed administrator, AUDITOR, ACTUARY, REGISTERED INSURER, consultant, financial institution or any other provider of services to the FUND are adequately insured or indemnify the FUND against any loss resulting from, but not limited to, errors, omissions, negligence, dishonesty, fraud of any person employed by such service providers.

Effective: 28/03/2018

## 12. FINANCIAL PROVISIONS

### 12.1 INVESTMENTS

12.1.1 All moneys received on account of the FUND must be paid into a banking account opened in the name of the FUND.

12.1.2 The TRUSTEES shall have the power, subject to the provisions of the ACT, the requirements of the REGISTRAR and the provisions of RULE 12.1.7, to receive, administer and apply the moneys of the FUND; to invest or otherwise deal with the moneys of the FUND upon such security and in such manner as they may from time to time determine.

Effective: 27/11/2014

12.1.3 The TRUSTEES shall have the power to effect or approve policies of insurance with REGISTERED INSURERS in order to meet the cost of providing benefits in terms of these RULES and/or to insure, in whole or in part, the death and disability benefits payable in terms of these RULES.

12.1.4 The FUND, subject to the requirements of the ACT, have the power to do all things that in the opinion of the TRUSTEES are necessary or desirable to be done to achieve its objectives to carry out its functions and duties.

12.1.5 All title deeds and securities must be registered in the name of the FUND or in the name of such nominee company acceptable to the REGISTRAR, as the TRUSTEES may appoint. The documents of title registered in the name of the FUND in connection with any investment or asset of the FUND must be kept in safe custody at the registered office of the FUND or at a banking institution, as decided by the TRUSTEES. Any documents of title registered in the name of a nominee company in connection with any investment or asset of the FUND must be kept in safe custody by that company or banking institution, in terms of the agreement with the FUND.

12.1.6 The power of the TRUSTEES to make investments and to realise, vary, reinvest or otherwise deal with the securities concerned, may be delegated by the TRUSTEES on such terms and conditions as they may specify, to

- (a) a sub-committee as they nominate;
- (b) any other person, entity or a service provider approved by the REGISTRAR;
- (c) a financial institution as defined in the Financial Institutions (Protection of Funds) Act, as amended; or

- (d) a person approved in terms of Financial Markets Act, as amended.

Effective: 27/11/2014

The TRUSTEES shall not be liable for any loss incurred by any person due to the negligence, dishonesty, fraud or misconduct of an institution referred to in (b) or a person referred to in (c); provided that the TRUSTEES have received written confirmation that the institution or person referred to above have arranged insurance cover of an amount satisfactory to the TRUSTEES in respect of any liability which may be incurred by such institution or person in respect of the FUND'S investments.

12.1.7 The TRUSTEES may, subject to such terms, conditions and procedures as they may specify from time to time, provide each MEMBER, subject to the SPECIAL RULES, and FLEXIBLE ANNUITANT the option to select an investment portfolio into which his/her FUND CREDIT, FLEXIBLE ANNUITY CAPITAL ACCOUNT and/or CONTRIBUTIONS shall be paid. The terms, conditions and procedures include, but are not limited to:

- (a) the right of the TRUSTEES to determine and/or change the number, range and composition of any investment portfolios;
- (b) the right of the TRUSTEES, in their sole discretion, to take into account any charges incurred in connection with any investment choice made by a MEMBER or FLEXIBLE ANNUITANT when determining RETURNS in respect of that MEMBER or FLEXIBLE ANNUITANT;
- (c) in the case of a MEMBER or FLEXIBLE ANNUITANT who does not elect an investment portfolio within such timeframe specified by the TRUSTEES, the right of the TRUSTEES to select and change the appropriate investment portfolio for such a MEMBER or FLEXIBLE ANNUITANT based on such criteria as the TRUSTEES may decide, such as the period remaining to a notional target retirement age or life expectancy.

12.1.8 The TRUSTEES shall take reasonable steps to ensure that MEMBERS and FLEXIBLE ANNUITANTS are adequately informed of the investment choices available to them.

12.1.9 Whilst the TRUSTEES shall take reasonable steps to ensure that the interests of MEMBERS, PENSIONERS and FLEXIBLE ANNUITANTS are protected, the TRUSTEES and the FUND shall not be liable for any loss, damage or prejudice suffered, or alleged to be suffered, by any MEMBER, PENSIONER or FLEXIBLE ANNUITANT or other person claiming to be entitled to a benefit under the FUND, as a result of or in connection with any investment choice made or not made by a MEMBER or FLEXIBLE ANNUITANT or on behalf of a MEMBER, PENSIONER or FLEXIBLE ANNUITANT.

12.1.10 A MEMBER'S or FLEXIBLE ANNUITANT'S investment in the investment portfolios shall be disinvested and held in the money market portfolio within five (5) working days of the FUND receiving formal notification:

- (a) of a MEMBER'S death, retirement or of the MEMBER ceasing to be a CONTRIBUTORY MEMBER; or
- (b) of a FLEXIBLE ANNUITANT'S death.

RETURNS earned in the money market portfolio shall be paid, subject to RULE 12.2, on the disinvested amount from the date of disinvestment to the date of submission to the REVENUE AUTHORITIES, provided that;

- (i) in the case of an INTERIM MEMBER electing to become a NON-CONTRIBUTORY MEMBER in terms of RULE 3.5.2 or in the case of a retiring MEMBER electing a FLEXIBLE ANNUITY in terms of RULE 5.2.4, his/her FUND CREDIT or FLEXIBLE ANNUITY CAPITAL ACCOUNT will be reinvested in terms of RULE 12.1.7;
- (ii) an INTERIM MEMBER may elect in writing that his/her FUND CREDIT be reinvested in an investment portfolio until the earlier of his/her election in terms of RULE 3.5.2 or the expiry of the balance of the period referred to in RULE 3.5.3;

in which event the interest in terms of the money market portfolio will form part of his/her FUND CREDIT or FLEXIBLE ANNUITY CAPITAL ACCOUNT.

## **12.2 EXPENSES**

The TRUSTEES shall determine the manner in which the expenses in connection with or incidental to the management or administration of the FUND shall be met in accordance with one (1) or more of the following methods:

- (a) by offsetting against any RETURNS of the FUND; or
- (b) by direct charge to the FUND CREDIT or FLEXIBLE ANNUITY CAPITAL ACCOUNT of one, all or a group of MEMBERS and FLEXIBLE ANNUITANTS having regard to the actual costs incurred by the FUND in respect of such MEMBERS and FLEXIBLE ANNUITANTS; or
- (c) by direct charge to all or any of the SPECIAL ACCOUNTS; or
- (d) by direct charge to the UNCLAIMED BENEFITS ACCOUNT of costs incurred in relation to unclaimed benefits.

## **12.3 Accounts**

The TRUSTEES shall keep true accounts of the FUND which shall be drawn up as at the end of each FINANCIAL YEAR, be audited by the AUDITOR and submitted to the REGISTRAR as prescribed by the ACT.

## **12.4 Actuarial Valuation**

12.4.1 The financial condition of the FUND, having regard to its assets and liabilities, shall be investigated and reported on by the ACTUARY at intervals not exceeding three (3) years. A copy of the actuarial valuation report shall be sent to the REGISTRAR and to each participating EMPLOYER.

12.4.2 Any decisions required as a result of the valuation shall be considered by the TRUSTEES in consultation with the ACTUARY. Where necessary the TRUSTEES shall amend the RULES to give effect to the decision of the TRUSTEES.



## 12.5 Special Accounts

The following SPECIAL ACCOUNTS have been established and are maintained by the TRUSTEES, in consultation with the ACTUARY:

### 12.5.1 RISK RESERVE ACCOUNT

12.5.1.1 The RISK RESERVE ACCOUNT shall be utilised to pay DEATH COVER and DISABILITY COVER, but not to pay INSURED DEATH COVER.

