

# **RULES**

## **OF THE**

### **CENTRAL PROVIDENT FUND**

Reference numbers:

Financial Services Board	12/8/22704
South African Revenue Service	18/20/4/024946

The Fund was established on 1 February 1989.

The Revised Rules has been registered by the Registrar of Pension Funds on 8 July 2015.

Where a rule has been amended/deleted/inserted after 8 July 2015 it is indicated with a note below that rule.

## CONTENTS

<b>SUBJECT</b>	<b>PAGE</b>
PART 1 : ESTABLISHMENT OF FUND .....	1
Name .....	1
Registered office .....	1
Purpose .....	1
The Fund is a legal person.....	1
Financial year and auditor.....	1
PART 2 : DEFINITIONS.....	2
PART 3 : MEMBERSHIP .....	8
Eligibility.....	8
Termination of membership .....	9
PART 4 : CONTRIBUTIONS.....	10
General.....	10
Payment to the insurer and number of days' grace .....	10
PART 5 : ASSETS .....	11
Accumulation of assets .....	11
PART 6 : RETIREMENT BENEFITS.....	13
General.....	13
Payment of annuity .....	13
Continuation of a policy.....	14
PART 7 : DISABILITY BENEFITS AND WITHDRAWAL BENEFITS .....	15
Disability benefits.....	15
Withdrawal benefits .....	15
PART 8: DEATH BENEFITS.....	17
Payment of benefits .....	17
Information required.....	18
Payment of annuity .....	18
PART 9 : MANAGEMENT .....	20
Principal Officer and Deputy Principal Officer .....	20
Board of control .....	20
Meetings and minutes.....	22
Powers and duties of the Board .....	23
Sub-committees.....	24
Signing of documents .....	24
Advice.....	24
Review and approve policies .....	24
Interpretation and Disputes.....	25
Personal liability.....	25
Remuneration of functionaries .....	26
Increased benefits .....	27
Benefits inalienable.....	27
Monies payable to the Fund and the employer.....	28
Currency.....	29
Proof of claims.....	29
Unclaimed benefits .....	29
Binding force of the Rules.....	29
Copy of the Rules of the Fund .....	29

Dissolution of the Fund .....	29
Termination of an employer's participation in the Fund .....	30
Amendment to the Rules .....	31
Fund-proposed annuity .....	31
Counselling.....	31
Paid-up balances from other retirement funds.....	32

## **PART 1 : ESTABLISHMENT OF FUND**

### **Name**

1. A provident fund known as Central Provident Fund was established on 1 February 1989. On a later date the Afrikaans version of the RULES was registered under the name Sentrale Voorsorgfonds.

The BOARD resolved at a meeting on 20 May 2009 to once more register the English version of the RULES as the official RULES under the name Central Provident Fund ("the FUND"). In Afrikaans the FUND will be referred to as Sentrale Voorsorgfonds.

### **Registered office**

2. The registered office of the FUND is Sanlam Life Insurance Limited, 2 Strand Road, Bellville.

### **Purpose**

3. The sole purpose of the FUND is to provide annuities for the MEMBERS of the FUND on retirement or for the dependants or nominees of deceased MEMBERS.

### **The Fund is a legal person**

4. The FUND is a separate entity and legal person, distinct from its MEMBERS, and is the legal owner of its goods and has the capacity to incur any liability in its own name and to proceed as claimant and defendant in court cases. The BOARD or its assignees carry out all the necessary legal actions for and on behalf of the FUND.

### **Financial year and auditor**

- 4A The financial year runs from 1 January to 31 December.  
The AUDITOR of Sanlam Life Insurance Ltd is also the AUDITOR of the FUND.

## PART 2 : DEFINITIONS

5. The headings of the RULES are for ease of reference and shall not be taken into account in the interpretation of the RULES.
6. In these RULES, unless the context indicates otherwise:
  - words defined in the ACT have the same meaning as ascribed to them in the ACT; and
  - all words and expressions in the masculine form also include the feminine form; and
  - the singular also indicates the plural, and vice versa.

**ACT** means the Pension Funds Act, No. 24 of 1956, as amended, and the regulations promulgated in terms of the ACT and any supervening ACT which replaces it and any amendments and regulations promulgated thereunder.

**ACTUARIAL BASIS**, in relation to a POLICY, means the underlying actuarial rules, specifications and formulae in terms of which the POLICY operates, which:

- in compliance with the Long-term Insurance Act, No 52 of 1998, are approved by the statutory actuary of the INSURER, in particular for the purposes of sections 46 and 52 of that Act; and
- if and while the Insurance Act, No 27 of 1943, applied to the POLICY, in compliance with that Act, were approved by the valuator of the INSURER, in particular for the purposes of sections 34 and 62(2) of that Act.

**ADMINISTRATOR** means Sanlam Life Insurance Ltd, or any other ADMINISTRATOR appointed from time to time by the BOARD and whose appointment shall be duly recorded by the Registrar.

**ANNUITY STRATEGY** means a strategy, as determined by the BOARD, setting out the manner in which a MEMBER'S retirement interest may be applied, with the MEMBER'S consent, to provide an annuity or annuities by the FUND or to purchase an annuity on behalf of the MEMBER from an external provider, which annuity or annuities may either be in the name of the MEMBER or in the name of the FUND and which complies with the requirements of regulation 39 of the ACT and any conditions that may be prescribed from time to time;

*[amendment effective from 01/03/2019]*

**AUDITOR** means an auditor registered in terms of the Auditing Profession Act, 2005 and who is not an official of the FUND.

**AUTHORITY** means the Financial Sector Conduct Authority established in terms of section 56 of the Financial Sector Regulation Act (Act no. 9 of 2017).

*[amendment effective from 22 May 2019]*

**BENEFIT** means a POLICY benefit, including a consideration payable upon the full or partial surrender of a POLICY, but excluding a loan in respect of a POLICY. For purposes of any deductions in terms of section 37D(1)(d)(i) of the ACT, a MEMBER's BENEFIT will with effect from 1 November 2008 deemed to be the early termination value of the POLICY the FUND holds in respect of the MEMBER.

**BOARD** means the Board of TRUSTEES which controls and manages the FUND in terms of these rules.

**CAUSAL EVENT** in relation to a POLICY means one of the following events:

- the POLICY becomes fully paid-up;
- the basic premium is reduced, without the POLICY thereby becoming to an end or becoming fully paid-up;
- the remaining POLICY term or the remaining premium-paying term is reduced, without the POLICY thereby coming to an end or becoming fully paid-up;
- the POLICY is surrendered in part, other than for the purpose of a transfer from one fund to another in terms of section 14 of the ACT, or a part of the POLICY comes to an end for another reason (other than because risk cover under the POLICY has come to an end);
- the POLICY is surrendered in part for the purpose of a transfer from the FUND to another fund in terms of section 14 of the ACT;
- the POLICY is surrendered in full, other than for the purpose of a transfer from the FUND to another fund in terms of section 14 of the ACT, or the POLICY comes to an end for another reason (other than because the POLICY has reached its maturity date); or
- the POLICY is surrendered in full for the purpose of a transfer from the FUND to another fund in terms of section 14 of the ACT.

