

# AMENDMENT NO. 1

TO THE REVISED RULES OF THE  
CORPORATE SELECTION UMBRELLA PENSION FUND

underwritten by

**LIBERTY GROUP LIMITED**  
**REG. NO.: 1957/002788/06**  
and its  
**ASSOCIATED COMPANIES**

and administered by

**LIBERTY CORPORATE**  
A division of Liberty Group Limited

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Handwritten signatures in black ink, consisting of several stylized initials and names.

**RESOLUTION AND CERTIFICATION**

Resolution taken by the BOARD OF TRUSTEES of the CORPORATE SELECTION UMBRELLA PENSION FUND ("the FUND") at Braamfontein on 06 December 2018.

**RESOLVED THAT:**

- A.** With effect from **1 March 2016**, the Revised Rules of the Fund be amended in order to reflect the changes to the Income Tax Act, No. 58 of 1962, which expanded the parameters for determining remuneration or taxable income on which the revised levels of fund contributions can be based; necessitating the replacement of the current definition of "FUND SALARY" by the new and wider definition of "CONTRIBUTION SALARY". This effective date is retrospective for the following reasons:
1. the change straddles the period when the 2015 Revised Rules were submitted to the then Registrar and the date of their eventual registration, which is 4 November 2016. Accordingly, this change could not be incorporated into the Revised Rules. After registration of the Revised Rules, a decision was made to incorporate this provision in a later rule amendment of substance, hence its inclusion in this current amendment.
  2. the change must be implemented by a Rule Amendment in order to align the Revised Rules with the legislative changes. In principle, no Member has been prejudiced as the result of the change being implemented late.
- B.** With effect from **1 April 2018**, the Revised Rules of the Fund be amended in order to reflect the regulatory changes implemented in the Pension Funds Act by the Financial Sector Regulation Act.
- C.** With effect from **1 March 2019**, the Revised Rules of the Fund be amended:
1. in order to properly align the Revised Rules with the changes to the Income Tax Act, No. 58 of 1962 regarding the entitlement of Members who have reached their normal retirement dates in terms of the Rules, to choose to defer the accrual and payment of their retirement benefits to a date later than their normal retirement dates as prescribed in their Participation Certificates and to regulate matters related to or incidental to the deferral of the retirement benefits in the Fund;
  2. in order to allow Members whose employment is terminated with a participating Employer in the Fund under the circumstances defined in the Rules, to preserve their benefits and to permit portability of preserved benefits, in accordance with the Regulations to the Act that prescribe default preservation and portability of benefits; and to regulate matters related to or incidental to the preservation and portability of the benefits/proceeds in the Fund;
  3. in order to reflect the Fund's implementation of the relevant strategy for default investments, preservation and annuitisation as adopted by the Board of Trustees.

4. in order to provide clarity to the existing definition of Deferred Member.
5. in order to delete the current Rule 7.1.2 and Rule 7.2.3 insofar as they provide for Employer participation in a preservation fund. Both Rules became obsolete in 2012 with the issuing of RF1 of 2012 by the Commissioner. The Rules subsequently impacted by the deletion will be re-numbered.

It is certified that:

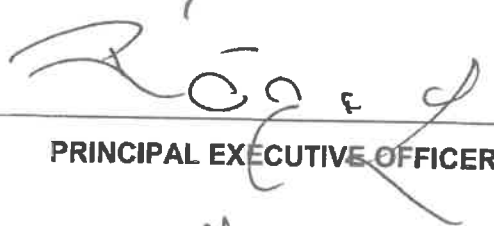
- (a) this Rule Amendment will on registration, become operational with effect from the effective dates mentioned;
- (b) the above resolution has been adopted in accordance with the Rules of the Fund;
- (c) no changes have been made to the benefits or benefit structure of the Fund other than as shown in the Rule Amendment.