Effective: 24/03/2016

12.5.1.2 The RISK RESERVE ACCOUNT shall be credited with:

- (a) the balance of the risk reserve account from the TRANSFERRED FUND on 1 July 2013; and
- (b) the contributions allocated in terms of RULE 4.2 (a).

12.5.1.3 The RISK RESERVE ACCOUNT shall be increased or decreased by the RETURNS earned on the assets in the account and debited by fees as per RULE 12.2(c).

12.5.1.4 The RISK RESERVE ACCOUNT shall not be shared out on the withdrawal, death, retirement or transfer of any MEMBER.

Effective: 21/11/2016

### 12.5.2 PENSIONS ACCOUNT

12.5.2.1 The FUND shall maintain a PENSIONS ACCOUNT which shall be used to:

- (a) pay PENSIONS, bonuses (if applicable) and FLEXIBLE ANNUITIES in accordance with the provisions of these RULES;

Effective: 27/11/2014

- (b) death benefit scheme claims in terms of Annexures 1 and 2.

12.5.2.2 The PENSIONS ACCOUNT shall be credited with:

- (a) an amount transferred from the TRANSFERRED FUND on 1 July 2013;
- (b) any amounts required to be credited in terms of RULES 5.2.2, 5.2.3 and 7.4; and

- (c) any amount transferred from another fund as envisaged in RULE 9.4.

Effective: 16/09/2016

12.5.2.3 The PENSIONS ACCOUNT shall be increased or decreased by the RETURNS earned on the assets in the account and debited by fees in terms of RULE 12.2(c).

12.5.2.4 The PENSIONS ACCOUNT shall not be shared out on the withdrawal, death, retirement or transfer of any MEMBER.

### **12.5.3 MISMATCH RESERVE ACCOUNT**

12.5.3.1 The MISMATCH RESERVE ACCOUNT may be used:

- (a) to correct incidental amounts incurred by the FUND as a result of its normal operational activities from time to time, including late / incorrect member investment choice switches and;
- (b) to correct errors in benefit calculations or administrative/ accounting errors related to MEMBERS of this FUND and of the TRANSFERRED FUND prior to 1 July 2013 in terms of its rules applicable prior to 1 July 2013;
- (c) to distribute to MEMBERS and/or other special accounts to maintain this account at an appropriate level as agreed to by the TRUSTEES.

12.5.3.2 The MISMATCH RESERVE ACCOUNT shall be credited with an amount transferred from the TRANSFERRED FUND on 1 July 2013.

12.5.3.3 The MISMATCH RESERVE ACCOUNT shall be increased or decreased by the RETURNS earned on the assets in the account and debited with fees in terms of RULE 12.2(c).

12.5.3.4 The MISMATCH RESERVE ACCOUNT shall not be shared out on the withdrawal, death, retirement or transfer of any MEMBER.

## 12.5.4 UNCLAIMED BENEFITS ACCOUNT

12.5.4.1 An UNCLAIMED BENEFITS ACCOUNT shall be maintained under the FUND by keeping a record of all unclaimed benefits.

12.5.4.2 The following shall be paid into the UNCLAIMED BENEFITS ACCOUNT:

- (a) The FUND CREDIT of a MEMBER or a member of the TRANSFERRED FUND on 1 July 2013 who leaves SERVICE and does not exercise an election in terms of RULE 3.5
- (b) A PENSION or FLEXIBLE ANNUITY payable by the FUND which is not claimed within twenty four (24) months after the date on which it became due for payment in terms of the RULES.
- (c) A PENSION or FLEXIBLE ANNUITY payable by the TRANSFERRED FUND which has not been claimed within twenty four (24) months after the date on which it became due for payment in terms of the rules of that fund.
- (d) Any unclaimed benefits transferred to the FUND from a fund as part of a transfer of business in terms of Section 14 of the ACT.

Effective: 30/06/2016

12.5.4.3 The amount standing to the credit of the UNCLAIMED BENEFITS ACCOUNT shall be used as follows:

- (a) if a potential beneficiary approaches the FUND at any stage after the applicable benefit was transferred to the UNCLAIMED BENEFITS ACCOUNT including those unclaimed benefits transferred from the TRANSFERRED FUND on 1 July 2013, the TRUSTEES shall consider the claim and if the circumstances so warrant, shall pay the benefit to the beneficiary, from the UNCLAIMED BENEFITS ACCOUNT, increased or decreased by the RETURNS, provided that; where a FLEXIBLE ANNUITY is payable, the FLEXIBLE ANNUITY CAPITAL ACCOUNT will be reinstated and the provisions of the RULES will apply to such FLEXIBLE ANNUITY CAPITAL ACCOUNT and the FLEXIBLE ANNUITY;

Effective: 27/11/2014

- (b) the FUND may transfer such UNCLAIMED BENEFITS or amounts held in the UNCLAIMED BENEFITS ACCOUNT into an APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PENSION PRESERVATION FUND or APPROVED RETIREMENT ANNUITY FUND created for the specific purposes of receiving and disbursing unclaimed benefits. Once the UNCLAIMED BENEFIT or amount has been transferred, the MEMBER, PENSIONER, FLEXIBLE ANNUITANT or beneficiary concerned will have no further claim against the FUND in respect of such benefit or amount; shall be reduced by fees in terms of RULE 12.2(d).

Effective: 27/11/2014

- (c) debited by fees as per RULE 12.2(d).

12.5.4.4 The UNCLAIMED BENEFITS ACCOUNT shall not be shared out on the withdrawal, death, retirement or transfer of any MEMBER, except for the purpose of RULE 12.5.4.3.

#### **12.5.5 EMPLOYER SURPLUS ACCOUNT**

An EMPLOYER SURPLUS ACCOUNT may be established in the name of an individual EMPLOYER.

- (a) The EMPLOYER SURPLUS ACCOUNT shall be credited with:
  - (i) amounts transferred to the FUND from an employer surplus account in another fund at the request of the EMPLOYER;
  - (ii) additional contributions payable by the EMPLOYER to this account.
- (b) The EMPLOYER SURPLUS ACCOUNT shall be increased or decreased by the RETURNS earned on the balance in this account;
- (c) The EMPLOYER SURPLUS ACCOUNT shall be debited with the fees in terms of RULE 12.2(c);
- (d) The EMPLOYER SURPLUS ACCOUNT shall be used in the manner and for the purposes set out in the ACT for the benefit of the EMPLOYER in whose name the EMPLOYER SURPLUS ACCOUNT has been established.

## 12.6 Home Loan Guarantees

12.6.1 The TRUSTEES shall have the power to furnish a guarantee in respect of a loan by some other person to a MEMBER for a purpose referred to in Section 19(5)(a) of the ACT. Such guarantee shall be subject to the provisions of the ACT and the requirements of the REGISTRAR. Guarantees provided for home loans of members of the TRANSFERRED FUND prior to 1 July 2013, will be maintained by this FUND.

12.6.2 Should a MEMBER transfer between participating EMPLOYERS and the new EMPLOYER does not participate in this option in terms of its SPECIAL RULES, and no other arrangement can be reached between the service provider and the MEMBER, such guaranteed amount will be paid to the service provider from the MEMBER'S FUND CREDIT.

12.6.3 A MEMBER will only be entitled to a retirement, disability or death benefit if

- (i) the amount of the guarantee does not exceed the lump sum benefit payable under such benefits less all taxes payable thereon; or
- (ii) arrangements to the satisfaction of the TRUSTEES for the payment of the amount that cannot be recovered from the maximum lump sum portion of the applicable benefit;

and if the above provisions cannot be complied with, the benefit will be deemed to be a withdrawal benefit in terms of RULE 8.