**DEFAULT INVESTMENT PORTFOLIO** means an investment portfolio as contemplated in the regulations to the Act, endorsed by the BOARD and reviewed annually, for allocation of contributions (less any charges as specified in the POLICY PRESCRIPTIONS) of a MEMBER if the MEMBER did not instruct the FUND or the INSURER on behalf of the FUND, in writing of options, to invest them in an investment portfolio elected by the MEMBER from the range available in the FUND;

*[amendment effective from 01/03/2019]*

**DEPENDANT** means:

- a person in respect of whom the MEMBER is legally liable for maintenance;
- a person in respect of whom the MEMBER is not legally liable for maintenance, if such person:
  - was at the death of the MEMBER, in the opinion of the BOARD, in fact dependent on the MEMBER for maintenance;
  - is the SPOUSE of the MEMBER;
  - is a child of the MEMBER, including a child born after the death of the MEMBER, an adopted child and a child born out of wedlock;
  - a person in respect of whom the MEMBER would have become legally liable for maintenance had the MEMBER not passed away.

*[amendment effective from 01/12/2017]*

**DEPUTY PRINCIPAL OFFICER** means the person appointed for the FUND in terms of section 8(2)(a) of the ACT.

**EMPLOYEES** mean those who are in the full-time employ of the EMPLOYER and includes a partner of a partnership, a director of a company and a member of a close corporation.

**EMPLOYER** means any EMPLOYER participating in the FUND and includes a partnership.

**FUND MEMBER POLICY** means a policy:

- of which the FUND is or was the policyholder; and
- which is or was entered into or acquired by the FUND for the purpose of funding exclusively the FUND's liability to a particular MEMBER (or to the surviving SPOUSE, children, dependants or nominees of the MEMBER) in terms of the rules of the FUND.

**INDEPENDENT TRUSTEE** means a TRUSTEE who:

- is not an EMPLOYER;
- is not an EMPLOYEE of the FUND or the INSURER;
- is not controlled by the FUND or the INSURER;
- does not have joint control with the INSURER over the FUND and does not render any other services to the FUND or the INSURER.

**INSURER** means Sanlam Life Insurance Limited.

**MEMBER** means any person who has been admitted to membership in terms of the rules and has not ceased to be a member in terms of the rules.

**NOMINEE** means a person, whether a DEPENDANT of the MEMBER or not, who has been nominated by the MEMBER in writing and notified to the FUND, to receive the death benefits payable on the MEMBER's death in terms of the rules.

**PAID-UP MEMBER** means a deferred pensioner;

*[amendment effective from 01/03/2019]*

**PAID-UP MEMBERSHIP CERTIFICATE** means a document issued to a MEMBER by a REGISTERED RETIREMENT FUND in terms of the ACT and regulations, certifying that the MEMBER has paid-up benefits preserved on his/her behalf by that REGISTERED RETIREMENT FUND;

*[amendment effective from 01/03/2019]*

**POLICY** means a FUND MEMBER POLICY.

**POLICY PRESCRIPTIONS** means the terms of the POLICY, the underlying actuarial basis of the POLICY, and the prescriptions of the Long-term Insurance Act, 1998 and the regulations issued under that Act.

**PRINCIPAL OFFICER** means the person appointed for the FUND in terms of section 8(2)(a) of the ACT.

**REGISTERED RETIREMENT FUND** means a provident fund, pension fund, provident preservation fund, pension preservation fund or retirement annuity fund registered as such with the REGISTRAR and approved by the South African Revenue Service.

**REMUNERATION** means the amount which an EMPLOYER pays an EMPLOYEE annually for that EMPLOYEE'S services.

**RETIREMENT BENEFITS COUNSELLING** means the disclosure and explanation, in a clear and understandable language, including risks, costs and charges, of:

- the available investment portfolios;
- the terms of the FUND's ANNUITY STRATEGY;
- the terms and process by which a fund, handles preserved benefits in terms of regulation 38 of the Act; and
- any other options made available to members;

*[amendment effective from 01/03/2019]*

**RETIREMENT DATE** means:

- the date on which the MEMBER elects to retire from the FUND on or after the date on which he retires from the service of the EMPLOYER; or
- in the case of a MEMBER whose benefits consist of a paid-up policy as intended in RULE 33 and who has taken up employment with someone and became a member of that person's or that organisation's REGISTERED RETIREMENT FUND, the date on which the MEMBER elects to retire from the FUND on or after the date on which he retires from the service of this employer; or
- in all other cases a date which the MEMBER selects, which must be on or after the MEMBER'S fifty-fifth birthday or the date on which the INSURER pays the MEMBER disability benefits in terms of RULE 32

subject to the condition that if the date elected by the MEMBER is not possible because all the requirements of the FUND, the INSURER and the South African Revenue Service have not been complied with to the satisfaction of the FUND, then the closest possible date to the date elected by the MEMBER.

*[amendment effective from 22/05/2019]*

**RULES** means these RULES and such alteration hereof as may at any time be in force.

**SPOUSE** means a person who is the permanent life partner or SPOUSE or civil union partner of a MEMBER in accordance with the Marriage Act, No. 25 of 1961, the Recognition of Customary Marriages Act, No. 120 of 1998 or the Civil Union Act, No. 17 of 2006 or the tenets of a religion.

**TRUSTEE** means a member of the BOARD.

**UNCLAIMED BENEFIT** means –

- any BENEFIT, other than a BENEFIT referred to hereunder, not paid by the FUND to a MEMBER, former MEMBER or beneficiary within 24 months of the date on which it in terms of the RULES of the FUND, became legally due and payable;

*[amendment effective from 20/02/2020]*

- a death BENEFIT not paid within 24 months from the date on which the FUND became aware of the death of the MEMBER, or such longer period as may be reasonably justified by the BOARD in writing;
- in relation to a BENEFIT payable as a pension or annuity, any BENEFIT which has not been paid by the FUND within 24 months of the date on which any pension payment or annuity legally due and payable in terms of the RULES of the FUND became payable;

*[amendment effective from 01/12/2017]*

- any BENEFIT that remained unclaimed or unpaid to a MEMBER, former MEMBER or beneficiary if the FUND applies for cancellation of registration in terms of section 27 of the ACT or where the liquidator is satisfied that BENEFITS remain unclaimed or unpaid;
- any amount that remained unclaimed or unpaid to a non-member spouse within 24 months from the date that the non-member spouse becomes entitled to the payment of a pension interest in terms of a decree of divorce or decree for the dissolution of a customary marriage.

**VALUES** means all VALUES of a POLICY including, but not limited to, its investment value, its remaining value and other values contemplated in section 52(2) of the Long-term Insurance Act, 1998 and its maturity value.

*[amendments in this Part 2 effective from 28/08/2019]*

## PART 3 : MEMBERSHIP

### Eligibility

7. At the start of his participation in the FUND, the EMPLOYER notifies the FUND in writing of the category or categories of EMPLOYEES, up to a maximum of five, whom he had identified for the purposes of participation in the FUND. After the commencement of his participation in the FUND the EMPLOYER must also notify the FUND in writing of any additional category or categories of EMPLOYEES, which he identifies for the purposes of participation in the FUND, if he has not already done so, provided that an EMPLOYER may never identify more than five categories.
8. Participation in the FUND is limited to EMPLOYEES in any of the categories identified by the EMPLOYER for the purpose of participation in the FUND.
  - 8.1 Should an EMPLOYEE no longer fall into one of the EMPLOYER's categories due to the fact that the EMPLOYER has restructured his EMPLOYEE corps or the EMPLOYER's business has amalgamated with another business, or the EMPLOYEE's post has been regraded or for any other reason, or should the EMPLOYER be compelled to belong to a pension or provident fund which was instituted for his industry, the POLICY on the EMPLOYEE'S life is made paid-up should the POLICY already have a paid-up value and the EMPLOYEE remains PAID-UP MEMBER of the FUND.