  
\_\_\_\_\_  
CHAIRPERSON OF  
THE BOARD OF TRUSTEES

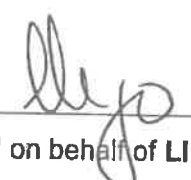
06-12-2018  
DATE

  
\_\_\_\_\_  
MEMBER OF THE BOARD OF TRUSTEES

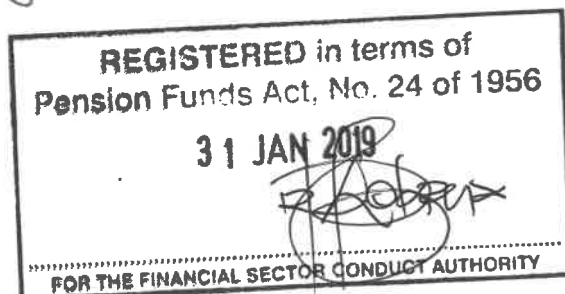
06-12-2018  
DATE

  
\_\_\_\_\_  
PRINCIPAL EXECUTIVE OFFICER

06-12-2018  
DATE

  
\_\_\_\_\_  
For and on behalf of LIBERTY

13/12/2018  
DATE





**CERTIFICATE BY THE VALUATOR OF THE FUND**

In terms of the provisions of the Act:

1. Michael Eric de Villiers

**VALUATOR'S FULL NAMES**

in my capacity as Valuator of the Fund, hereby certify that this Rule Amendment is not inconsistent with the provisions of the Act and does not make the Fund financially unsound.

  
**VALUATOR'S SIGNATURE**

13/12/2018  
**DATE**



- A. With effect from **1 March 2016**, the definition of "FUND SALARY" in Section 2 of the Rules shall be replaced by the new definition of "CONTRIBUTION SALARY" as follows:

**"CONTRIBUTION  
SALARY"**

means that proportion or value of a MEMBER'S income package amount, as agreed between the EMPLOYER and each MEMBER, which CONTRIBUTION SALARY shall be utilised, where appropriate, to determine CONTRIBUTIONS payable and benefits provided for in these RULES.;

The EMPLOYER shall notify the FUND of any changes in CONTRIBUTION SALARY, but such changes shall, for purposes of these RULES, take effect either on the first day of the month coincident with or immediately following a change in the value of the MEMBER'S CONTRIBUTION SALARY or annually at the REVISION DATE, as directed by the EMPLOYER.

- B. With effect from **1 April 2018**, the definition of "REGISTRAR" in Section 2 of the Rules shall be replaced by the new definition of "AUTHORITY" as indicated below. Wherever the definition of "REGISTRAR" appears in the Rules of the Fund, it shall be deemed to have been replaced by the new definition of "AUTHORITY". Similarly, any reference in the Rules to "Financial Services Board" shall be deemed to have been replaced by the "Financial Sector Conduct Authority".

**"AUTHORITY"**

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



C. With effect from **1 March 2019**:

1. The following new definitions "DEFERRED RETIREE", "DEFERRED RETIREMENT BENEFIT", "PRESERVER BENEFIT", "PRESERVER MEMBER", "PREVIOUS FUND" and "TRANSFER CREDIT" shall be added to Section 2 as follows:

**"DEFERRED  
RETIREE"**

means a MEMBER who:

- (a) has reached the NORMAL RETIREMENT DATE in terms of the RULES of the FUND and the PARTICIPATION CERTIFICATE applicable to the EMPLOYER and has elected to become a DEFERRED RETIREE. The DEFERRED RETIREE shall elect an investment portfolio offered in the FUND or in a default portfolio in which the DEFERRED RETIREMENT BENEFIT shall be invested.
- (b) has reached the NORMAL RETIREMENT DATE in terms of the RULES of the FUND and the PARTICIPATION CERTIFICATE applicable to the EMPLOYER or has reached late retirement and has stopped CONTRIBUTION to the FUND but has not exercised a retirement benefit payment option at retirement; in which event the said retirement benefit and the MEMBER shall, immediately be defaulted by the FUND to the MEMBERSHIP status of DEFERRED RETIREE and the benefit classified as a DEFERRED RETIREMENT BENEFIT. The DEFERRED RETIREE'S DEFERRED RETIREMENT BENEFIT shall remain in the investment portfolio in which it was invested; until the DEFERRED RETIREE either makes an election in writing of the investment portfolio in which the DEFERRED RETIREMENT BENEFIT must be invested, or makes a decision on how the DEFERRED RETIREMENT BENEFIT must be dealt with.
- (c) was previously classified as a PRESERVER MEMBER and who, on reaching age 65 years, either elects or is defaulted to the status of a DEFERRED RETIREE and whose benefit is converted or defaulted into the status of a retirement benefit and the provisions of the RULES regulating DEFERRED RETIREES and DEFERRED RETIREMENT BENEFITS shall, going forward, apply to that benefit.