**13. GENERAL PROVISIONS**

- 13.1 Subject to payment of such fee as the TRUSTEES may require, a MEMBER shall be entitled on application and payment of a fee, to a copy of:
- (a) these RULES;
  - (b) the latest Revenue Account of the FUND;
  - (c) the latest Statement of Funds and Net Assets of the FUND;
  - (d) the latest statutory actuarial valuation report of the FUND.
- 13.2 Each MEMBER must produce evidence of age acceptable to the TRUSTEES and must also give such other information as the TRUSTEES may reasonably require for the purposes of the FUND.
- 13.3 (a) Benefit payments in terms of these RULES shall be made by electronic means into the banking account of the person entitled to such benefit.
- (b) The beneficiary must furnish the banking details for benefit payments.
- Effective: 27/11/2014
- (c) Where the person entitled to the benefit has authorised the FUND in writing to make payment by another manner or into the banking account of a third party, any such payment shall be regarded as a payment to that member and the FUND shall be indemnified from any claim in respect of any loss he/she may suffer.
- (d) Payment in terms of (a), (b) or (c) shall constitute full and final settlement of all benefit claims against the FUND and neither the FUND nor its TRUSTEES shall have any further liability for the benefit to any person.
- 13.4 All benefits and rights to benefits in terms of these RULES shall be subject to Sections 37A and 37B of the ACT.
- 13.5 Nothing in these RULES shall in any way restrict the right of the EMPLOYER to terminate the employment of any MEMBER or affect any agreement between the EMPLOYER and an employee in regard to conditions of SERVICE.
- 13.6 No person shall have any claim concerning the FUND either upon the FUND or the TRUSTEES or the MANAGEMENT COMMITTEE (if applicable) or against the EMPLOYER, except in accordance with these RULES.

- 13.7 Membership of the FUND shall be regarded as an acknowledgement that these RULES, including any amendments to these RULES, shall be binding on the MEMBER and upon any person claiming a benefit from the FUND, or whose claim derives from any such person.

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- 13.8 The TRUSTEES and officers of the FUND and every person involved with the administration or management of the FUND shall:

- (a) treat as confidential all information that may come to their knowledge or into their possession in the performance of their duties; and
- (b) take reasonable steps to ensure that the FUND complies with the requirements of the Protection of Personal Information Act.

- 13.9 All benefit payments are subject to the provisions of the Income Tax Act, as amended from time to time, and subject to any other applicable legislation prevailing from time to time. It is specifically provided that the FUND'S liability with regard to payment of any amount to any person is limited to the total value of the amounts payable in respect of the MEMBER in terms of these RULES.

#### **13.10. Right to Withhold Benefits and make Deductions**

13.10.1 If the termination of the MEMBER'S SERVICE with the EMPLOYER is, in the opinion of the TRUSTEES and the EMPLOYER, due to theft, fraud or dishonesty and where the EMPLOYER has instituted legal proceedings in a court of law and/or laid a criminal charge against the MEMBER concerned for compensation in respect of damage caused to the EMPLOYER as contemplated in Section 37D of the ACT, the TRUSTEES may withhold payment of the benefit, payable in terms of these RULES provided that:

- (a) the TRUSTEES are satisfied that the EMPLOYER has made out a *prima facie* case against the MEMBER concerned; and
- (b) the TRUSTEES are satisfied that the EMPLOYER is not at any stage of the proceedings responsible for any undue delay in the prosecution proceedings; and
- (c) the amount withheld shall not exceed the value of the EMPLOYER'S claim against the MEMBER; and
- (d) once the proceedings have been determined, settled or formally withdrawn, any benefit to which the MEMBER is entitled is paid forthwith.

13.10.2 Notwithstanding the provisions of RULE 13.4, the FUND may make a deduction from the benefit which accrues to a MEMBER or beneficiary, provided that:

- (a) in certain instances such a deduction may be made from the FUND CREDIT of a MEMBER before his/her membership terminates; and
- (b) such a deduction shall be subject to the provisions of Section 37A, 37B and/or 37D of the ACT; and
- (c) the claim in respect of such deduction is lodged in writing with the FUND in the form and within the relevant time period set out in the ACT or otherwise as agreed between the FUND and the claimant, provided that the FUND may in other instances approve a claim if made within a reasonable time.

13.10.3 Where a deduction as envisaged in RULE 13.10.2 is made from the FUND CREDIT of a MEMBER before his/her membership terminates, the FUND may disinvest the amount to be deducted from the investment portfolio in which the FUND CREDIT is held and hold such amount in the FUND'S money market portfolio until payment thereof in the required manner. Where the claimant is entitled in terms of the ACT to the accrual of RETURNS on such amount, the interest earned in the money market portfolio shall be deemed to be RETURNS for the period following such disinvestment.

### **13.11 Administration of the FUND**

13.11.1 The FUND shall be self-administered.

13.11.2 The EMPLOYERS shall from time to time furnish the FUND with necessary particulars affecting MEMBERS and their entitlement to benefits. The FUND shall be entitled to act upon such particulars and shall not be responsible to any MEMBER, EMPLOYER or MANAGEMENT COMMITTEE or to any other person or body whatsoever for any misstatement, errors or omissions which may be contained in such particulars.

13.11.3 The FUND shall keep a complete record of all necessary particulars of the MEMBERS of the FUND and of all persons entitled to benefits and of all other matters essential to the operation of the FUND.

13.11.4 All payments (by any means), contracts and other documents pertaining to the FUND shall be authorised by such persons as the TRUSTEES by resolution may appoint; provided that documents to be deposited with the REGISTRAR must be authorised in the manner set out in the ACT.



### **13.12 Amendments to the RULES**

13.12.1 The TRUSTEES may amend these GENERAL RULES at any time and amendments to the SPECIAL RULES may be requested by the TRUSTEES, an EMPLOYER or MANAGEMENT COMMITTEE (if applicable), with the agreement of the TRUSTEES; provided that any amendment which affects an EMPLOYER'S financial obligation to the FUND or a MEMBER shall be subject to such EMPLOYER'S consent.

Effective: 27/11/2014

13.12.2 All amendments to the RULES shall be submitted to the REGISTRAR for registration and approval in terms of the ACT and the Income Tax Act, as amended.

13.12.3 If the registration of any amendment to these RULES in terms of the ACT is effected on a date after the effective date of the amendments, the amendments shall nevertheless take effect from the effective date as stated in the amendments.

Effective: 27/11/2014

13.12.4 MEMBERS and EMPLOYERS shall be informed of all amendments to the GENERAL RULES and SPECIAL RULES which affects their interests.

### **13.13 Interpretation of RULES and Disputes**

13.13.1 A decision of the TRUSTEES as to the meaning of or interpretation of these GENERAL RULES or of any particular GENERAL RULE or part of a GENERAL RULE and the decision of the TRUSTEES, in consultation with the EMPLOYER or MANAGEMENT COMMITTEE (if applicable), as to the meaning of or interpretation of the SPECIAL RULES or part of the SPECIAL RULE shall, subject to the provisions of Section 30A of the ACT, be final and binding on the EMPLOYERS, MANAGEMENT COMMITTEES (if applicable), MEMBERS, PENSIONERS and FLEXIBLE ANNUITANTS, including those members transferred from the TRANSFERRED FUND on 1 July 2013, and every person claiming to be entitled to a benefit under these RULES.

13.13.2 Any dispute which may arise with regard to the GENERAL RULES shall, where necessary, be dealt with by the FUND and if a SPECIAL RULE is applicable, in consultation with the EMPLOYER or MANAGEMENT COMMITTEE (if applicable). Where it is feasible the dispute may be resolved in another manner as agreed between the FUND and the other party.