*[amendment effective from 01/03/2019]*
  - 8.2 Should the POLICY not yet have accumulated a paid-up value, the POLICY lapses and the EMPLOYEE's membership of the FUND is terminated unless the FUND holds another POLICY for the MEMBER which is still in force.
9. An EMPLOYEE who qualifies for participation in the FUND in terms of RULE 7 and who has entered the employment of the EMPLOYER before the date on which the EMPLOYER started participating in the FUND, may start participating in the FUND on or after the date on which the EMPLOYER started participating in the FUND, by applying to the FUND through the EMPLOYER.

An EMPLOYEE entering into the service of the EMPLOYER on or after the date on which the EMPLOYER started participating in the FUND, will automatically qualify to participate in the FUND in terms of RULE 7 as soon as he enters into employment with the EMPLOYER.

*[amendment effective from 01/03/2018]*

10. Should the FUND apply for life or disability cover on the life of an EMPLOYEE, the life or disability cover is deferred until such time as the EMPLOYER complies with the INSURER'S requirements in this regard.

**Termination of membership**

- 11.1 A MEMBER'S participation in the FUND may not be terminated as long as he remains an EMPLOYEE, except should the EMPLOYER terminate his participation in the FUND.
- 11.2 A MEMBER'S participation in the FUND will be terminated:
  - 11.2.1 upon the death of the MEMBER; or
  - 11.2.2 when the MEMBER has ceased being an EMPLOYEE and the FUND has taken any of the steps intended in RULES 33.1, 33.2, 33.3 and 33.4; or
  - 11.2.3 should an annuity as intended in RULE 28 be purchased and the FUND has transferred the benefits to the registered insurer and, if applicable, the balance of any benefits been paid out directly to the MEMBER in cash; or
  - 11.2.4 under the circumstances mentioned in RULE 8.2 which results in termination of membership,whichever happens first.

## PART 4 : CONTRIBUTIONS

### General

12.1 The EMPLOYER shall make current contributions to the FUND in respect of each of his EMPLOYEES until the RETIREMENT DATE of such a MEMBER. An EMPLOYER uses the table in Annexure A to choose the monthly contribution he wishes to make to the FUND on behalf of every MEMBER.

The EMPLOYER may adjust the contributions in respect of its EMPLOYEES annually on its remuneration revision date.

If a MEMBER does not earn an income from the EMPLOYER for a period due to maternity leave, temporary disability, study leave or sabbatical leave, the employer may suspend payment for that period.

The BOARD may also grant permission in other meritorious cases for the EMPLOYER to suspend payment for a specified period during which the EMPLOYEE does not earn a salary from the EMPLOYER.

The EMPLOYER may at any time make a lump sum contribution in respect of a MEMBER to the FUND provided it is not less than the minimum premium determined by the INSURER for a single premium POLICY.

The EMPLOYER may at any time cede an existing Sanlam endowment insurance contract on the life of a MEMBER to the FUND for the benefit of the MEMBER.

12.2 For the purposes of this FUND, a MEMBER'S pensionable income for the purposes of section 1 of the Income Tax Act is the total of the annual current contributions made on behalf of the MEMBER, divided by zero comma two.

12.3 The FUND in consultation with other REGISTERED RETIREMENT FUNDS may receive benefits from those funds on conditions set out by the FUND and provided that the transfer has been approved by the REGISTRAR where such approval is required by law.

13. The FUND receives no contributions from a MEMBER.

### Payment to the insurer and number of days' grace

14. The contributions to the FUND must be paid by the EMPLOYER directly to the INSURER within seven days after the end of the month in respect of which contributions are payable.

Should contributions not be paid timeously, interest is payable by the EMPLOYER to the FUND at the rate prescribed by the ACT to late payments of contributions.

## PART 5 : ASSETS

### Accumulation of assets

15. The FUND accumulates the assets it requires to provide benefits to MEMBERS by taking out a POLICY in respect of each MEMBER.
16. The MEMBER himself chooses the type of POLICY, including the investment portfolios and other features of the POLICY, from the range which the FUND makes available for this purpose and the MEMBER accepts the investment risk accompanying his choice.

If a MEMBER does not respond to a request by the FUND to elect other investment options to ensure compliance with the ACT and regulations issued in terms thereof, the FUND reserves the right to change the allocation to and selection of the investment portfolios of a POLICY to ensure that the POLICY complies with the limits prescribed by the ACT and the regulations.

- 16A Should a MEMBER, whose BENEFITS are funded by a POLICY, not instruct the FUND, or the INSURER on behalf of the FUND, in writing to invest the contributions (less any charges as specified in the POLICY PRESCRIPTIONS) in another investment portfolio or option available to MEMBERS, such contributions will be invested in the DEFAULT INVESTMENT PORTFOLIO.

*[amendment effective from 01/03/2019]*

17. The contributions of the EMPLOYER is used exclusively as premiums for the POLICY which the FUND took out in respect of that MEMBER. The premium less any charges as specified in the POLICY PRESCRIPTIONS is invested in the investment portfolios linked to the particular POLICY.
18. The FUND is the owner of the POLICY it took out in respect of the MEMBER.
19. The FUND is under no obligation to maintain the POLICY, except to the extent that contributions are received from the EMPLOYER.
20. The FUND's liability from time to time to the MEMBER in respect of BENEFITS is equal to the FUND's corresponding claim from time to time as policyholder against the INSURER for the POLICY BENEFITS provided or to be provided by the INSURER under the POLICY in accordance with the POLICY PRESCRIPTIONS.
21. The POLICY is administered by the INSURER, and all VALUES and BENEFITS of the POLICY and charges in respect of it are determined, in accordance with the POLICY PRESCRIPTIONS.

22. Any change in the BENEFITS as the result of:
- 22.1 a CAUSAL EVENT, as determined in accordance with the POLICY PRESCRIPTIONS; or
  - 22.2 a change in the value of the accumulated assets in the period between the CAUSAL EVENT or the maturity date and date that the BENEFIT is paid
- will result in the FUND's liability to the MEMBER changing accordingly.

*[amendment effective from 01/12/2017]*

23. The FUND must notify the MEMBER of any change contemplated in RULE 22 in respect of a CAUSAL EVENT.
24. The MEMBER in conjunction with the EMPLOYER decides on any amendments or other transactions regarding the POLICY, in accordance with the POLICY PRESCRIPTIONS.
25. The FUND can, with the approval of the MEMBER, dispose of any POLICY on the life of the MEMBER on his RETIREMENT DATE at a purchase price equal to the cash value thereof.

## PART 6 : RETIREMENT BENEFITS

### General

26.1 A MEMBER'S retirement BENEFITS on his RETIREMENT DATE is an annuity (including a living annuity) purchased with the VALUE of the POLICY, held by the FUND in respect of the MEMBER. By applying to the FUND prior to his becoming entitled to the annuity, the MEMBER may convert a part or the whole of the annuity into a lump sum payment.

*[amendment effective from 23/09/2015]*

26.2 The FUND shall, at the request of a MEMBER who does not wish to receive an annuity, cede the POLICY on his life to him, instead of making a lump sum payment.

### Payment of annuity

27. Depending on the MEMBER's wishes, the annuity referred to above may be purchased with the FUND or the MEMBER as owner of the annuity.

With the FUND as owner, the annuity is purchased from the INSURER and the FUND's liability towards the MEMBER after retirement is limited to the proceeds of the annuity contract with the INSURER.

With the MEMBER as owner, the annuity is purchased from a registered insurer selected by the MEMBER and the FUND's liability is limited to the conclusion of a contract with the relevant registered insurer in terms of which the registered insurer, on receipt of payment by the FUND for the benefit of the MEMBER, will accept an application by the MEMBER for an annuity which is payable to him directly.