**"DEFERRED  
RETIREMENT  
BENEFIT"**

means the retirement benefit of a MEMBER, which is determined in terms of the RULES of the FUND at the time when a MEMBER'S MEMBERSHIP status converts to that of a DEFERRED RETIREE.

**"PRESERVER  
BENEFIT"**

means the SHARE OF THE FUND of a MEMBER, which is determined in terms of the RULES of the FUND at the time when a MEMBER'S MEMBERSHIP status converts to that of PRESERVER MEMBER.

**"PRESERVER  
MEMBER"**

means a MEMBER who:

- (a) has withdrawn from the FUND, has not reached 65 years of age and has elected to retain his withdrawal benefit in the FUND as a PRESERVER BENEFIT. The PRESERVER MEMBER shall elect the investment portfolio offered in the FUND or a default portfolio in which the PRESERVER BENEFIT shall be invested.
- (b) has withdrawn from the FUND, has not reached 65 years of age and has not exercised a benefit payment option on withdrawal, in which event the said benefit and the MEMBER shall immediately be defaulted by the FUND to the MEMBERSHIP status of PRESERVER MEMBER and the benefit shall subsequently be classified as a PRESERVER BENEFIT. The PRESERVER BENEFIT shall remain in the investment portfolio in which it was invested corresponding with the MEMBER'S FUND withdrawal; until the PRESERVER MEMBER makes an election in writing of the investment portfolio in which the PRESERVER BENEFIT must be dealt with.
- (c) is currently recorded as a DEFERRED PENSIONER in the FUND; to whom the provision of the RULES governing PRESERVER MEMBERS shall henceforth apply.

**"TRANSFER  
CREDIT"**

means the amount transferred to the FUND from a previous fund.



2. The definitions of "MEMBER", "NORMAL RETIREMENT DATE", " " and "SHARE OF THE FUND" in Section 2 of the Rules shall be replaced as follows:

**"MEMBER"**

means any person who is admitted to MEMBERSHIP of the FUND in accordance with the RULES; and shall include any such person as long as they are entitled to a benefit from the FUND; and

which shall include DEFERRED RETIREE and a PRESERVER MEMBER; but

does not include any person who has received all the benefits due to that person from the FUND and whose MEMBERSHIP has thereafter been terminated in accordance with the RULES of the FUND.

**"MEMBERSHIP"** shall have a corresponding meaning.

**"NORMAL  
RETIREMENT  
DATE"**

means:

- (a) in respect of a MEMBER other than a DEFERRED RETIREE and a PRESERVER MEMBER, the first day of the month coincident with or next following the date on which a MEMBER attains the normal retirement age as set out in these RULES and in the PARTICIPATION CERTIFICATE applicable to an EMPLOYER;

provided that a MEMBER who reaches NORMAL RETIREMENT DATE in terms of the RULES, is entitled to elect to continue his fund MEMBERSHIP as a DEFERRED RETIREE after this date and to retain his retirement benefit in the FUND as a DEFERRED RETIREMENT BENEFIT in accordance with the RULES regulating DEFERRED RETIREES and DEFERRED RETIREMENT BENEFITS.

- (b) in respect of a DEFERRED RETIREE, the DEFERRED RETIREE'S elected date of retirement.
- (c) in respect of a PRESERVER MEMBER, the age elected by the PRESERVER MEMBER which may not be earlier than 55 years of age;

provided that a PRESERVER MEMBER who has reached his elected retirement age is entitled to elect to continue his



MEMBERSHIP in the FUND as a DEFERRED RETIREE after the elected retirement age and to defer the payment of his retirement benefit in the FUND as a DEFERRED RETIREMENT BENEFIT, until he reaches the elected date of retirement from the FUND; in which event, that date shall be taken to be his eventual date of retirement from the FUND for purposes of accrual of his retirement benefit.

With effect from the date of deferral of retirement, the PRESERVER MEMBER'S MEMBERSHIP status shall convert and he shall henceforth be classified as a DEFERRED RETIREE, his benefit changed to that of DEFERRED RETIREMENT BENEFIT and he shall accordingly be dealt with in terms of RULE 6.6.

