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DATE: 15 August 2024

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THE PRINCIPAL OFFICER
NATIONAL FUND FOR MUNICIPAL WORKERS
c/o SANLAM LIFE INSURANCE LTD
PO BOX 1
SANLAMHOF

7532P

CASE NUMBER: 596801

Dear Sir/Madam

**PENSION FUNDS ACT, 24 OF 1956 & INCOME TAX ACT, 58 OF 1962: AMENDMENT 3
(Effective 01 September 2024) - NATIONAL FUND FOR MUNICIPAL WORKERS**

Your application of 03 July 2024 refers. I have enclosed a copy of the Amendment duly approved and registered in terms of section 12(4) of the Pension Funds Act.

The fund continues to be recognized as a Provident Fund in terms of the Income Tax Act.

Yours faithfully

PAPI KEKANA
MANAGER: RETIREMENT FUNDS SUPERVISION: REVIEWS & AUTHORISATIONS
for THE FINANCIAL SECTOR CONDUCT AUTHORITY

Enclosure

Executive Committee:

Commissioner: U. Kamlana | **Deputy Commissioners:** A. Ludin | K. Gibson | F. Badat

AMENDMENT DOCUMENT NO 3
NATIONAL FUND FOR MUNICIPAL WORKERS
(called the FUND in this document)

Resolution

The Board of Trustees resolved at Pretoria on 28 June 2024 that the Rules of the Fund be amended from 1 September 2024 as follows:

1. Rule 1.3 is replaced with the following:
 - 1.3 The object of the FUND is to provide benefits for its MEMBERS on their retirement, withdrawal, for their DEPENDANTS or NOMINEES in the event of the death of such MEMBERS, and/or to provide a SAVINGS WITHDRAWAL BENEFIT to its MEMBERS.
2. The definition of "MEMBER'S SHARE" is replaced in Part 2 of the RULES by the following;

MEMBER SHARE is the member's individual account in the Fund. The MEMBER SHARE is the total amount held by the FUND on behalf of each MEMBER , DEFERRED RETIREE and or DEFERRED MEMBER, as described in Part 5 of these RULES, and payable to the MEMBER , DEFERRED RETIREE or DEFERRED MEMBER or his DEPENDANTS or NOMINEES in terms of the RULES of the FUND. The MEMBER SHARE shall consist of a RETIREMENT COMPONENT, a SAVINGS COMPONENT and a VESTED COMPONENT, as applicable and described in Part 5 of these RULES.
3. The definition of "NON-VESTED PORTION" is replaced in Part 2 of the RULES by the following:

NON-VESTED PORTION: shall mean the amount, if any, by which the VESTED COMPONENT of the MEMBER SHARE exceeds the VESTED PORTION;

4. The definition of "RETIREMENT COMPONENT" is inserted in Part 2 of the RULES

RETIREMENT COMPONENT means the RETIREMENT COMPONENT kept for the MEMBER within the MEMBER SHARE described in Part 5 of the RULES;

5. The definition of "SAVINGS COMPONENT" is inserted in Part 2 of the RULES

SAVINGS COMPONENT means the SAVINGS COMPONENT kept for the MEMBER within the MEMBER SHARE as described in Part 5 of the RULES;

6. The definition of "SAVINGS WITHDRAWAL BENEFIT" is inserted in Part 2 of the RULES

SAVINGS WITHDRAWAL BENEFIT means the amount that the MEMBER has elected to withdraw from his SAVINGS COMPONENT in terms of RULE 8.6.