*[amendment effective from 22/05/2019]*

28. Once the FUND has made payment to the registered insurer and, if applicable, has paid any balance of the benefits directly to the MEMBER in cash, the FUND will have no further obligation towards the MEMBER.

29. More than one annuity may be purchased on behalf of the MEMBER within the limits laid down by the South African Revenue Service.

30. A MEMBER's annuity in terms of this Part must be payable at least until the death of the MEMBER. However, subject to the terms of the annuity contract, if:
- 30.1 the BOARD is satisfied that no portion of the retirement benefit has been commuted yet, and the remaining total value of the annuity does not exceed the amount prescribed by the Commissioner for the South African Revenue Service from time to time; or
- 30.2 the BOARD cannot satisfy itself that no amount has previously been commuted and the VALUE of the annuity does not exceed the amount prescribed by the Commissioner for the South African Revenue Service from time to time,
- the annuity may be commuted.

*[amendment effective from 01/12/2017]*

#### **Continuation of a policy**

31. Should a MEMBER (or the EMPLOYER on behalf of the MEMBER) whose BENEFITS are funded by a POLICY with a fixed maturity date, not inform the INSURER by such maturity date of the chosen retirement options or, alternatively, in which of the available investment funds he should like to continue the POLICY, it will be continued in the DEFAULT INVESTMENT PORTFOLIO until the MEMBER elects otherwise in writing in terms of these RULES.

*[amendment effective from 01/03/2019]*

## PART 7 : DISABILITY BENEFITS AND WITHDRAWAL BENEFITS

### Disability benefits

32. Should the INSURER acknowledge a disability claim in terms of the POLICY on a MEMBER'S life, the BENEFITS are paid to the MEMBER.

### Withdrawal benefits

33. Should a MEMBER'S service with the EMPLOYER be terminated before he retires from the EMPLOYER and such termination not be regarded as RETIREMENT, the FUND must, on the instruction of the MEMBER:
- 33.1 pay the proceeds of the POLICIES held by the FUND in respect of the MEMBER to the MEMBER; or
  - 33.2 cede the POLICIES to the MEMBER; or
  - 33.3 transfer the POLICIES (or the proceeds thereof) for the MEMBER'S benefit to another REGISTERED RETIREMENT FUND; or
  - 33.4 pay a portion of the proceeds of the POLICIES to the MEMBER and transfer the balance of the proceeds for the MEMBER'S benefit to another REGISTERED RETIREMENT FUND; or
  - 33.5 have such POLICIES made paid-up whereupon the MEMBER becomes a PAID-UP MEMBER; or
  - 33.6 continue to keep the MEMBER as a PAID-UP MEMBER if he is already a PAID-UP MEMBER by virtue of rule 8.1;
  - 33.7 continue to receive contributions from the new employer if the new employer participates in the FUND and the MEMBER falls in one of the categories of participation.

*[amendment effective from 01/03/2019]*

- 33A Should no written instruction be received in terms of RULE 33 from a MEMBER whose BENEFITS are funded by a POLICY on the MEMBER'S life, the FUND will have such a POLICY automatically made paid-up with effect from the date of termination of service with the EMPLOYER (provided that the EMPLOYER must inform the FUND timeously of such termination) and the MEMBER will become a PAID-UP MEMBER of the FUND until such time that the MEMBER instructs otherwise in writing in the prescribed format.

- 33B Should a MEMBER become a PAID-UP MEMBER in terms of RULE 33 or 33A, the FUND must deliver to the MEMBER concerned a PAID-UP MEMBERSHIP CERTIFICATE within two (2) calendar months of the FUND becoming aware that the MEMBER has left the service of the EMPLOYER, to the MEMBER's last known address, electronic or otherwise.
- 33C No new contributions may be accepted in respect of the POLICY held by the FUND for a MEMBER who has been made a PAID-UP MEMBER in terms of RULE 33 or 33A, and similarly no new contributions may be paid by the EMPLOYER in respect of such MEMBER.
- 33D No deductions may be made from the retirement savings of PAID-UP MEMBERS in respect of risk benefits.
- 33E Upon the MEMBER becoming paid-up, a defined benefit amount will be converted to a defined contribution component and preserved as such.
- 33F Eligibility of PAID-UP MEMBERS for death benefits, retirement and early retirement is as per the fund RULES.

*[amendments in 33A to 33F effective from 01/03/2019]*

34. A PAID-UP MEMBER may withdraw from the FUND at any time before his RETIREMENT DATE and have the proceeds of the POLICY paid to him as a lump sum or have it transferred to another REGISTERED RETIREMENT FUND.

*[amendment effective from 01/03/2019]*

35. When a MEMBER retires from service with the EMPLOYER and remains a MEMBER of the FUND, he may transfer the BENEFIT to an approved retirement annuity fund or provident preservation fund at any time before RETIREMENT DATE.

*[amendment effective from 20/02/2020]*

## PART 8: DEATH BENEFITS

### Payment of benefits

36. Subject to the prescriptions laid down by the FUND, the MEMBER can appoint a person (and revoke an appointment) to be considered by the BOARD to receive BENEFITS in the case of his death before retirement.
37. The BENEFIT that becomes payable in the event of the MEMBER's death before the RETIREMENT DATE must be paid as follows:
- 37.1 If the MEMBER has a DEPENDANT or DEPENDANTS and did not appoint a NOMINEE to receive the BENEFIT or part of the BENEFIT, the BENEFIT is paid to the DEPENDANT, or to one of such DEPENDANTS or to some or all such DEPENDANTS in the ratio upon which the BOARD decides; or
- 37.2 If there are no DEPENDANTS of the MEMBER or if no DEPENDANT of a MEMBER can be traced by the FUND within twelve months of the death of the MEMBER, and the MEMBER appointed a NOMINEE who is not a DEPENDANT of the MEMBER to receive the BENEFIT or such a portion of the BENEFIT as pertinently recommended to the FUND by the MEMBER, in writing, the BENEFIT or such a portion of the BENEFIT is paid to such a NOMINEE; provided that where the total amount of the debts against the estate of the MEMBER exceeds the total amount of assets in his estate, as much of the BENEFIT as is equal to the difference between the intended total amount of debts and the intended total amount of assets, is paid to the estate and the balance of the intended BENEFIT or the balance of such a portion of the BENEFIT as expressly indicated by the MEMBER, in writing, to the FUND, is paid to the NOMINEE; or
- 37.3 If a MEMBER has a DEPENDANT and the MEMBER has also appointed a NOMINEE to receive the BENEFIT or such a portion of the BENEFIT as the MEMBER stated in writing to the FUND, the FUND must pay such a BENEFIT or portion of it to such a DEPENDANT or NOMINEE within twelve months of the death of the MEMBER in the ratio deemed equitable by the BOARD; provided that this RULE is only applicable to the appointment of NOMINEES that took place on or after 30 June 1989; with the proviso that the FUND can pay a BENEFIT either to a DEPENDANT, or to a NOMINEE, or if there is more than one such DEPENDANT or NOMINEE, in ratio to any or all of those DEPENDANTS and NOMINEES; or

37.4 If the FUND does not become aware of or trace a dependant of the MEMBER within twelve months of the death of the MEMBER, and if the MEMBER did not appoint a NOMINEE, or if the MEMBER appointed a NOMINEE to receive a portion of the BENEFIT expressly indicated by the MEMBER to the FUND, the remaining portion of the BENEFIT after payment to the NOMINEE is paid into the estate of the MEMBER or, if no inventory in respect of the MEMBER was received in terms of section 9 of the Estates Act, 1965, by the Master of the Supreme Court, it is paid into the Guardian's Fund or an UNCLAIMED BENEFIT fund.