**"SHARE OF  
THE FUND"**

means:

(a) in respect of a MEMBER, the SHARE OF FUND at accrual date, which will include:

- (i) the PRESERVER BENEFIT, if applicable. Any such PRESERVER BENEFIT shall be ring-fenced as a separate record under the MEMBER; plus
- (ii) any amount of surplus accruing to a MEMBER in terms of a surplus scheme approved by the AUTHORITY in terms of Section 15B or 15E of the ACT; plus
- (iii) any additional voluntary CONTRIBUTIONS paid by or in respect of the MEMBER; plus
- (iv) any transfer amounts for the MEMBER; plus
- (v) any divorce order amounts transferred in favour of the MEMBER in terms of Section 37D(4)(b)(iii) of the ACT;

adjusted by the FUND RETURN earned by the FUND on the assets attributable to the MEMBER, net of all the costs associated with the investment of such assets, to the date of calculation;

less:

- amounts deductible in terms of Section 37D of the ACT; and



- amounts determined by the BOARD OF TRUSTEES to be credited to the FUND EXPENSE CONTINGENCY ACCOUNT in respect of expenses incurred by the FUND;
- any amount that the PRESERVER MEMBER may elect to commute for a cash withdrawal on any of his PRESERVER BENEFIT record;

and

where the conditions of Section 11 of these RULES apply, SHARE OF THE FUND shall mean the amount attributable to that MEMBER, in terms of Section 11, RULE 11.1.5(b) or in terms of the scheme of arrangement of the liquidator envisaged in Section 11, RULES 11.1.8 and 11.2.3.

3. Paragraph (g) of Rule 3.5.4 shall be replaced as follows:

(g) The BOARD OF TRUSTEES shall provide MEMBERS, including DEFERRED RETIREES, with access to retirement benefits counselling in accordance with the requirements of the Regulations of the ACT.

4. Rule 3.5.5 shall be deleted in its entirety and Rule 3.5.6 *et seq* shall be renumbered Rule 3.5.5 accordingly.

5. A new Rule 4.1.8 shall be added to Rule 4.1 as follows:

4.1.8 A person who is recorded:

(a) as a Deferred Retiree or similar membership status in a previous fund;  
and/or

(b) as a Preserver Member or similar membership status in a previous fund

and who applies for his benefit to be transferred from the previous fund into this FUND, is entitled to be accepted in this FUND as a DEFERRED RETIREE or as a PRESERVER MEMBER as may be applicable, together with his TRANSFER CREDIT; subject to that person meeting the MEMBERSHIP criteria prescribed in these RULES governing DEFERRED RETIREES or PRESERVER MEMBERS.

6. A new Rule 4.2.3 shall be added to Rule 4.2 as follows:

4.2.3 A DEFERRED RETIREE or a PRESERVER MEMBER shall remain a MEMBER of the FUND until all the benefits in respect of withdrawal, retirement or death, whichever is applicable, of the DEFERRED RETIREE or of the PRESERVER MEMBER have been paid or distributed by the FUND in terms of the RULES.

7. Rule 5.1.1 shall be amended as follows:

5.1.1 A MEMBER, other than a DEFERRED RETIREE or a PRESERVER MEMBER shall contribute at the rate as set out in the PARTICIPATION CERTIFICATE applicable to the EMPLOYER.

8. Rule 5.2.1 shall be amended as follows:

5.2.1 The EMPLOYER shall contribute in respect of each MEMBER, other than a, a DEFERRED RETIREE or a PRESERVER MEMBER, at the rate as set out in the PARTICIPATION CERTIFICATE applicable to the EMPLOYER.

9. Section 6 - Retirement Benefits - shall be replaced as follows:

## **SECTION 6 - RETIREMENT BENEFITS**

### **6.1 NORMAL RETIREMENT**

Subject to the RULES below, a MEMBER, other than a PRESERVER MEMBER:

6.1.1 shall be entitled to elect to retire from the FUND at the NORMAL RETIREMENT DATE.

At retirement, the MEMBER shall be entitled to be paid the retirement benefit described in the PARTICIPATION CERTIFICATE applicable to the EMPLOYER.

6.1.2 shall be entitled to defer his retirement in the FUND upon reaching NORMAL RETIREMENT DATE, in which event he shall, on deferral, be classified as a DEFERRED RETIREE. The DEFERRED RETIREE shall retire from the FUND on the earlier of his selected retirement date or the maximum age of retirement as may be prescribed by the Minister from time to time.