7. The definition of "VESTED COMPONENT" is inserted in Part 2 of the RULES

VESTED COMPONENT means the VESTED COMPONENT kept for the MEMBER within the MEMBER SHARE that includes a VESTED PORTION (if any) and the NON-VESTED PORTION of the MEMBER SHARE (if any), described in Part 5 of the RULES;

8. The definition of VESTED PORTION is replaced with the following in Part 2 of the Rules

VESTED PORTION means –

- (a) in the case of a MEMBER who was under the age of 55 years and was already a MEMBER of the FUND on 1 March 2021, his MEMBER SHARE in the FUND as on 1 March 2021, plus FUND INTEREST;
- (b) in the case of a MEMBER who was 55 years of age or older and was already a MEMBER of the FUND on 1 March 2021, and does not elect to contribute to the RETIREMENT COMPONENT and the SAVINGS COMPONENT, his MEMBER SHARE, less any amount transferred to the FUND from another retirement fund on or after 1 March 2021 to the extent that such transfer amount is not a VESTED PORTION as defined in the INCOME TAX ACT;
- (c) in the case of a MEMBER who was 55 years of age and was already a MEMBER of the FUND on 1 March 2021, and who elects, within 12 months from 1 September 2024 to contribute to the RETIREMENT COMPONENT and the SAVINGS COMPONENT, his MEMBER SHARE as at the last day of the month in which he makes an election, less any amount transferred to the FUND from another retirement fund on or after 1 March 2021 to the extent that such transfer amount is not a VESTED PORTION as defined in the INCOME TAX ACT;

reduced proportionally by –

- (i) any amounts permitted in terms of section 37D of the ACT on or after 1 March 2021;
- (ii) seed capital in terms of rule 5.1.3 (c), if applicable

9. RULE 4.8 is inserted after RULE 4.7:

4.8 Allocation of contributions

4.8.1 The contributions made in terms of this Part will be allocated to the MEMBER'S MEMBER SHARE as follows:

4.8.1.1 In the case of a MEMBER of the FUND who was 55 years of age and older and already a MEMBER of the FUND on 1 March 2021, and does not elect to contribute to the RETIREMENT COMPONENT and the SAVINGS COMPONENT, the MEMBER'S CONTRIBUTIONS FOR RETIREMENT BENEFITS will be allocated to the VESTED COMPONENT until the MEMBER elects to contribute to the RETIREMENT COMPONENT and the SAVINGS COMPONENT; and

4.8.1.2 In the case of a MEMBER who contributes to the RETIREMENT COMPONENT and the SAVINGS COMPONENT, the CONTRIBUTIONS FOR RETIREMENT BENEFITS made by and or on behalf of the MEMBER must be allocated according to the following ratio:

4.8.1.2.1 2/3rds of the MEMBER'S CONTRIBUTIONS FOR RETIREMENT BENEFITS to the MEMBER'S RETIREMENT COMPONENT; and

4.8.1.2.2 1/3rd of the MEMBER'S CONTRIBUTIONS FOR RETIREMENT BENEFITS to the MEMBER'S SAVINGS COMPONENT.

10. Rule 5.1 in Part 5 MEMBER SHARE is replaced with the following:

5.1 The MEMBER SHARE of a MEMBER who was under the age of 55 years and was already a MEMBER of the FUND on 1 March 2021 ; and

the MEMBER SHARE of a MEMBER who was 55 years of age on 1 March 2021 and who was transferred to the FUND after 1 September 2024; and

the MEMBER SHARE of a MEMBER who was 55 years of age and was already a MEMBER of the FUND on 1 March 2021, and elects to contribute to the RETIREMENT COMPONENT and the SAVINGS COMPONENT; and

the MEMBER SHARE of any MEMBER who joins the FUND on/after 1 September 2024, may consist of:

5.1.1 RETIREMENT COMPONENT

The FUND shall keep a RETIREMENT COMPONENT which forms part of the MEMBER SHARE for each MEMBER which is –