*[amendment effective from 23/09/2015]*

38. Payment to a DEPENDANT or a NOMINEE includes payment to any person who is deemed capable by the BOARD to apply the BENEFIT in the best interests of the recipient.
39. If a person to whom payment must be made should pass away before the BENEFIT has been paid to him, the BOARD may pay the BENEFIT to the estate of such a deceased in the BOARD's discretion, or to other DEPENDANTS.
40. The executor of the MEMBER's estate, a DEPENDANT or NOMINEE, as the case may be, may commute the whole or a portion of the value of the annuities to which he becomes entitled for a lump sum payment.

#### **Information required**

41. No BENEFITS are paid before all information reasonably required by the FUND has been rendered by the MEMBER, DEPENDANT and NOMINEE on whose life a BENEFIT was or must be calculated.

#### **Payment of annuity**

42. The annuity referred to above is purchased with the DEPENDANT and/or NOMINEE, as the case may be, as owner of the annuity.
43. The annuity is purchased from a registered insurer selected by the DEPENDANT or NOMINEE and the FUND's liability is limited to the conclusion of a contract with the relevant registered insurer in terms of which the registered insurer on receipt of payment by the FUND for the benefit of the DEPENDANT and/or NOMINEE, will accept an application by the DEPENDANT and/or NOMINEE for an annuity which is payable to him directly.

Once the FUND has made payment to the registered insurer and, if applicable, has paid any balance of the BENEFITS directly to the DEPENDANT or NOMINEE in cash, the FUND will have no further obligation towards the DEPENDANT or NOMINEE.

44. More than one annuity may be purchased on behalf of an individual within the limits laid down by the South African Revenue Service.

## **PART 9 : MANAGEMENT**

### **Principal Officer and Deputy Principal Officer**

45. The BOARD shall appoint a PRINCIPAL OFFICER and may appoint a DEPUTY PRINCIPAL OFFICER as required by the ACT as it may deem appropriate and may withdraw any such appointments and make another appointment in their place at any time.

The BOARD shall notify the REGISTRAR within 30 days after the appointment of the PRINCIPAL OFFICER.

The PRINCIPAL OFFICER performs all functions which statutes and the BOARD require him to perform.

The PRINCIPAL OFFICER may delegate any of his functions to the DEPUTY PRINCIPAL OFFICER in writing, subject to conditions that the PRINCIPAL OFFICER must determine. The PRINCIPAL OFFICER is not divested or relieved of a function delegated to the DEPUTY PRINCIPAL OFFICER and may withdraw the delegation at any time.

The DEPUTY PRINCIPAL OFFICER shall act as PRINCIPAL OFFICER when the PRINCIPAL OFFICER is unable for any reason to discharge any duty of the PRINCIPAL OFFICER in terms of the ACT, until the PRINCIPAL OFFICER resumes his duties or the FUND formally appoints a new PRINCIPAL OFFICER.

### **Board of control**

46. The FUND is controlled and managed by the BOARD that binds the FUND regarding all the matters of the FUND and which has all the powers required to attain the objectives of the FUND.
47. The object of the BOARD shall be to direct, control and oversee the operations of the FUND in accordance with the applicable laws of the Republic of South Africa and the RULES. In pursuing its objects the BOARD shall:
- 47.1 take reasonable steps to ensure that the interest of MEMBERS in terms of the RULES and the provisions of the ACT are protected at all times;
  - 47.2 act with due care, diligence and good faith;
  - 47.3 avoid conflicts of interests;
  - 47.4 act with impartiality in respect of all MEMBERS, DEPENDANTS and NOMINEES.
48. The BOARD consists of eight TRUSTEES. Fifty percent of the TRUSTEES must at all times be INDEPENDENT TRUSTEES.

49. The ADMINISTRATOR has the right to appoint fifty percent of the TRUSTEES and the serving TRUSTEES appoint the other fifty percent.
50. *(deleted)*
51. If a vacancy occurs on the BOARD another TRUSTEE must be appointed within ninety days of the vacancy occurring. If the ADMINISTRATOR has to appoint the TRUSTEE and fails to do so within the ninety day period the remaining TRUSTEES shall appoint the new TRUSTEE. Notwithstanding a vacancy, a decision taken by the BOARD will not be invalid, provided this Rule is complied with.

*[amendment effective from 01/12/2017]*

52. No person in any of the following categories shall be eligible for appointment and/or a TRUSTEE's term of office ends if and when he:
  - 52.1 resigns from office by giving notice in writing to the BOARD; or
  - 52.2 is in terms of the provisions of the Companies Act, No 71 of 2008, incapacitated to be the director of a company; or
  - 52.3 is a minor or becomes or is mentally incapacitated or otherwise incapable of acting; or
  - 52.4 is placed under curatorship by order of a competent court; or
  - 52.5 is an unrehabilitated insolvent; or
  - 52.6 is removed from an office of trust on account of misconduct; or
  - 52.7 has been convicted and sentenced to imprisonment without an option of a fine for any of the following: theft, fraud, forgery or uttering a forged document, perjury, an offence involving dishonesty or any offence in connection with the promotion, formation or management of a company; or
  - 52.8 ceases to be in employment of the INSURER; or
  - 52.9 is removed by the BOARD on account of poor performance, misconduct or because the BOARD believes that the TRUSTEE is not fit and proper to occupy the position of TRUSTEE and after having given him notice in writing and discharged him of office in accordance with the Code of Conduct adopted by the BOARD; or
  - 52.10 without permission of the BOARD fails to attend three consecutive meetings; or
  - 52.11 has served in the position for five years; or
  - 52.12 has attained the age of 70 years.

*[amendment effective from 22/05/2019]*

53. A person mentioned in RULES 52.8 and 52.11 can be appointed as a TRUSTEE again if he makes himself available and is otherwise capable of serving as a TRUSTEE. The maximum number of terms that a TRUSTEE may serve is three.

*[amendment effective from 22/05/2019]*

### **Meetings and minutes**

54. Proper notice of an ordinary meeting of the BOARD must be given at least 15 days in advance to each TRUSTEE. If all the TRUSTEES agree, a shorter period of notice is in order.
55. The BOARD elects a chairperson and vice-chairperson from its own ranks at the first meeting after any of those positions become vacant. A TRUSTEE elected as chairperson or vice-chairperson serves in that capacity until the first BOARD meeting after three years have expired since his appointment in that position or until his tenure as TRUSTEE expires, whichever occurs first. At that meeting the BOARD elects a new chairperson or vice-chairperson or both. An incumbent may make himself available for re-election.
56. If the chairperson is temporarily not available to fulfil any of his duties, the vice-chairperson will perform those duties.
57. A quorum for a meeting of the BOARD comprises five TRUSTEES, always including two INDEPENDENT TRUSTEES. At all meetings, the decision of the majority will be final and obligatory, and, in the case of an equal vote, the chairperson of the meeting will have an ordinary as well as a decisive vote.
58. The chairperson may, when he finds it necessary, schedule a meeting of the BOARD to deal with the business of the FUND.
59. Any TRUSTEE may request the chairperson to schedule a meeting of the BOARD to deal with such business as set out in the request. If the chairperson considers the request as reasonable, he should schedule a meeting as soon as possible, but in any case no later than thirty days of the date of receipt of the request, provided that if the request is supported by the majority of the TRUSTEES and the chairperson neglects to schedule a meeting, they may themselves schedule a meeting after having informed the chairperson of their intention, and if a quorum is present, the decision of the majority will be binding.
60. Minutes will be taken of the meetings of the BOARD and resolutions recorded.
61. A decision in writing, signed by all the TRUSTEES, or a decision dispatched by e-mail to all the TRUSTEES and confirmed by them, is just as valid as a resolution passed at a meeting of the BOARD.
62. The BOARD will meet at least four times per year.