At retirement envisaged in this RULE 6.1.2, the DEFERRED RETIREE shall be entitled to be paid the DEFERRED RETIREMENT BENEFIT in accordance with RULE 6.5 below.

6.1.3 should the MEMBER fail to elect to retire from the FUND and be paid a retirement benefit in terms of RULE 6.1.1 above; or fail to elect to defer his retirement in the FUND in terms of RULE 6.1.2 above, the MEMBER'S MEMBERSHIP status shall, be converted by the FUND to that of DEFERRED RETIREE and his retirement benefit shall be classified as a DEFERRED RETIREMENT BENEFIT. From that date of conversion, the provisions of the RULES applicable to DEFERRED RETIREES shall apply to the DEFERRED RETIREE.

6.1.4 A PRESERVER MEMBER is entitled to apply to receive a retirement benefit at any time on or after reaching age 55 years; provided that the PRESERVER MEMBER may, on application to the FUND, retire before age 55 years on account of ill-health if, in the opinion of the BOARD OF TRUSTEES and subject to such medical evidence as the BOARD OF TRUSTEES may require, the PRESERVER MEMBER is incapacitated due to sickness, accident, injury or infirmity of mind or body.

At retirement, the PRESERVER MEMBER shall be entitled to purchase an annuity with his PRESERVER BENEFIT or the balance thereof, after allowing for any amounts that may be commuted for a cash lump sum in terms of Rule 6.5.

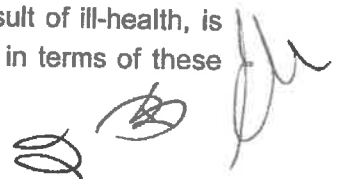
6.1.5 A PRESERVER MEMBER who reaches age 65 years and who subsequently fails or neglects to make a benefit payment option shall, automatically defaulted by the FUND to the MEMBERSHIP status of a DEFERRED RETIREE and his benefit shall be classified as a DEFERRED RETIREMENT BENEFIT. From that date of conversion, the provisions of the RULES applicable to DEFERRED RETIREES shall apply to the DEFERRED RETIREE.

## 6.2 VOLUNTARY EARLY RETIREMENT

With the consent of his EMPLOYER, a MEMBER other than a DEFERRED RETIREE, may retire from service at any time during the ten-year period preceding his NORMAL RETIREMENT DATE but not earlier than age 55 and be paid the retirement benefit described in the PARTICIPATION CERTIFICATE applicable to the EMPLOYER.

## 6.3 ILL-HEALTH RETIREMENT

A MEMBER, other than a DEFERRED RETIREE, who, as a result of ill-health, is unable to continue his work and who is not entitled to a benefit in terms of these



RULES, may, retire from service at any time before his NORMAL RETIREMENT DATE and be paid the retirement benefit.

#### 6.4 LATE RETIREMENT

A MEMBER, other than a PRESERVER MEMBER, who continues in the service of his EMPLOYER after NORMAL RETIREMENT DATE shall, be entitled to remain a MEMBER of the FUND and to postpone his retirement to the date of actually leaving the service of his EMPLOYER; after which date the MEMBER will be entitled to retire from the FUND or to become a DEFERRED RETIREE as provided for in these RULES.

#### 6.5 PAYMENT OF BENEFITS

6.5.1 A MEMBER'S retirement benefit shall, subject to such requirements as may be imposed by the COMMISSIONER, be paid as one or more annuities in the name of the MEMBER.

6.5.2 Where a lump sum is elected, such lump sum shall be payable in cash.

6.5.3 Where an annuity or annuities are provided, the following conditions shall apply:

- (a) The annuity or annuities to be made available to retiring MEMBERS shall in accordance with the default annuity policy of the FUND.
- (b) The annuity or annuities shall be selected by the MEMBER and purchased by the FUND from an INSURER, in the name of the MEMBER.
- (c) Once an annuity or annuities have been purchased in the name of the MEMBER, MEMBERSHIP of the FUND shall terminate and the FUND shall have no further obligation of whatsoever nature towards the MEMBER or his BENEFICIARIES, provided that such annuity complies with such requirements as may be laid down by law or in terms of any directive by the AUTHORITY or COMMISSIONER from time to time.
- (d) In the event of a retiring MEMBER who does not elect an annuity or annuities, the MEMBER'S retirement benefit shall be invested in the FUND'S default annuity policy which incorporates a default investment portfolio, until the retired MEMBER approaches the FUND, in which event the provisions of paragraph (a) above shall apply.