- (a) Credited with the following:
 - (i) An allocation of two-thirds of the CONTRIBUTIONS FOR RETIREMENT BENEFITS in respect of the MEMBER;
 - (ii) At the request of the MEMBER, an intra-fund allocation made from the MEMBER'S SAVINGS COMPONENT;
 - (iii) At the request of the MEMBER, an intra-fund allocation from the MEMBER'S VESTED COMPONENT
 - (iv) Transfers made from the MEMBER'S vested, retirement and/or savings components in another APPROVED FUND;
 - (v) Amounts transferred from the reserve accounts for the FUND as decided by the BOARD OF TRUSTEES, on the advice of the ACTUARY, taking into account cost and practicality;
 - (vi) an allocation of two-thirds of the ILL-HEALTH RISK BENEFIT payable in terms of RULE 6.2.2; and/ or
 - (vii) FUND INTEREST if the rate of FUND INTEREST is positive.

- (b) debited with the following on a pro-rata basis, according to the value of the RETIREMENT COMPONENT at the time of the transaction:
 - (i) any fees charged and costs incurred for an intra-fund allocation between components made upon the request of the MEMBER;
 - (ii) the portion of the RETIREMENT COMPONENT of the MEMBER SHARE which is payable to BENEFICIARIES in terms of the RULES of the FUND;
 - (iii) any amount determined in terms of RULE 7.4;
 - (iv) any amount assigned from the RETIREMENT COMPONENT of the MEMBER SHARE to the MEMBER'S SPOUSE or any other person, in terms of RULE 9.5, if applicable;
 - (v) any amounts deducted in terms of section 37D of the ACT;
 - (vi) any administrative costs not provided for elsewhere in these RULES, as decided by the BOARD OF TRUSTEES;
 - (vii) the transfer of the RETIREMENT COMPONENT of the MEMBER SHARE, or part thereof to an APPROVED FUND;
 - (viii) FUND INTEREST if the rate of FUND INTEREST is negative.

5.1.2 SAVINGS COMPONENT

The FUND shall keep a SAVINGS COMPONENT which forms part of the MEMBER SHARE for each MEMBER which is –

- (a) credited with the following
 - (i) seed capital, if applicable, allocated intra-FUND from the VESTED PORTION and NON-VESTED PORTION of the

MEMBER SHARE in the VESTED COMPONENT in terms of the RULES;

- (ii) an allocation of one-third of the CONTRIBUTIONS FOR RETIREMENT BENEFITS in respect of the MEMBER;
- (iii) transfers from the MEMBER'S savings component of another APPROVED FUND;
- (iv) an allocation of one-third of the ILL-HEALTH RISK BENEFIT payable in terms of RULE 6.2.2; and or
- (v) FUND INTEREST if the rate of FUND INTEREST is positive.

(b) debited with the following:

- (i) the portion of the SAVINGS COMPONENT of the MEMBER SHARE which is paid as a SAVINGS WITHDRAWAL BENEFIT in terms of the RULES;
- (ii) an irrevocable intra-FUND allocation of a part of the whole of the MEMBER SHARE in this component, limited to once annually, to the MEMBER'S RETIREMENT COMPONENT;
- (iii) an irrevocable intra-FUND allocation of a part or the whole of the MEMBER SHARE in this component, made to the MEMBER'S RETIREMENT COMPONENT upon exiting the FUND, within such time as determined by the BOARD; and/or

(c) debited with the following on a pro-rata basis, according to the value in this component at the time of the transaction:

- (i) any fees charged, and costs incurred for an intra-FUND allocation between components made upon the request of the MEMBER;
- (ii) the portion of the SAVINGS COMPONENT of the MEMBER SHARE which is payable to BENEFICIARIES in terms of the RULES of the FUND;

- (iii) any amount determined in terms of RULE 7.4;
- (iv) any amount assigned from the SAVINGS COMPONENT of the MEMBER SHARE to the MEMBER'S SPOUSE or any other person, in terms of RULE 9.5, if applicable;
- (v) any amounts deducted in terms of section 37D of the ACT;
- (vi) any administrative costs not provided for elsewhere in these RULES, as decided by the BOARD OF TRUSTEES.
- (vii) the transfer of the SAVINGS COMPONENT of the MEMBER SHARE, or a part thereof, to an APPROVED FUND;
- (viii) FUND INTEREST if the rate of FUND INTEREST is negative.