13.13.3 If any person affected by a decision of the TRUSTEES in terms of RULES 13.13.1 or 13.13.2 is dissatisfied with the decision, he/she shall have the right to lodge a written complaint as envisaged in Section 30A of the ACT. If such person remains dissatisfied he/she may lodge his/her complaint with the Pension Funds Adjudicator appointed in terms of the ACT.

Effective: 27/11/2014

13.13.4 The EMPLOYER, the TRUSTEES, or MANAGEMENT COMMITTEE (if applicable) or any other person having a complaint or dispute of fact or law may, notwithstanding anything to the contrary in these RULES, lodge his/her complaint with the Pension Funds Adjudicator appointed in terms of the ACT

Effective: 27/11/2014

## **14. LIQUIDATION AND/OR TERMINATION OF AN EMPLOYER OR THE TERMINATION OF THE FUND**

### **14.1 Liquidation of EMPLOYER**

14.1.1 Where the EMPLOYER does not maintain contributions as envisaged in RULE 10.1(b), the MEMBER will be entitled to a prorata portion of the DEATH COVER or DISABILITY COVER, if applicable, based on the period for which contributions were received in terms of Rule 4.1 in the twelve (12) month period preceding the MEMBER'S discharge, or death or disability in terms of RULES 6, or 7, as the case may be.

Effective: 27/11/2014

14.1.2 If contributions have been outstanding in full or partially for three (3) consecutive months since receipt of the last contributions, the TRUSTEES shall have the discretion to terminate the EMPLOYER'S participation in the FUND upon giving thirty (30) days written notice to the EMPLOYER and/or MANAGEMENT COMMITTEE (if applicable), the MEMBER or their representative union and the liquidator (if applicable). In such case the FUND CREDIT of each MEMBER in the SERVICE of the EMPLOYER shall be transferred as envisaged in terms of RULE 9.2 to an APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PENSION PRESERVATION FUND or APPROVED RETIREMENT ANNUITY FUND, subject to the requirements of the REVENUE AUTHORITIES as specified from time to time, or the MEMBER may elect to remain a NON-CONTRIBUTORY MEMBER by notifying the FUND in writing. The EMPLOYER shall then cease to be an EMPLOYER and the MEMBERS whose FUND CREDITS are transferred will cease to be MEMBERS and will have no further claim against the FUND.

Effective: 27/11/2014

### **14.2 Termination of an EMPLOYER**

14.2.1 Any EMPLOYER in consultation with the MEMBERS or MANAGEMENT COMMITTEE (if applicable) may terminate its participation as an EMPLOYER in the FUND, by giving three (3) months written notice, provided that the TRUSTEES may, at their discretion, waive the notice period and accept a lesser period. The FUND CREDIT of each MEMBER in the SERVICE of that EMPLOYER shall be transferred as envisaged in terms of RULE 9.2 to an APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PENSION PRESERVATION FUND or APPROVED RETIREMENT ANNUITY FUND, subject to the requirements of the REVENUE AUTHORITIES as specified from time to time, or the MEMBER may elect to remain a NON-CONTRIBUTORY MEMBER by notifying the FUND in writing. The EMPLOYER shall then cease to be an EMPLOYER and the MEMBERS whose FUND CREDITS are transferred will cease to be MEMBERS and will have no further claim against the FUND.

14.2.2 The TRUSTEES may terminate an EMPLOYER by giving three (3) months written notice, provided that the TRUSTEES may, at their discretion, waive the notice period and accept a lesser period. In such case the FUND CREDIT of each MEMBER in the SERVICE of the EMPLOYER shall be transferred as envisaged in RULE 9.2 to an APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PENSION PRESERVATION FUND or APPROVED RETIREMENT ANNUITY FUND, subject to the requirements of the REVENUE AUTHORITIES as specified from time to time, or the MEMBER may elect to remain a NON-CONTRIBUTORY MEMBER by notifying the FUND in writing. The EMPLOYER shall then cease to be an EMPLOYER and the MEMBERS whose FUND CREDITS are transferred will cease to be MEMBERS and will have no further claim against the FUND.

Effective: 27/11/2014

### **14.3 Termination of the FUND**

14.3.1 The TRUSTEES may at any time and for any reason they deem fit; terminate the FUND by giving six (6) months' written notice to:

(a) the EMPLOYERS; and

(b) to all the MEMBERS, PENSIONERS and FLEXIBLE ANNUITANTS.

Effective: 28/03/2018

14.3.2 The FUND must in any event be terminated if all the EMPLOYERS cease to participate unless one or more of the EMPLOYER(S) agree to continue with the FUND on such terms as agreed with the FUND.

14.3.3 If the FUND is to be terminated, the TRUSTEES shall, subject to the approval of the REGISTRAR, appoint an independent liquidator who must liquidate the FUND with effect from the date of the REGISTRAR'S approval of his/her appointment.

14.3.4 In accordance with the instructions of the liquidator, the total moneys available under the FUND after payment of all expenses incurred in the liquidation shall be applied to provide benefits for MEMBERS, PENSIONERS and FLEXIBLE ANNUITANTS on an equitable basis recommended by the ACTUARY and by the liquidator.

14.3.5 The procedure in terms of RULE 14.3.4 shall be subject to the following provisions:

14.3.5.1 the amount available for a MEMBER under RULE 14.3.4 shall be transferred to an APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PENSION PRESERVATION FUND or APPROVED RETIREMENT ANNUITY FUND less deductions in terms of Section 37D of the ACT and subject to the requirements of the REVENUE AUTHORITIES as specified from time to time or, if the TRUSTEES agree, shall be payable to a MEMBER in cash less any tax payable thereon;

14.3.5.2 the amount available for FLEXIBLE ANNUITANTS under RULE 14.3.4 shall be used to provide annuities of such amount as can be secured in their names from a REGISTERED INSURER;

14.3.5.3 the balances standing to the credit of the PENSIONS ACCOUNT shall be used to provide annuities of such amount as can be secured in the names of the PENSIONERS from a REGISTERED INSURER;

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14.3.5.4 if a person to whom an amount is payable cannot be traced within 24 months, the amount referred to in RULE 14.3.5.1 shall be transferred into an APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PENSION PRESERVATION FUND or APPROVED RETIREMENT ANNUITY FUND created for the specific purposes of receiving and disbursing unclaimed benefits; and

14.3.5.5 in making an apportionment in terms of RULE 14.3.4 the liquidator shall take into consideration every former MEMBER who, during the period of twelve months preceding the date of approval of the liquidator by the REGISTRAR, left SERVICE for reasons accepted by the liquidator as not being attributable to the former MEMBER'S fraud or misconduct. The former MEMBER'S apportionment shall be reduced by the amount of the benefit which he/she received on leaving SERVICE.

14.4 When all payments have been made by the FUND in terms of RULE 14.3.5, the FUND shall have no further liability to any person and its registration in terms of the ACT shall be cancelled.

**PROVISIONS APPLICABLE TO PENSIONERS AND OTHER BENEFICIARIES IN RECEIPT OF A PENSION AS AT 28 FEBRUARY 2001 AS WELL AS DISABILITY AND CHILD PENSIONS BETWEEN 1 MARCH 2001 AND 30 JUNE 2013.**

**A1.1. INTRODUCTION**

A1.1.1 Notwithstanding anything to the contrary contained elsewhere in these RULES, the provisions of this Annexure shall apply to the PENSIONERS and other beneficiaries in receipt of a PENSION on 28 February 2001, DISABILITY and CHILD PENSIONS between 1 MARCH 2001 and 30 JUNE 2013. This annexure will not apply to beneficiaries of the TRANSFERRED FUND as at 30 June 2013.

**A1.2. Definitions – Where the definitions in this annexure differ from the definitions in the GENERAL RULES, the SPECIAL RULES or the annexures, the definitions in this annexure will apply.**

“CHILD” shall mean the biological or legally adopted child of a PENSIONER provided that this child is under the age of eighteen and unmarried.