## **Powers and duties of the Board**

63. The duties of the BOARD shall be to:
- 63.1 ensure that proper control systems are employed by or on behalf of the BOARD;
  - 63.2 ensure that adequate and appropriate information is communicated to MEMBERS informing them of their rights, BENEFITS and duties in terms of the RULES;
  - 63.3 obtain expert advice on matters where the BOARD may lack sufficient expertise;
  - 63.4 ensure that the operation and the administration of the FUND comply with the ACT, the Financial Institutions (Protection of Funds) Act, 2001 and all other applicable laws of the Republic of South Africa;
  - 63.5 ensure that proper books and records of the operations of the FUND are kept, inclusive of proper minutes of all resolutions passed by the FUND.
64. The BOARD may do all things they deem necessary to attain the FUND's objectives, but always subject to applicable legislation and the RULES. Without limiting the generality of this, the BOARD may:
- 64.1 appoint an ADMINISTRATOR for the administration of the FUND;
  - 64.2 delegate any of their powers to any officer, committee, or the ADMINISTRATOR subject to the provisions they deem fit;
  - 64.3 schedule a general meeting of MEMBERS when the BOARD deems it fit, or on receiving a request, in writing, signed by at least 100 members. In the request the purpose for which the meeting is required, must be stated. Notice of such a meeting is published in the Government Gazette by the PRINCIPAL OFFICER within 21 days of the receipt of such a request. The meeting must be held more than 14 days and less than 30 days after such publication and should be kept at the registered office of the FUND. The quorum for such a meeting is 20 members. The meeting elects the chairperson of the meeting and each MEMBER has one vote that he can exercise personally or by proxy. A resolution passed at such a meeting serves as a recommendation to the BOARD, which is not compelled to carry out such a decision;
  - 64.4 in the name of the FUND enter into and sign any contracts or documents and institute, conduct, defend, compound or abandon any legal proceedings by or against the FUND.

### **Sub-committees**

65. The BOARD may decide that any power of decision on any matter that is vested in them shall be delegated, on such terms and conditions as they may specify, to a sub-committee, or sub-committees, comprising of the TRUSTEES as deemed fit by the BOARD. The BOARD may appoint persons who are not TRUSTEES to any sub-committee and may terminate such an appointment at any time.
66. The decision of a sub-committee to which a power is so delegated shall, unless the BOARD stipulate that it must be referred to them for ratification, be regarded as a decision made by the BOARD.
67. The minutes of all sub-committee meetings will be circulated to the full BOARD and will form part of the minutes of the next BOARD meeting.

### **Signing of documents**

68. The BOARD is empowered to authorise such of its members and/or officers as it may approve from time to time, and upon such terms and conditions as may be approved by it, to sign any document binding the FUND or any documents authorising the performance of any act on behalf of the FUND, provided that documents to be deposited with the REGISTRAR shall be signed in the manner prescribed by the ACT.

### **Advice**

69. The FUND or the BOARD do not provide advice with regard to the selection of POLICIES by MEMBERS or beneficiaries (in particular regarding the investment and other related features of the POLICIES), or with regard to amendments or other transactions regarding POLICIES.
70. The FUND may pay a fee (including value added tax if applicable) to a financial adviser for ongoing services and advice on request and on behalf of a MEMBER by surrendering a portion of a POLICY which the FUND holds in respect of the MEMBER. The MEMBER must specify the amount and frequency of the fee as well as which POLICIES must be partly surrendered in those cases where the FUND holds more than one POLICY in respect of a MEMBER.

### **Review and approve policies**

71. The BOARD must, to reasonably satisfy themselves that the POLICIES made available to MEMBERS or beneficiaries for selection are suitable for the membership profile of the FUND:
  - 71.1 approve all new POLICIES made available for selection by MEMBERS or beneficiaries;

71.2 annually review the range of POLICIES that are made available to MEMBERS or beneficiaries for selection.

### **Interpretation and Disputes**

72. The decision of the BOARD as to the meaning of or interpretation of the RULES or part of a RULE shall be binding on the MEMBERS and every person claiming to be entitled to a benefit under the RULES, subject to the provisions of Section 30A of the ACT.

73. In a dispute regarding the interpretation of the RULES or the administration of the FUND, the complainant must submit his complaint directly to the FUND in writing. The FUND must reply in writing within thirty days of the receipt of the complaint. If the complainant is not satisfied with the FUND's answers and the complaint is a complaint as defined in the ACT, the complainant can refer the complaint to the Pension Funds Adjudicator. His contact details are as follows:

- Telephone : 012 346 1738
- Fax : 086 693 7472
- E-mail : [enquiries@pfa.org.za](mailto:enquiries@pfa.org.za)
- Postal address : PO Box 580, Menlyn 0063

If a MEMBER has a complaint about the operation and implementation of a POLICY providing his benefits under the FUND, he may lodge such with Sanlam Life's Client Contact Centre. The contact details are:

Telephone	Fax	E-mail address
(021) 916 5000	(021) 947 9440	<a href="mailto:life@sanlam.co.za">life@sanlam.co.za</a>

If the MEMBER is not satisfied with the answer in respect of the POLICY, he may lodge a complaint with the Ombudsman for Long-term Insurance. His address is Private Bag X45, Claremont, 7735.

If a MEMBER has a complaint as defined in the Financial Advisory and Intermediary Services Act, no 37 of 2002 the complaint must be submitted to the FUND in writing. If the MEMBER is not satisfied with the FUND's answer, he may lodge a complaint with the FAIS Ombud. His address is PO Box 74571, Lynwood Ridge, 0040.

### **Personal liability**

74. The TRUSTEES are not personally liable for losses that may arise for the INSURER and for the MEMBERS of the FUND, even where such a loss arises from actions of the BOARD and provided that such actions took place in good faith and in accordance with the provisions or the RULES.

## **Remuneration of functionaries**

74A The FUND does not have the means to remunerate the TRUSTEES, members of sub-committees who are not TRUSTEES, the principal officer or any other functionary.

When the BOARD deems it appropriate, it will arrange with the ADMINISTRATOR to remunerate a functionary.

## **PART 10: MISCELLANEOUS PROVISIONS**

### **Increased benefits**

75. If a benefit, except an annuity instalment, is not paid by the FUND to, or applied for the benefit of the MEMBER, DEPENDANT or NOMINEE on the date on which it should in terms of these RULES and the practice of the INSURER be paid or applied, the following will apply:
- 75.1 the FUND will pay interest to the MEMBER, DEPENDANT or NOMINEE in respect of the amount commuted by the party concerned into a lump sum;
  - 75.2 if the annuity of a MEMBER, DEPENDANT or NOMINEE is purchased at the INSURER, the annuity will be put into operation retroactively from the date on which it should have become operative in terms of these RULES, and all instalments in arrears will be paid to the party concerned together with the first recurring instalment;
  - 75.3 if the annuity of a MEMBER, DEPENDANT or NOMINEE is purchased at another insurer than the INSURER, the BENEFIT will increase from a date and at a rate as is the practice of the INSURER from time to time and the FUND transfers the increased BENEFIT to the insurer concerned.
76. Interest in RULE 75.1 will be paid from a date and at a rate as is the practice of the INSURER from time to time.