5.1.3 VESTED COMPONENT

The FUND may keep a VESTED COMPONENT which forms part of the MEMBER SHARE for each MEMBER which is-

(a) credited with the following:

- (i) the MEMBER SHARE as at 31 August 2024; or
- (ii) the MEMBER SHARE as at the last day of the month in which an election is made by a MEMBER who contributes to this component from 1 September 2024, who on or before 31 August 2025 irrevocably elect to contribute to the RETIREMENT COMPONENT and the SAVINGS COMPONENT;
- (iii) an allocation of contributions in respect of the member for the period prior to 1 September 2024;
- (iv) transfer from a MEMBER'S vested components of another APPROVED FUND; and /or

(b) where applicable credited with the following on a pro-rata basis, according to the value of this component at the time of the transaction:

- (i) At the discretion of the BOARD, unallocated amounts that arise from the administrative process including, but not limited to, processing mismatches;
- (ii) FUND INTEREST if the rate of FUND INTEREST is positive.

(c) debited with the following:

- (i) a once-off seed capital allocation from the VESTED PORTION and NON-VESTED PORTION of the MEMBER SHARE of 10% of the total value of a MEMBER'S MEMBER SHARE in this component as at 31 August 2024, up to the maximum of up to R30 000, allocated to the SAVINGS COMPONENT,
- (ii) an irrevocable intra-FUND allocation, limited to once annually, to the MEMBER'S RETIREMENT COMPONENT;
- (iii) an irrevocable intra-FUND allocation of a part or the whole of the MEMBER SHARE in this component, made to the MEMBER'S RETIREMENT COMPONENT upon exiting the FUND, within such time as determined by the BOARD; and

(d) debited with the following pro rata according to the value in the component at the time of the transaction:

- (i) any fees charged, and costs incurred for an intra-FUND allocation between components made upon the request of the MEMBER;
- (ii) the portion of the VESTED COMPONENT of the MEMBER SHARE which is payable to BENEFICIARIES in terms of the RULES of the FUND;

- (iii) any amount determined in terms of RULE 7.4;
- (iv) any amount assigned from the VESTED COMPONENT of the MEMBER SHARE to the MEMBER'S SPOUSE or any other person, in terms of RULE 9.5, if applicable;
- (v) any amounts deducted in terms of section 37D of the ACT;
- (vi) any administrative costs not provided for elsewhere in these RULES, as decided by the BOARD OF TRUSTEES;
- (vii) the transfer of the VESTED COMPONENT of the MEMBER SHARE, or a part thereof, to an APPROVED FUND;
- (viii) FUND INTEREST if the rate of FUND INTEREST is negative.

Notwithstanding the provisions of RULE 5.1 no investments or assets belonging to the FUND shall vest in the name of an individual MEMBER or body of MEMBERS, and all the assets belonging to the FUND shall be registered in the name of the FUND or nominee company approved by the BOARD OF TRUSTEES.

11. Rule 5.2 in Part 5 MEMBER SHARE is replaced with the following:

5.2 The MEMBER SHARE of a MEMBER who was 55 years of age and was already a MEMBER of the FUND on 1 March 2021, and does not elect to contribute to the RETIREMENT COMPONENT and the SAVINGS COMPONENT, and the MEMBER SHARE of an unclaimed benefit MEMBER shall consist of:

5.2.1 VESTED COMPONENT

The FUND may keep a VESTED COMPONENT which forms part of the MEMBER SHARE for each MEMBER which is-

- (a) credited with the following:

- (i) the MEMBER SHARE in the FUND as at 31 August 2024;
- (ii) an allocation of the CONTRIBUTIONS FOR RETIREMENT BENEFITS in respect of the MEMBER;
- (iii) amounts transferred from the reserved accounts for the FUND as decided by the BOARD OF TRUSTEES, on the advice of the ACTUARY, taking into account cost and practicality;
- (iv) an allocation of an ILL-HEALTH RISK BENEFIT payable in terms of RULE 6.2.2.; and or
- (v) FUND INTEREST thereupon as determined by the BOARD OF TRUSTEES.