“CLASSES OF WORK” shall mean work underground, work as a Winding Engine Driver, work of a risk nature on the surface and surface work with an EMPLOYER prior to 1 March 2001.

“DBS PENSION” shall mean, for a PENSIONER, his/her Death Benefit Scheme pension prior to 1 March 2001.

“NORMAL RETIREMENT AGE” shall mean the pensionable age in terms of the Rules in force prior to 1 March 2001.

“PAST SERVICE PENSION” shall mean the pension awarded for service prior to 1 March 1946.

“PENSION” shall mean the annual sum payable to a PENSIONER, existing SPOUSE and CHILD prior to 1 March 2001, and CHILD PENSIONS payable between 1 March 2001 and 30 June 2013.

“PENSIONER” shall mean a retired MEMBER to whom any PENSION was awarded prior to 1 March 2001.

**A1.3. Disability PENSION**

The PENSION of all PENSIONERS in receipt of a disability pension equal to fifty per cent (50%) of the pension to which he/she would have become entitled at his/her NORMAL RETIREMENT AGE, shall increase to one hundred per cent (100%) from his/her NORMAL RETIREMENT AGE, or earlier if the TRUSTEES are satisfied that he/she is permanently incapacitated for all CLASSES OF WORK.

#### **A1.4. Reductions of PENSION to provide for SPOUSE**

A1.4.1 For the purpose of this RULE, "SPOUSE" means the person whom the MEMBER was married to at the date of retirement. If a male MEMBER retired prior to 31 May 1981 and elected to receive a reduced pension, the SPOUSE he/she was married to will receive the SPOUSE'S pension equal to fifty per cent (50%) of the pension he/she was receiving, irrespective whether they were divorced after the date of retirement.

A1.4.2 The pension payable to the SPOUSE of a PENSIONER who was awarded a reduced pension shall be equal to fifty per cent (50%) of the pension he/she would have received if he/she had been awarded a disability pension or pension age benefit at the date of death.

#### **A1.5. SPOUSE'S or DEPENDENT CHILD'S PENSION**

A1.5.1 For the purposes of this RULE for PENSIONERS who retired between 1 June 1981 and 28 February 2001, "SPOUSE" shall mean:

- (a) the spouse of a PENSIONER at the date of his/her death; provided that such person was his/her legal spouse, by whatsoever customary rites or legally married as recognised in law;
- (b) a person of the same or opposite sex who was co-habiting as if married and who was dependent on the PENSIONER at the date of his/her death, and whom the TRUSTEES in their discretion may regard as his/her spouse; and
- (c) was a spouse as specified in paragraph A1.5.1(a) or (b) when the PENSIONER retired; and if the TRUSTEES become aware of any period of not co-habiting after the date of his/her retirement, they may either deem the couple:
  - (i) to have been co-habiting throughout this period and in such case award the full spouse's pension payable in terms of RULE A1.5.3 below; or
  - (ii) not to have been co-habiting during this period and not to award the spouse's pension payable in terms of RULE A1.5.3 below;

and provided further the TRUSTEES at their discretion may decide that:

- (d) if two or more persons qualify as the SPOUSE of a PENSIONER in terms of paragraph (a) and/or paragraph (b) above, the pension shall, at the discretion of the TRUSTEES, be awarded to one of the persons so qualifying or apportioned between some or all of them; provided that should one or more of the SPOUSES die, the pension that had been awarded to the deceased SPOUSE/S will not be reapportioned among the surviving SPOUSE/S.

A1.5.2 If a PENSIONER, whose PENSION was awarded on or after 1 June 1981 dies and leaves a SPOUSE, there shall be granted in addition to any other amounts the SPOUSE may be entitled to in terms of this Annexure, and subject to the provisions of A1.5.1 of the definition of "SPOUSE", a PENSION from the first day of the PAY MONTH following the PAY MONTH in which the PENSIONER dies unless otherwise agreed by the TRUSTEES, equal to fifty per cent (50%) of the PENSION the PENSIONER was receiving or would have been receiving if part of it had not been commuted; provided that if the PENSIONER was awarded an early retirement PENSION in terms of the rules, the SPOUSE'S PENSION shall be equal to the PENSION the SPOUSE would have received if the PENSIONER had been awarded a PENSION AGE benefit.

A1.5.3 If a PENSIONER whose pension was awarded on or after 1 June 1981 dies and leaves a CHILD, a child pension equal to the following percentage of the pension that would be granted to a SPOUSE shall be granted, from the PAY MONTH following the PAY MONTH in which the PENSIONER died;

- (a) while there is a SPOUSE in receipt of a pension, twenty-five per cent (25%) if there is one CHILD, or up to a maximum of fifty per cent (50%) if there are two or more CHILDREN; or
- (b) while there is no SPOUSE in receipt of a pension, one hundred per cent (100%).

The pension shall be payable so long as there is a CHILD. The CHILD'S pension will be apportioned equally among all the CHILDREN and shall be payable to such persons on behalf of the CHILDREN as the TRUSTEES may from time to time determine.

A1.5.4 The pension awarded to the SPOUSE and/or CHILD will cease on the later of, the date of the death of the last surviving SPOUSE or the date on which the last of the CHILDREN attains the age of eighteen or marries or dies, unless otherwise agreed by the Trustees.

A1.5.5 Provisions for SPOUSES and CHILD'S PENSIONS for MEMBERS who retired between 1 March 2001 and 30 June 2013, where "SPOUSE" shall mean the person elected by the MEMBER at date of retirement, as follows:

- (a) a MEMBER could elect at the date of his/her retirement to provide a CHILD'S PENSION of such an amount as he/she determines for one (1) or more of his/her children from his/her PENSION.
- (b) the sum of any SPOUSE'S PENSION provision and any CHILD'S PENSION shall not exceed the PENSIONER'S PENSION.



- (c) if in terms of RULE 5; within the term certain guarantee period a PENSIONER dies leaving a SPOUSE and/or a CHILD having elected a CHILD'S PENSION, his/her PENSION shall continue to be paid to his/her SPOUSE and/or CHILD for the remainder of the term certain guarantee period and thereafter the SPOUSE'S PENSION and/or CHILD'S PENSION shall become payable, subject to eligibility as set out in the definition of SPOUSE and/or CHILD. If there is no SPOUSE and/or CHILD the PENSION that would have been paid for the remainder of the term certain guarantee period shall be capitalised and distributed in terms of Section 37C of the ACT.
- (d) A PENSION awarded shall cease on the death of the SPOUSE, provided that if the death of the SPOUSE occurs within the term certain guarantee period, the balance of the capitalised PENSION shall be paid to the SPOUSE'S estate, unless a CHILD'S PENSION was awarded to a CHILD of the SPOUSE, in which case the SPOUSE'S PENSION will be allocated to the CHILD as the TRUSTEES may decide and such additional PENSION will be regarded as a CHILD PENSION, provided that the liability for such additional PENSION will be limited to the remainder of the term certain guarantee period.
- (e) a PENSION awarded to a CHILD following the death of a SPOUSE shall cease on the CHILD attaining the age of eighteen (18) years or on the death of the CHILD, whichever occurs first, and if the aforementioned event occurs within the term certain guarantee period, the balance of the capitalised PENSION shall be paid to the CHILD'S estate unless a SPOUSE'S PENSION was awarded to the parent of the CHILD or a CHILD'S PENSION was awarded to siblings of the CHILD in which case the CHILD'S PENSION will be allocated to the SPOUSE and/or CHILD as the TRUSTEES may decide and such additional PENSION will be regarded as a CHILD PENSION and/or a SPOUSE'S PENSION, provided that the liability for such additional PENSION will be limited to the remainder of the term certain guarantee period.