**6.6 PROVISIONS REGULATING DEFERRED RETIREMENT BENEFITS**

- 6.6.1 The FUND has established a Retirement Preservation MEMBERSHIP category, which is intended to accommodate and preserve the DEFERRED RETIREMENT BENEFITS of DEFERRED RETIREES who elected to defer their retirement in the FUND in accordance with RULE 6.1.2 above; or whose MEMBERSHIP status is converted to that of DEFERRED RETIREE in accordance with RULE 6.1.3 and RULE 6.1.5 above.
- 6.6.2 The DEFERRED RETIREMENT BENEFIT of a DEFERRED RETIREE shall be administered in the Retirement Preservation MEMBERSHIP category of the FUND as an individual record.
- 6.6.3 The FUND shall present each DEFERRED RETIREE with a MEMBERSHIP certificate within 2 calendar months of a MEMBER becoming a DEFERRED RETIREE.
- 6.6.4 DEFERRED RETIREMENT BENEFITS shall be invested in accordance with the DEFERRED RETIREES' selected investment portfolios or the FUND'S default investment portfolio.
- 6.6.5 The investment portfolios and the default investment portfolios shall comply with the requirements prescribed in the ACT in relation to design, purpose and intended objective.
- 6.6.6 The FUND'S investment policy shall under no foreseeable circumstances allow the capital value of the DEFERRED RETIREMENT BENEFIT to become eroded by the costs of investing the benefits.

10. Section 7 - Withdrawal Benefits - shall be replaced as follows:

**SECTION 7 – WITHDRAWAL BENEFITS**

**7.1 WITHDRAWAL BENEFITS**

- 7.1.1 Subject to RULE 7.4 BELOW, a MEMBER, other than a DEFERRED RETIREE or a PRESERVER MEMBER, who resigns or is dismissed and who does not qualify for a retirement benefit shall be paid the withdrawal benefit described in the PARTICIPATION CERTIFICATE applicable to the EMPLOYER.
- 7.1.2 A MEMBER, including a PRESERVER MEMBER but excluding a DEFERRED RETIREE, may elect that all or part of his cash withdrawal benefit:

- (a) be preserved in the FUND; or

(b) be transferred to another APPROVED FUND, subject to any legislative limitations that may be prevailing at the time.

7.1.3 A PRESERVER MEMBER may, at any time before his elected retirement age, elect to withdraw and to receive a portion or all of his PRESERVER BENEFIT from the FUND.

## 7.2 RETRENCHMENT, REDUNDANCY OR TRANSFER OF EMPLOYMENT BENEFIT

7.2.1 A MEMBER who is dismissed in terms of a staff rationalisation programme undertaken by the EMPLOYER shall be entitled to receive a benefit as described in the PARTICIPATION CERTIFICATE applicable to the EMPLOYER.

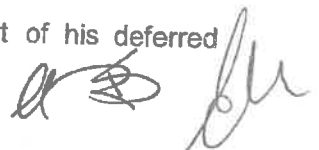
7.2.2 Where the EMPLOYER transfers all or a portion of the business of the EMPLOYER as a going concern to another employer in terms of Section 197 of the Labour Relations Act and such other employer does not replace the EMPLOYER in terms of Section 12 Rule 12.11 of these RULES, or there is no provision made for the transfer of an affected MEMBER'S asset and liability to another APPROVED FUND in which the new employer participates in on behalf of employees, a MEMBER affected by such transfer of employment conditions shall be entitled to receive a benefit as described in the PARTICIPATION CERTIFICATE

7.2.3 RULE 7.2 shall not apply to a DEFERRED RETIREE, whose MEMBERSHIP record is recognised in terms of RULE 6.6.2 and his DEFERRED RETIREMENT BENEFIT is dealt with generally in terms of RULE 6.6; or to a PRESERVER MEMBER, whose MEMBERSHIP record is recognised in terms of RULE 7.5.2 and his PRESERVER BENEFIT is dealt with generally in terms of RULE 7.5.