(b) debited with the following:

- (i) any fees charged, and costs incurred for an intra-FUND allocation between components made upon the request of the MEMBER;
- (ii) the portion of the MEMBER SHARE which is payable to BENEFICIARIES in terms of the RULES of the FUND;
- (iii) any amount determined in terms of RULE 7.4;
- (iv) any amount assigned from the MEMBER SHARE to the MEMBER'S SPOUSE or any other person, in terms of RULE 9.5, if applicable;
- (v) any amounts deducted in terms of section 37D of the ACT;
- (vi) any administrative costs not provided for elsewhere in these RULES, as decided by the BOARD OF TRUSTEES; and or
- (vii) FUND INTEREST if the rate of FUND INTEREST is negative, as determined by the BOARD OF TRUSTEES.

Notwithstanding the provisions of RULE 5.2 no investments or assets belonging to the FUND shall vest in the name of an individual MEMBER or body of MEMBERS, and all the assets belonging to the FUND shall be

registered in the name of the FUND or nominee company approved by the BOARD OF TRUSTEES.

12. Replace RULE 6.3 with the following:

6.3 Commutation option

6.3.1 In the case of a MEMBER who was 55 years of age or older and was already a MEMBER of the FUND on 1 March 2021, and who does not elect to contribute to the RETIREMENT COMPONENT and the SAVINGS COMPONENT, may on retirement elect to commute for a cash sum the whole or part of the pension in terms of RULE 6.2, that is based on the MEMBER'S MEMBER SHARE in the FUND or such lesser amount as may be permitted by the relevant legislation from time to time.

6.3.2 A MEMBER who was 55 years of age or older and who was already a MEMBER of the FUND on 1 March 2021 and who elected, prior to retirement to contribute to the RETIREMENT COMPONENT and the SAVINGS COMPONENT, and all other MEMBERS of the FUND who were younger than 55 on 1 March 2021, may on retirement be entitled to the commutation payments in the following components:

6.3.2.1 RETIREMENT COMPONENT

Subject to the provisions of the INCOME TAX ACT, the MEMBER may commute his MEMBER SHARE in the RETIREMENT COMPONENT for a lump sum cash payment, on the condition that the MEMBER'S MEMBER SHARE in this component, plus two thirds of the MEMBER'S NON-VESTED PORTION of the MEMBER'S MEMBER SHARE in the VESTED COMPONENT, if any, does not exceed the *de minimus* amount as prescribed in the INCOME TAX ACT.

6.3.2.2 SAVINGS COMPONENT

At the request of the retiring MEMBER, and subject to the provisions of the INCOME TAX ACT, the MEMBER may elect to commute the full MEMBER SHARE in this component for a lump sum cash payment on retirement.

6.3.2.3 VESTED COMPONENT

6.3.2.3.1 On retirement a CATEGORY E-MEMBER may commute up to a maximum of one third of the PENSION ACCOUNT portion of his MEMBER SHARE in the VESTED COMPONENT, the balance two thirds of the PENSION ACCOUNT must be used to purchase a pension.

6.3.2.3.2 In respect of all other MEMBERS, on retirement, prior to the purchase of a pension in terms of RULE 6.4, a MEMBER may elect to commute his MEMBER SHARE in the VESTED COMPONENT for a lump sum:

(a) all or part of his VESTED PORTION, if applicable

plus

(b) (i) if the two-thirds of the NON-VESTED PORTION of the VESTED COMPONENT plus the RETIREMENT COMPONENT does not exceed the de minimus amount as prescribed in the INCOME TAX ACT, from time to time, all, or part of the NON-VESTED PORTION;
or

(ii) otherwise, not more than one third of the NON-VESTED PORTION.