#### **A1.6. CONDITIONS GOVERNING PAYMENT OF BENEFITS**

- A1.6.1 In the event of the death of a PENSIONER, any balance of the benefit shall be paid in terms of Section 37C of the ACT.
- A1.6.2 On the death of a beneficiary who was not a PENSIONER, and/or upon the CHILD'S pension ceasing, the TRUSTEES may in their discretion pay the benefit to the other DEPENDANTS of the beneficiary or if there are no DEPENDANTS, an amount equal to the benefit to such person or persons as it may determine.

**A1.7. DEATH OF A PENSIONER WHO BECAME A PENSIONER AFTER 1 JULY 1961**

A1.7.1 On the death of a PENSIONER a benefit equal to twenty four (24) times the monthly pension prior to commutation shall become payable excluding any pension and bonus pension that is based on additional contributions.

A1.7.2 If he/she retired after 1 January 1988 the benefit payable shall be thirty (30) times the monthly pension before commutation excluding any pension and bonus pension that is based on additional contributions. These benefits shall be paid in accordance with Section 37C of the ACT.

**A1.8. CONVERSION TO DBS PENSION**

A PENSIONER who retired after 1 July 1961 and opted for a SPOUSE'S pension may at any time after his/her retirement opt to have his/her death benefit that would have become payable on his/her death, converted into an additional monthly pension. On exercising this option no lump sum will be payable on his/her death but only a monthly DBS PENSION to his/her SPOUSE and minor children if any, shall become payable in terms of RULE A1.5 above. A DBS PENSION will cease on the death of the person entitled thereto.

**A1.9. PENSIONERS OF THE P.F. STAFF PENSION FUND**

A1.9.1 If a PENSIONER dies and leaves a SPOUSE, the spouse shall be entitled to:

- (a) a lump sum equal to fifty per cent (50%) of the annual pre-commuted pension that the pensioner was receiving; and
- (b) a pension equal to sixty per cent (60%) of the pre-commuted pension that the pensioner was receiving at date of death.

"SPOUSE" shall mean a person who was married to the PENSIONER when he/she retired.

**A1.10. NEW DEATH BENEFIT SCHEME**

A1.10.1 The Death Benefit Scheme set out in RULES A1.6, A1.7 and A1.8 shall only remain in force after 31 August 1994 in respect of those PENSIONERS for whom the death cover referred to therein was in force before 1 September 1994.

A1.10.2 With effect from 1 September 1994 the following provisions shall apply to all persons, other than those referred to in RULE A1.10.1 above:

- (a) on retirement prior to 1 March 2001, a PENSIONER would have had the option to elect one of the following:
  - (i) a pension payable for the remainder of his/her life and upon his/her death a pension payable to his/her SPOUSE and/or CHILD in terms of RULE A1.5 above, or
  - (ii) to purchase a lump sum benefit payable in the event of his/her death, or
  - (iii) to purchase a combination of pension as referred to in (i) and a lump sum as referred to in (ii) above;
- (b) A PENSIONER, who retired after 1 September 1994 but before 1 March 2001, may at any time opt to have his/her death benefit, converted into a DBS PENSION.

**ANNEXURE 2****PROVISIONS OF THE MINE EMPLOYEES PENSION FUND RULES (the TRANSFERRED FUND) IN FORCE PRIOR TO TRANSFERRING TO THIS FUND ON 1 JULY 2013. APPLICABLE ONLY TO PENSIONERS IN RECEIPT OF PENSIONS FROM THE TRANSFERRED FUND AT 30 JUNE 2013.****A2.1 INTRODUCTION**

A2.1.1 Notwithstanding anything to the contrary contained elsewhere in these RULES, the provisions of this Annexure shall be varied as set out in this Annexure in respect of a person in receipt of a pension from the TRANSFERRED FUND as at 30 June 2013 to reflect the applicable provisions of the registered Rules of the TRANSFERRED FUND in force prior to 1 July 2013.

A2.1.2 The PENSION payable to a PENSIONER of the TRANSFERRED FUND from 1 July 2013 shall be equivalent to the pension the person was receiving prior to 1 July 2013 from the TRANSFERRED FUND determined in terms of the registered Rules in force at the date the pension became payable.

A2.1.3 On the death of a PENSIONER after 30 June 2013 the provisions of this Annexure shall apply.

**A2.2 DEFINITIONS – Where the definitions in this annexure differ from the definitions in the GENERAL RULES, the SPECIAL RULES or the annexures, the definitions in this annexure will apply.**

“CHILD” shall mean the biological or legally adopted child of a PENSIONER provided that this child is under the age of eighteen and unmarried.

“DBS PENSION” shall mean, for a PENSIONER, his/her DBS pension in terms of Rule A2.6.

“PAST SERVICE PENSION” shall mean the PENSION awarded for service prior to 19 September 1949.

“PENSION” shall mean the annual sum payable to a PENSIONER, existing SPOUSE and CHILD prior to 1 March 2003, and CHILD PENSIONS payable between 1 March 2003 and 30 June 2013.

“PENSIONER” shall mean a retired MEMBER to whom any PENSION was awarded prior to 1 March 2013.

“NORMAL RETIREMENT AGE” in relation to a male MEMBER, shall mean the age of sixty (60) years in the case of an underground MEMBER and the age of sixty-three (63) years in the case of any other MEMBER and, in relation to a female MEMBER, shall mean the age of fifty-five (55) years.

### **A2.3 REDUCTION OF PENSION TO PROVIDE FOR SPOUSE**

A2.3.1 For the purpose of this Rule "SPOUSE" shall mean the person to whom the PENSIONER was married at the date of retirement. If a male MEMBER retired prior to 1 April 1982 and elected to receive a reduced pension, the surviving SPOUSE to whom he/she was married shall receive the SPOUSE'S PENSION equal to fifty per cent (50%) of the PENSION he/she was receiving, even if they divorced after the date of retirement. In the event of such SPOUSE pre-deceasing the PENSIONER, the spouse of the PENSIONER at the date of his/her death shall be entitled to the PENSION that would have been payable to the SPOUSE had such SPOUSE not pre-deceased the PENSIONER, reduced by one third (1/3 rd.).

A2.3.2 The PENSION payable in terms of Rule A2.3.1 to the SPOUSE of a PENSIONER who was awarded a reduced pension shall be equal to fifty per cent (50%) of the PENSION he/she would have received if he/she had been awarded a pension age benefit.

### **A2.4 SPOUSE'S OR CHILD'S PENSION**

A2.4.1 For the purpose of this Rule for PENSIONERS who retired between 1 April 1982 and 28 February 2003, "SPOUSE" shall mean:

- (a) the spouse of a PENSIONER at the date of his/her death; provided that such person was either the PENSIONER'S legal spouse, by whatsoever rites married or was a person with whom the PENSIONER was living in a customary union as recognised in law;
- (b) a person of the same or opposite sex with whom a PENSIONER at the date of his/her death was co-habiting as if married, whom the TRUSTEES in their discretion may regard as the PENSIONER'S spouse;

provided that:

- (i) such person was a person as specified above when he/she became a PENSIONER; and
- (ii) if the TRUSTEES become aware of any period when the PENSIONER and his/her spouse were not co-habiting between the date of the PENSIONER'S retirement and the date of his/her death, they may either deem the couple:
  - (aa) to have been co-habiting throughout the period mentioned in (ii) and in such case award the full SPOUSE'S PENSION payable in terms of Rule A2.4.3; or

- (bb) to have been co-habiting at the date of the PENSIONER'S death and award the SPOUSE'S PENSION payable in terms of Rule A3.4.3 reduced by one-third (1/3 rd.);
- (iii) if a person otherwise qualifies as a SPOUSE in terms of A2.4.1(a) and (b) at the date of the PENSIONER'S death but could not be regarded as a SPOUSE throughout the period of his/her retirement, such person shall be awarded the PENSION payable in terms of Rule A2.4.3, reduced by one-third (1/3 rd.);

and provided further the TRUSTEES at their discretion may decide that:

- (c) a person who otherwise satisfies the requirements of A2.4.1(a) and (b) shall not qualify as a SPOUSE if such person was not living with the PENSIONER at the date of his/her death; and
- (d) if two (2) or more persons qualify as the SPOUSE of a PENSIONER in terms of A2.4.1(a) and (b) above, the PENSION shall, at the discretion of the TRUSTEES, be awarded to one (1) of the persons so qualifying or apportioned between some or all of them; provided that should one (1) or more of the SPOUSES die, the PENSION that had been awarded to the deceased SPOUSE/S will not be reapportioned amongst the surviving SPOUSE/S.