### **Benefits inalienable**

77. Save to the extent permitted by the RULES, the ACT, the Income Tax Act, 1962, and the Maintenance Act, 1998, no BENEFIT provided for in the RULES (including an annuity purchased or to be purchased by the FUND from an insurer for a MEMBER), or right to such BENEFIT, or right in respect of contributions made by or on behalf of a MEMBER, shall be capable of being reduced, transferred or otherwise ceded, or of being pledged or hypothecated, or be subject to attachment or any form of execution under a judgment or order of a court of law, or to the extent of not more than three thousand rand per annum, be capable of being taken into account in a determination of a judgment debtor's financial position in terms of section 65 of the Magistrates' Courts Act, 1944, and in the event of the MEMBER or beneficiary concerned attempting to transfer or otherwise cede or to pledge or hypothecate, such BENEFIT or right, the FUND may withhold or suspend payment of it: Provided that the FUND may pay any such BENEFIT or any BENEFIT in pursuance of such contributions, or part thereof, to any one or more of the DEPENDANTS of the MEMBER or beneficiary

or to a guardian or trustee for the benefit of such DEPENDANT or DEPENDANTS during such period as it may determine.

78. If the estate of any person entitled to a BENEFIT payable in terms of the RULES (including an annuity purchased by the FUND from an insurer for that person) is sequestrated or surrendered, such BENEFIT shall, subject to RULE 77, not be deemed to form part of the assets in the insolvent estate of that person and may not in any way be attached or appropriated by the trustee in his insolvent estate or by his creditors.
79. Subject to RULE 77, any benefit payable regarding a deceased MEMBER by the FUND, shall not form part of the assets in the estate of such a MEMBER.

### **Monies payable to the Fund and the employer**

80. The FUND may recover the following amounts from the benefits payable in terms of the RULES and, where applicable, transfer these to the EMPLOYER:
- 80.1 any amount payable to the EMPLOYER by the MEMBER with regard to a loan granted to the MEMBER to enable him:
- 80.1.1 to redeem a loan granted by a person or body other than the EMPLOYER against security of fixed property belonging to the MEMBER or his SPOUSE and on which a residence has been erected or shall be erected and is occupied or shall be occupied by the MEMBER, or a DEPENDANT of the MEMBER, as the case may be; or
- 80.1.2 to purchase a residence, or land and build a residence on it, to be occupied by the MEMBER or a DEPENDANT of the MEMBER; or
- 80.1.3 to extend or make alterations to the residence, or to do repair work or maintenance to a residence occupied by the MEMBER or his SPOUSE and which is occupied or shall be occupied by the MEMBER or a DEPENDANT of the MEMBER;
- 80.2 any amount payable to the EMPLOYER by the MEMBER with regard to an amount for which the EMPLOYER is responsible in terms of a guarantee given with regard to a loan by any other person or body to the MEMBER for any purposes referred to in clauses 80.1.1 to 80.1.3;
- 80.3 the amount of any damage suffered by the EMPLOYER as a result of any theft, dishonesty, fraud or misconduct by the MEMBER and for which the MEMBER has admitted responsibility to the EMPLOYER in writing or a court judgment has been obtained against the MEMBER.

## **Currency**

81. All amounts payable to or by the FUND in terms of the RULES shall be payable in the legal tender of the Republic of South Africa.

## **Proof of claims**

82. The FUND shall not be obliged to grant any BENEFIT unless it is satisfied with regard to the MEMBER's age and with regard to any other circumstance which it considers relevant to the BENEFIT and for which it requested proof or information.

## **Unclaimed benefits**

83. UNCLAIMED BENEFITS contemplated in RULE 37.4 are dealt with as directed by that RULE. Any other UNCLAIMED BENEFITS may at the discretion of the BOARD be transferred to an UNCLAIMED BENEFIT FUND. If any costs are incurred as a consequence of the BOARD tracing:

83.1 any potential beneficiaries; or

83.2 a non-member spouse who is entitled to a portion of the MEMBER's pension interest in terms of a decree of divorce or decree for the dissolution of a customary marriage,

such reasonable costs may be recovered from the BENEFITS payable to such beneficiaries and non-member spouse.

*[amendment effective from 23/09/2015]*

## **Binding force of the Rules**

84. The RULES shall bind the MEMBERS, the FUND and its officials and anyone who lays a claim in terms of the RULES or anyone whose claim is derived from the aforesaid claim.

## **Copy of the Rules of the Fund**

85. MEMBERS may at a fee determined by the FUND, obtain copies of the RULES.

## **Dissolution of the Fund**

86. The TRUSTEES, in consultation with the INSURER, may at any time close the FUND to new MEMBERS or dissolve the FUND.

87. The TRUSTEES shall give notice to the MEMBERS of their intention to dissolve the FUND. Thereafter the TRUSTEES shall appoint a liquidator, which appointment shall be subject to the approval of the REGISTRAR, and the period of liquidation shall be deemed to commence as from the date of such approval.

88. During such liquidation the provisions of the ACT shall continue to apply to the FUND as if the liquidator were the TRUSTEES.
89. The liquidator shall as soon as may be possible deposit with the REGISTRAR the preliminary accounts prescribed by regulation, signed and certified by him as correct, showing the assets and liabilities of the FUND at the commencement of the liquidation and the manner in which it is proposed to realize the assets and to discharge the liabilities, including any liabilities and contingent liabilities to or in respect of MEMBERS.

In discharging the liabilities and contingent liabilities to or in respect of MEMBERS full recognition shall be accorded to:

- 89.1 the rights and reasonable BENEFIT expectations of the persons concerned;
- 89.2 additional BENEFITS the payment of which by the FUND has become an established practice.

#### **Termination of an employer's participation in the Fund**

90. An EMPLOYER may terminate his participation in the FUND at anytime should he inform the FUND and the MEMBERS in his employ of his intention.

An EMPLOYER's participation in the FUND is automatically terminated when he is provisionally liquidated or ceases trading.

91. When the EMPLOYER's participation in the FUND is terminated all the MEMBERS may be transferred to another REGISTERED RETIREMENT FUND on request of the EMPLOYER after consultation with the MEMBERS, by means of section 14 of the ACT. If all the MEMBERS are not to be transferred to another REGISTERED RETIREMENT FUND or retire when the EMPLOYER's participation in the FUND is terminated the BOARD must appoint a liquidator, and such appointment will be subject to approval by the REGISTRAR and the period of liquidation will be deemed to commence on the date of such approval.

The liquidator shall, in consultation with the EMPLOYER concerned, terminate the POLICIES on the lives of all the MEMBERS who are EMPLOYEES of the particular EMPLOYER, and:

- pay the proceeds to the MEMBERS; or
- transfer the proceeds to another REGISTERED RETIREMENT FUND.

92. The liquidation costs are recovered from the MEMBER's benefits in the liquidation pool unless the EMPLOYER decides to carry the costs.

93. Should an EMPLOYER terminate its participation in the FUND under circumstances where it is not necessary to appoint a liquidator, the FUND will deal with each MEMBER's benefits according to the instruction it received from the EMPLOYER on condition that no MEMBER can continue to be a PAID-UP MEMBER of the FUND.

*[amendment effective from 01/03/2019]*

#### **Amendment to the Rules**

94. The TRUSTEES, in consultation with the INSURER, may amend the RULES at any time, provided that:
- 94.1 the approval of the Commissioner for the South African Revenue Service and the REGISTRAR is obtained; and
  - 94.2 the amendment is not contrary to the ACT.
95. The FUND shall arrange for the REGISTRAR and the Commissioner for the South African Revenue Service to be notified of every amendment to the RULES.