13. Replace RULE 8.1 with the following:

8.1 Termination of service

8.1.1 If the MEMBER'S service with the LOCAL AUTHORITY is terminated before the NORMAL RETIREMENT DATE (whether voluntarily by the MEMBER or as a result of dismissal or any other reason) and the MEMBER is not entitled to retirement benefits from the FUND in terms of these RULES, the MEMBER may exercise in writing and in a prescribed format one of the following options, subject to the conditions as prescribed in the INCOME TAX ACT and to RULE 8.2:

Cash Lump Sum benefit:

The MEMBER may elect that a cash lump sum benefit equal to the balance in his MEMBER SHARE in the SAVINGS COMPONENT and the VESTED COMPONENT at date of leaving service or at the date on which the amount of the benefit is calculated, if later, be paid to him. Provided that if the MEMBER already made a savings withdrawal during the tax year, an additional withdrawal will be allowed if the MEMBER SHARE in the SAVINGS COMPONENT is less than the minimum withdrawal amount as prescribed in the INCOME TAX ACT. The benefit payment is subject to the conditions as provided for in the INCOME TAX ACT. The MEMBER'S RETIREMENT COMPONENT in the FUND will either be preserved in the FUND or will be transferred as provided for in this RULE.

Transfer benefit

The MEMBER may choose that an amount be transferred for him to an APPROVED FUND or an ACCREDITED FUND which is able to accept the benefit. The amount of this transfer benefit is equal to the cash lump sum benefit. The transfer is subject to the conditions as provided for in the INCOME TAX ACT.

Preservation of withdrawal benefit

The MEMBER may, subject to the conditions as provided for in the INCOME TAX ACT, choose that any part of his withdrawal benefit be preserved for him in the FUND by electing to become a DEFERRED MEMBER of the FUND.

Combination of options/ cash and transfer benefit

The MEMBER may choose that a portion of his MEMBER SHARE in his:

- SAVINGS COMPONENT and/or
- VESTED COMPONENT

be paid to him in a cash lump sum, provided that if the MEMBER already made a savings withdrawal during the tax year, an additional withdrawal will be allowed if the MEMBER SHARE in the SAVINGS COMPONENT is less than the minimum withdrawal amount as prescribed in the INCOME TAX ACT; and that the remaining portion of his MEMBER SHARE not so paid be transferred for him to an APPROVED FUND or an ACCREDITED FUND, selected by the MEMBER, which is able to accept the benefit. The payment and or transfer is subject to the conditions as provided for in the INCOME TAX ACT.

Retirement Benefit Counselling

Each MEMBER shall have access to RETIREMENT BENEFITS COUNSELLING before the MEMBER SHARE is paid to such MEMBER in cash or transferred to another fund.

14. Rule 8.6 is inserted after Rule 8.5

8.6 SAVINGS WITHDRAWAL BENEFIT

A MEMBER may request in writing in the prescribed format payment of a SAVINGS WITHDRAWAL BENEFIT of the full, or part of the MEMBER SHARE in the SAVINGS COMPONENT provided that:

- (a) The MEMBER SHARE in the SAVINGS COMPONENT is more than the minimum amount as prescribed in the INCOME TAX ACT allowed for a SAVINGS WITHDRAWAL BENEFIT;
- (b) only one savings withdrawal can be made during a tax year. An additional withdrawal will be allowed on the MEMBER'S withdrawal from the FUND, where the MEMBER has already taken a savings withdrawal in a tax year, if the MEMBER SHARE in the SAVINGS COMPONENT is less than the minimum withdrawal amount as prescribed in the INCOME TAX ACT;
- (c) any reasonable fees and costs incurred by the FUND for the payment of the SAVINGS WITHDRAWAL BENEFIT will be deducted from the amount paid to the MEMBER.
- (d) the amount payable by the FUND will be subject to –
 - (i) Where the FUND has granted a loan to a MEMBER for a purpose referred to in Section 19(5) of the ACT or was bound as a guarantor and/or to stand surety in favour of one or more recognised financial institutions for a purpose referred to in section 19(5) of the ACT, the payment of a SAVINGS WITHDRAWAL BENEFIT to a MEMBER may be refused, unless the FUND is satisfied that the remaining MEMBER SHARE will be sufficient for the outstanding housing loan, surety or guarantee.
 - (ii) Where there is misconduct by a MEMBER as prescribed in section 37D of the ACT and
 - judgement has been obtained in favour of the EMPLOYER ordering compensation as allowed in section 37D of the ACT;
 - which judgement has not been paid, the MEMBER SHARE in the SAVINGS COMPONENT may be reduced by a SAVINGS WITHDRAWAL BENEFIT, subject to the EMPLOYER'S consent; or

- judgment in favour of the EMPLOYER ordering compensation as allowed in section 37D of the ACT is pending, the MEMBER SHARE in the SAVINGS COMPONENT may be reduced by a SAVINGS WITHDRAWAL BENEFIT, subject to the EMPLOYER'S consent, provided that the FUND can decide to suspend payment of a SAVINGS WITHDRAWAL BENEFIT to a MEMBER for a maximum period of 12 months while the judgement is pending; or
- a court has granted an order authorising the FUND to refuse to pay a SAVINGS WITHDRAWAL BENEFIT until the order is granted or the action is otherwise concluded, the MEMBER SHARE in the SAVINGS COMPONENT may not be reduced by a SAVINGS WITHDRAWAL BENEFIT, unless the FUND is satisfied that the remaining MEMBER SHARE will be sufficient to satisfy the judgement;

(iii) Where a divorce action is pending, and

- the FUND is aware that action for such a divorce action is pending, the FUND may allow a MEMBER to reduce the MEMBER SHARE in the SAVINGS COMPONENT with a SAVINGS WITHDRAWAL BENEFIT, subject to the consent of the non-member SPOUSE; or
- if a court has granted an order authorising the FUND to refuse to pay a SAVINGS WITHDRAWAL BENEFIT until the divorce order is granted or the action is otherwise concluded, the FUND may not allow a MEMBER to reduce the MEMBER SHARE in the SAVINGS COMPONENT with a SAVINGS WITHDRAWAL BENEFIT;

(iv) Where a maintenance order is in place, or if the FUND is aware that action for a maintenance order is pending and a court has granted an order authorising the FUND to refuse to pay a SAVINGS WITHDRAWAL BENEFIT until the maintenance order is granted or

the action is otherwise concluded, the FUND may not allow a MEMBER to reduce the MEMBER SHARE in the SAVINGS COMPONENT with a SAVINGS WITHDRAWAL BENEFIT, unless the FUND is satisfied that payment will not result in prejudice to anyone's rights or that the remaining MEMBER SHARE will be sufficient to comply with the order.

15. Replace Rule 9.8A.1 with the following:

9.8A.1 Subject to RULE 9.8A.2, the benefit arising from a MEMBER'S retirement from service, death, other termination of service or a SAVINGS WITHDRAWAL BENEFIT made in respect of a MEMBER, is invested in a money market portfolio kept by the FUND within a reasonable period after the date on which the ADMINISTRATOR is informed in the prescribed format of said savings withdrawal, retirement from service, death, or termination of service, subject to the requirements laid down by the ADMINISTRATOR in this regard from time to time.

16. Replace Rule 11.1.2 with the following:

11.1.2 If the FUND is to be dissolved, the BOARD OF TRUSTEES will, subject to the approval of the AUTHORITY, appoint a LIQUIDATOR who will dissolve/ liquidate the FUND in terms of the RULES and the ACT. The date of liquidation shall be deemed to commence from the date on which the AUTHORITY approves the LIQUIDATOR'S appointment.