A2.4.2 For the purpose of this Rule A2.4, "CHILD" shall mean the biological or legally adopted child of a PENSIONER provided that this child is under the age of eighteen (18) and unmarried.

A2.4.3 If a PENSIONER, whose PENSION was awarded on or after 1 April 1982 dies and leaves a SPOUSE, there shall be granted in addition to any other amounts the SPOUSE may be entitled to in terms of this Annexure, and subject to the provisions of A2.4.1(a) and (b) of the definition of "SPOUSE" in this Rule A2.4 a PENSION from the first day of the PAY MONTH following the PAY MONTH in which the PENSIONER dies unless otherwise agreed by the TRUSTEES, equal to fifty per cent (50) of the PENSION the PENSIONER was receiving or would have been receiving if part of it had not been commuted; provided that if the PENSIONER was awarded an early retirement PENSION in terms of the rules, the SPOUSE'S PENSION shall be equal to the PENSION the SPOUSE would have received if the PENSIONER had been awarded a pension age benefit.

provided that:

if the PENSIONER retired between 1 April 1982 and 31 December 1990, both dates inclusive, he/she opted for a SPOUSE'S PENSION.

A2.4.4 If a PENSIONER whose PENSION was awarded on or after 1 April 1982 dies and leaves CHILDREN, there shall be granted in respect of them in addition to any other amounts they

may be entitled to in terms of this annexure, a PENSION from the first day of the PAY MONTH following the PAY MONTH in which the PENSIONER dies unless otherwise agreed by the TRUSTEES, equal to the following percentage of the PENSION that has been granted to a SPOUSE in terms of Rule A2.4.1 if the PENSIONER had left a SPOUSE who would have qualified as such at the date of retirement:

- (a) if the PENSIONER dies on or after 1 December 1993 and while there is a SPOUSE in receipt of a PENSION, ten per cent (10%) if there is one (1) CHILD, or twenty per cent (20%) if there are two (2) or more CHILDREN; or
- (b) while there is no SPOUSE in receipt of a pension, one hundred per cent (100%) of the PENSION that would have been granted to the SPOUSE.

The PENSION shall be payable in respect of the children so long as there is a CHILD. The CHILDREN'S PENSION may be apportioned amongst all or any of the CHILDREN from time to time in such proportions as the TRUSTEES shall, in their discretion, determine and shall be payable to such person or persons on behalf of the CHILDREN, as the TRUSTEES may decide.

A2.4.5 The PENSION awarded in terms of Rule A2.4 to the SPOUSE/S and CHILDREN of the PENSIONER will cease on the later of the last day of the PAY MONTH in which the date of death of the last surviving SPOUSE occurred or the last day of the PAY MONTH in which the last of the CHILDREN attains the age of eighteen (18) or marries or dies

A2.4.6 Provisions for SPOUSES and CHILD'S PENSIONS for MEMBERS who retired between 1 March 2003 and 30 June 2013, where "SPOUSE" shall mean the person elected by the MEMBER at date of retirement, as follows:

- (a) a MEMBER could elect at the date of his/her retirement to provide a CHILD'S PENSION of such an amount as he/she determines for one (1) or more of his/her children from his/her PENSION.
- (b) the sum of any SPOUSE'S PENSION provision and any CHILD'S PENSION shall not exceed the PENSIONER'S PENSION.
- (c) if in terms of RULE 5; within the term certain guarantee period a PENSIONER dies leaving a SPOUSE and/or a CHILD having elected a CHILD'S PENSION, his/her PENSION shall continue to be paid to his/her SPOUSE and/or CHILD for the remainder of the term certain guarantee period and thereafter the SPOUSE'S PENSION and/or CHILD'S PENSION shall become payable, subject to eligibility as set out in the definition of SPOUSE and/or CHILD. If there is no SPOUSE and/or CHILD the PENSION that would have been paid for the remainder of the term certain guarantee period shall be capitalised and distributed in terms of Section 37C of the ACT.
- (d) A PENSION awarded shall cease on the death of the SPOUSE, provided that if the death of the SPOUSE occurs within the term certain guarantee period, the balance of the

capitalised PENSION shall be paid to the SPOUSE'S estate, unless a CHILD'S PENSION was awarded to a CHILD of the SPOUSE, in which case the SPOUSE'S PENSION will be allocated to the CHILD as the TRUSTEES may decide and such additional PENSION will be regarded as a CHILD PENSION, provided that the liability for such additional PENSION will be limited to the remainder of the term certain guarantee period.

- (e) a PENSION awarded to a CHILD following the death of a SPOUSE shall cease on the CHILD attaining the age of eighteen (18) years or on the death of the CHILD, whichever occurs first, and if the aforementioned event occurs within the term certain guarantee period, the balance of the capitalised PENSION shall be paid to the CHILD'S estate unless a SPOUSE'S PENSION was awarded to the parent of the CHILD or a CHILD'S PENSION was awarded to siblings of the CHILD in which case the CHILD'S PENSION will be allocated to the SPOUSE and/or CHILD as the TRUSTEES may decide and such additional PENSION will be regarded as a CHILD PENSION and/or a SPOUSE'S PENSION, provided that the liability for such additional PENSION will be limited to the remainder of the term certain guarantee period.

#### **A2.5 DEATH OF A PENSIONER**

On the death of a PENSIONER who became entitled to a PENSION within six (6) months of leaving SERVICE or who reached his/her NORMAL RETIREMENT AGE within two (2) years of leaving SERVICE, a benefit equal to 24 times the monthly pre-commutation pension (including a past service pension awarded on or after 1 September 1962 but excluding any provident service pension and any bonus declared thereon), shall become payable in accordance with Section 37C of the ACT, provided that if the PENSIONER retired on or after 1 January 1991, the benefit shall be increased from 24 times the monthly PENSION (as described above) to 30 times the monthly PENSION.

#### **A2.6 CONVERSION TO DBS PENSION**

A2.6.1 A PENSIONER in receipt of a PENSION on 1 January 1991 who opted for a SPOUSE'S PENSION or who satisfies the TRUSTEES that there is no person who would qualify as a SPOUSE on his/her death, or a PENSIONER who retired on or after 1 January 1991, may at any time after his/her retirement opt to have his/her death benefit, that would have become payable on his/her death, converted into a DBS PENSION. On exercising this option no lump sum will be payable on his/her death in terms of Rule A2.5 but only a monthly DBS PENSION shall become payable to his/her SPOUSE and minor CHILDREN, if any.

A2.6.2 A DBS PENSION shall cease on the death of the person entitled thereto or on the date a minor CHILD reaches the age of 18 years.



**A2.7 NEW DEATH BENEFIT SCHEME**

A2.7.1 The Death Benefit Scheme rules in force immediately prior to 1 March 2003 shall only remain in force after 31 August 1994 in respect of those PENSIONERS for whom the death cover referred to therein was in force before 1 September 1994.