## 7.3 DEFERRED PENSION BENEFIT

7.3.1 In lieu of the cash withdrawal benefit, a MEMBER who left the service of his EMPLOYER before 30 June 2004, may have elected to receive his deferred pension benefit at NORMAL RETIREMENT DATE, provided that such deferred pension benefit was not less than the minimum amount which the ADMINISTRATOR was prepared to hold as a deferred pension benefit at the time.

7.3.2 A DEFERRED PENSIONER may elect that all or part of his deferred



pension benefit be transferred to another APPROVED FUND, but subject to any legislative conditions prevailing at the time.

7.3.3 The RULES governing PRESERVER MEMBERS shall henceforth apply to DEFERRED PENSIONERS.

#### 7.4 PAYMENT OF BENEFITS

7.4.1 The BOARD OF TRUSTEES shall afford each MEMBER access to retirement benefits counselling before any withdrawal benefit payable in terms of RULE 7 is paid to the MEMBER or transferred to another APPROVED FUND

7.4.2 Subject to RULE 7.4.1, the withdrawal benefit of a MEMBER, including a PRESERVER MEMBER but excluding a DEFERRED RETIREE, shall be paid:

- (a) as a cash amount, or
- (b) as a transfer to another APPROVED FUND, but subject to any legislative conditions prevailing at the time.

#### 7.5 PROVISIONS REGULATING PRESERVER BENEFITS

7.5.1 The FUND shall present each PRESERVER MEMBER with a paid-up MEMBERSHIP certificate within 2 calendar months of a MEMBER becoming a PRESERVER MEMBER.

7.5.2 Should an existing PRESERVER MEMBER subsequently join the FUND at any time as a new MEMBER, then the following MEMBERSHIP conditions shall apply:

- (a) the MEMBER shall be allocated a new MEMBERSHIP record in the FUND under the new participation;
- (b) all the provisions applicable to a PRESERVER BENEFIT shall apply.

7.5.3 PRESERVER BENEFITS shall be invested in accordance with the PRESERVER MEMBER'S elected investment portfolios or the FUND'S default investment portfolios..

7.5.4 The BOARD OF TRUSTEES shall give a PRESERVER MEMBER access to retirement benefits counselling before any withdrawal benefit payable in terms of this RULE is paid to the PRESERVER MEMBER or is transferred to another APPROVED FUND.



7.5.6 The FUND'S investment policy shall under no foreseeable circumstances allow the capital value of the PRESERVER BENEFIT to become eroded by the costs of investing the benefits.

11. Rule 8.1 shall be amended as follows:

**8.1 BENEFIT**

8.1.1 If a MEMBER other than a DEFERRED PENSIONER, a DEFERRED RETIREE and a PRESERVER MEMBER, who has not reached the earlier of his NORMAL RETIREMENT DATE or age 65, becomes ill or is injured as a result of which he is caused to be permanently absent from work, and the MEMBER is not in receipt of a benefit from the INCOME PLAN, then subject to the provisions of this Section a disability benefit will be paid.

8.1.2 A DEFERRED PENSIONER, a DEFERRED RETIREE and a PRESERVER MEMBER shall not be entitled to disability benefits in terms of this RULE.

12. Rule 9.1 shall be amended as follows:

**9.1 DEATH OF A MEMBER BEFORE NORMAL RETIREMENT DATE**

9.1.1 If a MEMBER, other than a DEFERRED RETIREE or a PRESERVER MEMBER, dies in service before his NORMAL RETIREMENT DATE, the benefit payable will be as described in the PARTICIPATION CERTIFICATE applicable to the EMPLOYER.

9.1.2 A DEFERRED RETIREE or a PRESERVER MEMBER shall not be entitled to the INSURED BENEFITS provided in terms of this RULE. To this end, no deduction shall be made from a DEFERRED RETIREE'S DEFERRED RETIREMENT BENEFIT or from a PRESERVER MEMBER'S PRESERVER BENEFIT in lieu of premiums to secure INSURED BENEFITS.

(a) If a DEFERRED RETIREE dies:

(i) the benefit payable shall be his DEFERRED RETIREMENT BENEFIT at the date of death; and

(ii) the benefit shall be dealt with in terms of RULE 9.5 of these RULES.