As at such date of liquidation, the LIQUIDATOR shall determine the value of the assets of the FUND and shall determine each MEMBER'S MEMBER SHARE. Each Member's MEMBER SHARE, which includes the MEMBER'S VESTED COMPONENT, SAVINGS COMPONENT and RETIREMENT COMPONENT, where applicable

and as prescribed in Part 5 of the RULES will be transferred to an APPROVED FUND or ACCREDITED FUND for the benefit of MEMBERS.

Subject to the approval of the AUTHORITY, and in compliance with the provisions of the INCOME TAX ACT, the LIQUIDATOR may make payment on some other basis.

Reasons for amendments

For the Rules of the Fund to make provision for the two-component system as prescribed in the Revenue Laws Amendment Act, 2023, and the Pension Funds Amendment Act by providing for:

Paragraph 1: the objectives of the Fund to be amended to in addition include the provision of savings withdrawals.

Paragraph 2: The definition of Member Share is amended to comply with the applicable legislation.

Paragraph 3: The definition of Non-Vested Portion is amended to comply with the applicable legislation.

Paragraph 4: The introduction and insertion of the definition of Retirement Component.

Paragraph 5: The introduction and insertion of the definition of Savings Component.

Paragraph 6: The introduction and insertion of the definition of Savings Withdrawal Benefit.

Paragraph 7: The introduction and insertion of the definition of Vested Component.

Paragraph 8: To amend to definition of Vested Portion to make provision for Members who were 55 year of age or older and was already a Member of the Fund on 1 March 2021; who:

- opts to contribute to the Retirement Component and Savings Component, and for the benefit to be reduced by seed capital, if applicable;
- opts not to contribute to the Retirement Component and Savings Component.

Also, to amend the definition of Vested Portion to make provision for Members who were under the age of 55 on 1 March 2021 and for the benefit to be reduced by seed capital.

Paragraph 9: To make provision for the allocation of monthly contributions made to Retirement Component and Savings Component. Also, to make provision for those Members older than 55 on 1 March 2021, who did not elect to contribute to the Retirement Component and the Saving Component, that their contributions will be made to the Vested Component only.

Paragraph 10: To make provision for the Member Share to be divided into the three components to reflect that pro-rata debits and credits, according to the value in each component at the time of the transaction, in accordance with the newly introduced legislation.

To make provision for the limitations on the inter-Fund transferability and intra-Fund allocations between components within the Fund.

To make provision for seed capital to be allocated from the Vested Component to the Savings Component.

Paragraph 11: To make provision for the Member Share for those Members older than 55 on 1 March 2021 who did not elect to contribute to the Retirement Component and the Savings Component.

Paragraph 12: To make provision for the commutation of the Retirement Component, Savings Component and Vested Component at retirement subject to the de minimus rule where applicable.

Paragraph 13: To make provision for the payment, preservation and transfer options available in the Retirement Component, Savings Component and Vested Component at termination of service, subject to limitations and the minimum withdrawal amount as prescribed in the Income Tax Act, where applicable.

Paragraph 14: To make provision for the Savings Withdrawal Benefit to be paid by the Fund including all conditions and limitations that applies to the payment of the benefit.

Paragraph 15: To make provision for the disinvestment of assets and moneys while a Savings Withdrawal Benefit payment is pending.

Paragraph 16: To make provision that on liquidation, the member's member share, including the retirement component will be transferred to an Approved Fund.

Certification

Certification that the above resolutions have been adopted in accordance with the provisions of the Rules of the Fund


CHAIRPERSON OF THE BOARD

7 August 2024
DATE


MEMBER OF THE BOARD

7 August 2024
DATE


PRINCIPAL OFFICER

7 August 2024
DATE