A2.7.2 With effect from 1 September 1994 the following provisions shall apply to all persons, other than those referred to in Rule A3.7.1:

- (a) on retirement prior to 1 March 2003, a PENSIONER would have had the option to elect one of the following which shall be recorded in the records of the FUND:
  - (i) a pension payable for the remainder of his/her life and upon his/her death a pension payable to his/her SPOUSE and/or CHILDREN in terms of Rule A2.4 or on such other terms as may have been agreed to by the TRUSTEES and noted in the records of the FUND; or
  - (ii) to purchase such a multiple lump sum benefit payable in the event of his/her death as was available for election at the date of his/her retirement; or
  - (iii) to purchase a combination of pension and lump sum as referred to in A2.7.2(a)(i) and (ii) above;
- (b) a pensioner in receipt of a PENSION on or after 1 September 1994 but before 1 March 2003 may at any time opt to have his/her death benefit, elected in terms of Rule A2.7.2(a), and converted into a DBS PENSION.

## RISK BENEFIT OPTIONS AVAILABLE FOR SELECTION AND INCLUSION INTO SPECIAL RULES BY EMPLOYERS.

### A3.1 INTRODUCTION

The following table reflects the different risk benefit options available to the EMPLOYERS to select from. The preferred options selected by the EMPLOYER in consultation with the MANAGEMENT COMMITTEE (if applicable) or the ELIGIBLE EMPLOYEES or their representative union, shall be reflected in the SPECIAL RULES.

### A3.2 MAINTAIN AND COMMUNICATE

The monthly contribution for the risk cover offered will be determined for each calendar year in advance by the TRUSTEES in consultation with the ACTUARY, based on the current and anticipated claims experience. This will be communicated to the EMPLOYERS or MANAGEMENT COMMITTEES (if applicable) and MEMBERS in advance.

### A3.3 THE APPROVED TABLE OF DEATH AND DISABILITY OPTIONS AVAILABLE TO EMPLOYERS.

#### DEATH AND DISABILITY COVER

**EFFECTIVE: 1 JANUARY 2016**

<b>Death Cover Options</b>	<b>Death Cover</b>	<b>Cost p.m.</b>	<b>Disability Cover Options</b>	<b>Disability Cover</b>	<b>Cost p.m.</b>
<b>A</b>	NIL		<b>A</b>	NIL	
<b>B</b>	0.85 X	0.42%	<b>B</b>	0.85 X	0.38%
<b>C</b>	1.68 X	0.84%	<b>C</b>	1.68 X	0.76%
<b>D (Default)</b>	<b>2.50 X</b>	<b>1.25%</b>	<b>D (Default)</b>	<b>2.50 X</b>	<b>1.25%</b>
<b>E</b>	3.36 X	1.76%	<b>E</b>	3.36 X	1.60%
<b>F</b>	4.20 X	2.24%	<b>F</b>	4.20 X	2.00%

**Cost = Percentage of monthly FUND RISK SALARY**

**Cover = Cover X Average annual FUND RISK SALARY**

## PROVISIONS APPLICABLE TO PENSIONERS AND SURVIVING SPOUSES OF THE DIAMOND CUTTING INDUSTRY OF SA PENSION FUND WHO ELECTED TO TRANSFER TO THIS FUND

### A4.1 INTRODUCTION

- A4.1.1 Notwithstanding anything to the contrary contained elsewhere in these RULES, the provisions of this Annexure shall be varied as set out in this Annexure in respect of a person in receipt of an ANNUITY from DCISAPF as at 30 September 2016 to reflect the applicable provisions of the registered Rules of DCISAPF in force prior to 1 October 2016.
- A4.1.2 In accordance with RULE 9.4 of the GENERAL RULES, the assets and liabilities of DCISAPF shall be transferred to the PENSIONS ACCOUNT of the FUND.
- A4.1.3 The PENSION payable by the FUND to a PENSIONER or SURVIVING SPOUSE of the DCISAPF from 1 October 2016 shall be equivalent to the monthly ANNUITY he/she was receiving prior to 1 October 2016 from the DCISAPF as determined in terms of the registered rules of DCISAPF in force at the date the pension became payable.
- A4.1.4 On the death of a PENSIONER or SURVIVING SPOUSE after 30 September 2016, the provisions of this Annexure shall apply rather than the provisions of the GENERAL RULES.
- A4.1.5 The Annexure will not apply to a person who was a member of DCISAPF on 30 September and who became a MEMBER of the FUND on 1 October 2016 and was not in receipt of an ANNUITY from DCISAPF before that date.

### A4.2 DEFINITIONS – Where the definitions in this annexure differ from the definitions in the GENERAL RULES, the SPECIAL RULES or the annexures, the definitions in this annexure shall apply.

“ANNUITY” shall for these purposes mean the annuity payable to a PENSIONER or existing SURVIVING SPOUSE of DCISAPF prior to 1 October 2016;

“DCISAPF” shall mean the Diamond Cutting Industry of SA Pension Fund;

“FUND” shall mean Sentinel Retirement Fund;

“GENERAL RULES” shall mean the GENERAL RULES of the FUND.

“MARITAL UNION” shall mean a legal marriage, a union recognised according to customary law, or a union recognised as a marriage under any religion or any other SA law, or a cohabitation of dependence of a PENSIONER and any other person that is deemed a MARITAL UNION by the TRUSTEES; provided that a MARITAL UNION may, at the discretion of the TRUSTEES, include a dissolve marriage where the other person is substantially dependent on the PENSIONER;

“PENSIONER” shall mean a retired MEMBER of DCISAPF to whom any ANNUITY was awarded by the DCISAPF prior to 1 October 2016;

“RULES” shall mean the GENERAL RULES and SPECIAL RULES of the FUND;

“SURVIVING SPOUSE” shall mean any person who, at the date of the PENSIONER retired from the DCISAPF, was in a MARITAL UNION with the PENSIONER, subject to an election as referred to in Rule A4.2.3.

#### **A4.3 REDUCTION OF ANNUITY TO PROVIDE FOR SURVIVING SPOUSE**

A4.3.1 Immediately before retiring, a PENSIONER had the option to elect to receive a reduced ANNUITY from the date of his/her retirement to make provision for a pension to become payable from the date of death to his/her SURVIVING SPOUSE. Such election was made to DCISAPF by the PENSIONER stating the percentage by which his ANNUITY was to be reduced, the options being 75% or 100%. The PENSIONERS concerned will be named on a table retained by the FUND, which shall for these purposes be entitled to rely solely on records or information provided by DCISAPF.

A4.3.2 The PENSION awarded by the FUND to a SURVIVING SPOUSE from 1 October 2016 shall be payable in accordance with RULES 5.3.4, 5.3.5 and 5.3.8 OF the GENERAL RULES, subject to the option elected by the PENSIONER as envisaged in RULE A4.3.1.

#### **A4.4 DEATH OF A PENSIONER OR SURVIVING SPOUSE**

A4.4.1 On the death of a PENSIONER who was awarded an ANNUITY prior to 1 October 2016 and who did not elect a reduced ANNUITY as envisaged in RULE A4.3.1, a benefit shall be payable that is equal to 60 (sixty) times the monthly amount of the ANNUITY to which he became entitled on the date of his/her retirement, less the total cumulative amounts paid to him/her in ANNUITIES by DCISAPF and the

FUND and commuted amounts. This amount, if any, will be paid in accordance with section 37C of the ACT.

A4.4.2 On the death of a SURVIVING SPOUSE who was awarded a pension by DCISAPF prior to 1 October 2016, a benefit payable in terms of RULE A4.4.1 shall be payable. This amount, if any, will be paid in accordance with section 37C of the ACT.

A4.4.3 For these purposes, the FUND shall be entitled to rely solely on records or information provided by DCISAPF.