(b) If a PRESERVER MEMBER dies:

- (i) the benefit payable shall be his PRESERVER BENEFIT at the date of death; and
- (ii) the benefit shall be dealt with in terms of RULE 9.5 of these RULES.

13. Rule 10.1 shall be amended as follows:

**10.1 PLUS BENEFIT**

10.1.1 If a MEMBER, other than a DEFERRED RETIREE or a PRESERVER MEMBER, becomes entitled to a benefit in terms of the INCOME PLAN, he may be entitled to the Plus Benefit as described in the PARTICIPATION CERTIFICATE applicable to the MEMBER'S EMPLOYER. The Plus Benefit, which is additional to all other benefits to which the MEMBER is entitled in terms of these RULES, will be the sum of the following amounts appropriately adjusted with FUND RETURN on the assets attributable to such amounts to the date on which it is payable:

- (a) one-ninth of each payment of the disablement benefits made in terms of the INCOME PLAN after the 24<sup>th</sup> consecutive payment has been made.
- (b) any amounts withheld from the MEMBER due to over-insurance in terms of the INCOME PLAN.

10.1.2 A DEFERRED RETIREE or a PRESERVER MEMBER shall not be entitled to Plus Benefits in terms of this RULE.

14. Rule 12.4.1 shall be amended as follows:

12.4.1 Save as provided for in Section 37D of the ACT, no deductions may be made from a MEMBER'S benefit, including the benefit of a DEFERRED RETIREE and a PRESERVER MEMBER.

15. Rule 12.7 shall be amended as follows:



**12.7 BINDING POWER OF RULES**

The provisions of the RULES and any decision made hereunder by the BOARD OF TRUSTEES shall be binding on the EMPLOYER, the MEMBERS including a DEFERRED RETIREE and a PRESERVER MEMBER, the FUND and its officials and any person who institutes a claim against the FUND.

16. Rule 12.8 shall be amended as follows:

**12.8 TAXATION OF BENEFITS**

Any tax due by a MEMBER, including by a DEFERRED RETIREE and a PRESERVER MEMBER, to the COMMISSIONER or any other competent taxation authority may be deducted from the benefit payable in respect of that MEMBER.

17. Rule 12.15 shall be amended as follows:

**12.15 INTERPRETATION OF THE RULES**

The decision of the BOARD OF TRUSTEES as to the meaning of or interpretation of these RULES or of any particular RULE or part thereof, shall be final and binding on the MEMBERS, former MEMBERS, DEFERRED RETIREES, PRESEVER MEMBERS, their DEPENDANTS and/or BENEFICIARIES, heirs, legal representatives or assigns, provided always, that the decision is not inconsistent with the provisions of these RULES and the ACT and provided further, that such a decision shall not be construed as increasing the liability of the ADMINISTRATOR or INSURER and/or the SPONSOR.

18. Rule 12.16.1 shall be amended as follows:

12.16.1 The BOARD OF TRUSTEES shall decide on any question posed with regard to the administration of the FUND by any person who is, or was, a MEMBER of the FUND, including a DEFERRED RETIREE and a PRESERVER MEMBER, or their DEPENDANTS, or legal representative.

19. Rule 12.17 shall be amended as follows:

**12.17 LIFE INSURANCE OPTIONS**

A MEMBER other than a DEFERRED RETIREE or a PRESERVER MEMBER, may under certain circumstances exercise options in respect of a part or the

whole of his Insured Death Benefit and Insured Disability Benefit cover under his own personal policy.

These options shall be as set out in and subject to the terms and conditions of the POLICY.

20. Rule 12.18 shall be amended as follows:

**12.18 COURT ORDERS AGAINST THE FUND**

As provided for in Section 37D of the ACT, the FUND shall comply with any order properly issued by a court in terms of the ACT, the Divorce Act and the Maintenance Act by deducting any amount due to the former spouse or a maintenance claimant of a MEMBER, including a DEFERRED RETIREE or a PRESERVER MEMBER, in terms of the order, from the MEMBER'S or PRESERVER MEMBER'S minimum individual reserve or benefit, and paying it to the former spouse or to an APPROVED FUND; nominated by the former spouse, or to such other party (including to or in respect of a maintenance claimant) in terms of the order;

Provided that the court order is valid and binding on the FUND in accordance with the relevant provisions of the legislation applicable to the order.

\*\*\*\*\*END\*\*\*\*\*