#### **Fund-proposed annuity**

96. Where the RULES allow for the purchase of a PENSION by a MEMBER at retirement or at permanent disability, the BOARD, in consultation with the INSURER, determines a proposed annuity option which is contained in the ANNUITY STRATEGY of the FUND. The proposed PENSION will, however, only be purchased if the MEMBER elects such option.

*[amendment effective from 01/03/2019]*

#### **Counselling**

97. The FUND makes available RETIREMENT BENEFITS COUNSELLING, in the format or platform determined by the BOARD from time to time, upon:
- 97.1 request for transfer of BENEFITS to another REGISTERED RETIREMENT FUND;
  - 97.2 a MEMBER leaving the service of the EMPLOYER;
  - 97.3 receiving a request by a PAID-UP MEMBER to have the proceeds of the POLICY paid to him or her as a cash lump sum before RETIREMENT DATE; and
  - 97.4 a MEMBER contemplating retiring from the FUND.

*[amendment effective from 01/03/2019]*

### **Paid-up balances from other retirement funds**

98. The FUND may receive any paid-up amount in respect of a PAID-UP MEMBERSHIP CERTIFICATE held by the MEMBER from another REGISTERED RETIREMENT FUND subject to the provisions in the ACT and other relevant legislation, provided that the MEMBER requests, in writing, that the paid-up amount be transferred to the FUND.

*[amendment effective from 01/03/2019]*

**Annexure A**

**CENTRAL PROVIDENT FUND: LEVELS OF CONTRIBUTIONS (from 14/03/07)**

<b>Level</b>	<b>Monthly contribution</b>	<b>Utilisation amount</b>	<b>Contribution increase</b>	<b>% increase</b>
1	R 150.00	R 134.42	-	-
2	R 162.50	R 146.17	R 12.50	8.33%
3	R 175.00	R 157.92	R 12.50	7.69%
4	R 187.50	R 169.67	R 12.50	7.14%
5	R 200.00	R 181.42	R 12.50	6.67%
6	R 217.50	R 197.87	R 17.50	8.75%
7	R 235.00	R 214.32	R 17.50	8.05%
8	R 255.00	R 233.12	R 20.00	8.51%
9	R 275.00	R 251.92	R 20.00	7.84%
10	R 300.00	R 275.42	R 25.00	9.09%
11	R 325.00	R 298.92	R 25.00	8.33%
12	R 350.00	R 322.42	R 25.00	7.69%
13	R 375.00	R 345.92	R 25.00	7.14%
14	R 400.00	R 369.42	R 25.00	6.67%
15	R 425.00	R 392.92	R 25.00	6.25%
16	R 462.50	R 428.17	R 37.50	8.82%
17	R 500.00	R 463.42	R 37.50	8.11%
18	R 537.50	R 498.67	R 37.50	7.50%
19	R 575.00	R 533.92	R 37.50	6.98%
20	R 612.50	R 569.17	R 37.50	6.52%
21	R 650.00	R 604.42	R 37.50	6.12%
22	R 700.00	R 651.42	R 50.00	7.69%
23	R 750.00	R 698.42	R 50.00	7.14%
24	R 812.50	R 757.17	R 62.50	8.33%
25	R 875.00	R 815.92	R 62.50	7.69%
26	R 937.50	R 874.67	R 62.50	7.14%
27	R 1,000.00	R 933.42	R 62.50	6.67%
28	R 1,075.00	R 1,003.92	R 75.00	7.50%
29	R 1,150.00	R 1,074.42	R 75.00	6.98%

<b>Level</b>	<b>Monthly contribution</b>	<b>Utilisation amount</b>	<b>Contribution increase</b>	<b>% increase</b>
30	R 1,225.00	R 1,144.92	R 75.00	6.52%
31	R 1,300.00	R 1,215.42	R 75.00	6.12%
32	R 1,400.00	R 1,309.42	R 100.00	7.69%
33	R 1,500.00	R 1,403.42	R 100.00	7.14%
34	R 1,625.00	R 1,520.92	R 125.00	8.33%
35	R 1,750.00	R 1,638.42	R 125.00	7.69%
36	R 1,875.00	R 1,755.92	R 125.00	7.14%
37	R 2,000.00	R 1,873.42	R 125.00	6.67%
38	R 2,175.00	R 2,037.92	R 175.00	8.75%
39	R 2,350.00	R 2,202.42	R 175.00	8.05%
40	R 2,550.00	R 2,390.42	R 200.00	8.51%
41	R 2,750.00	R 2,578.42	R 200.00	7.84%
42	R 3,000.00	R 2,813.42	R 250.00	9.09%
43	R 3,250.00	R 3,048.42	R 250.00	8.33%
44	R 3,500.00	R 3,283.42	R 250.00	7.69%
45	R 3,750.00	R 3,518.42	R 250.00	7.14%
46	R 4,000.00	R 3,753.42	R 250.00	6.67%
47	R 4,250.00	R 3,988.42	R 250.00	6.25%
48	R 4,625.00	R 4,340.92	R 375.00	8.82%
49	R 5,000.00	R 4,693.42	R 375.00	8.11%
50	R 5,375.00	R 5,045.92	R 375.00	7.50%
51	R 5,750.00	R 5,398.42	R 375.00	6.98%
52	R 6,125.00	R 5,750.92	R 375.00	6.52%
53	R 6,500.00	R 6,103.42	R 375.00	6.12%
54	R 7,000.00	R 6,573.42	R 500.00	7.69%
55	R 7,500.00	R 7,043.42	R 500.00	7.14%
56	R 8,125.00	R 7,630.92	R 625.00	8.33%
57	R 8,750.00	R 8,218.42	R 625.00	7.69%
58	R 9,375.00	R 8,805.92	R 625.00	7.14%
59	R 10,000.00	R 9,393.42	R 625.00	6.67%
60	R 10,750.00	R 10,098.42	R 750.00	7.50%

<b>Level</b>	<b>Monthly contribution</b>	<b>Utilisation amount</b>	<b>Contribution increase</b>	<b>% increase</b>
61	R 11,500.00	R 10,803.42	R 750.00	6.98%
62	R 12,250.00	R 11,508.42	R 750.00	6.52%
63	R 13,000.00	R 12,213.42	R 750.00	6.12%
64	R 14,000.00	R 13,153.42	R 1,000.00	7.69%
65	R 15,000.00	R 14,093.42	R 1,000.00	7.14%
66	R 16,250.00	R 15,268.42	R 1,250.00	8.33%
67	R 17,500.00	R 16,443.42	R 1,250.00	7.69%
68	R 18,750.00	R 17,618.42	R 1,250.00	7.14%
69	R 20,000.00	R 18,793.42	R 1,250.00	6.67%
70	R 21,750.00	R 20,438.42	R 1,750.00	8.75%
71	R 23,500.00	R 22,083.42	R 1,750.00	8.05%
72	R 25,500.00	R 23,963.42	R 2,000.00	8.51%
73	R 27,500.00	R 25,843.42	R 2,000.00	7.84%
74	R 30,000.00	R 28,193.42	R 2,500.00	9.09%
75	R 32,500.00	R 30,543.42	R 2,500.00	8.33%
76	R 35,000.00	R 32,893.42	R 2,500.00	7.69%
77	R 37,500.00	R 35,243.42	R 2,500.00	7.14%
78	R 40,000.00	R 37,593.42	R 2,500.00	6.67%
79	R 42,500.00	R 39,943.42	R 2,500.00	6.25%
80	R 50,000.00	R 46,993.42	R 7,500.00	17.65%