

The PRESBYTERIAN EMPLOYEES' PENSION FUND
RULES INCORPORATING ALL AMENDMENTS TO 30 MARCH 2011

RULES

GENERAL

1. (1) A FUND known as "The Presbyterian Employees' Pension Fund" is hereby established with effect from 1st March 1980.
- (2) The object of the FUND shall be to provide benefits for EMPLOYEES and former EMPLOYEES of the EMPLOYERS on their retirement through age or ill health, and for their dependants.
- (3) These rules, as amended, shall be effective from 1st April 1988 and every amount due to or from the FUND before that date in terms of the rules effective before that date shall be unchanged.
- (4) The registered office of the FUND is at Presbyterian House, 24 Rhodes Avenue, Parktown, Johannesburg, and every payment due to or by the FUND shall be made at the registered office of the FUND in the currency of the Republic of South Africa, or in special circumstances elsewhere on such terms as the TRUSTEES think fit.

DEFINITIONS

2. In these rules words defined in the ACT but not defined in this rule shall bear the meanings assigned to them in the ACT and, unless inconsistent with the context, all words and expressions importing the masculine gender shall include the feminine and vice versa; words signifying the singular number shall include the plural and vice versa; and –

ACCUMULATED CONTRIBUTIONS shall mean, for a MEMBER, the sum of:

- (i) the total of his CONTRIBUTIONS to the FUND and the PROVIDENT FUND; and
- (ii) one-third of one percent of that total for each complete month of the period for which he has paid CONTRIBUTIONS to the FUND and the PROVIDENT FUND (this is approximately 8% compound interest).

ACTUARY shall mean a Fellow of the Institute of Actuaries of London or of the Faculty of Actuaries in Scotland, appointed in terms of Rule 4.

CHURCH shall mean the Uniting Presbyterian Church in Southern Africa.

CONTINUOUS SERVICE shall mean the period during which an EMPLOYEE has been continually in the SERVICE of one or more of the EMPLOYERS, and shall include all authorized leave of absence with full pay, with pay less than full pay or without pay, and shall not be regarded as interrupted by breaks in the SERVICE condoned by the TRUSTEES for the purpose of membership of the FUND.

CONTRIBUTIONS shall mean, for any MEMBER, the amounts paid in or payable by him to the FUND and the PROVIDENT FUND, exclusive of interest.

DEFERRED PENSIONER shall mean a former MEMBER prospectively entitled to benefits in terms of Rule 32.

ELIGIBLE CHILD shall mean the child of a MEMBER, DEFERRED PENSIONER, or PENSIONER, and shall include a posthumous child, a stepchild dependent on the MEMBER, DEFERRED PENSIONER or PENSIONER, and an adopted child on proof of adoption to the satisfaction of the TRUSTEES; provided the child has not been married and –

- (a) (i) is under the age of 18 years; or
 - (ii) is, in the opinion of the TRUSTEES, permanently incapacitated by reason of physical or mental infirmity from supporting himself; and
- (b) is the child of a DEFERRED PENSIONER or PENSIONER, who was a DEFERRED PENSIONER, was an ELIGIBLE CHILD when he left the SERVICE or was born of a marriage subsisting when he left the SERVICE; and
- (c) is the child of a PENSIONER who was not a DEFERRED PENSIONER, was an ELIGIBLE CHILD when the PENSIONER retired or was born of a marriage subsisting when he retired.

ELIGIBLE EMPLOYEE shall mean a person resident in the Republic of South Africa who –

- (i) is on the permanent staff of an EMPLOYER;
- (ii) has not attained the PENSIONABLE AGE;
- (iii) has completed three months' of CONTINUOUS SERVICE; and
- (iv) is not a member of the Presbyterian Ministers' Pension and Widows' and Orphans' Fund.

ELIGIBLE SPOUSE shall mean -

- (a) the widow or widower of a MEMBER; or
- (b) the widow or widower of a DEFERRED PENSIONER who was married to him when he ceased to be a MEMBER; or
- (c) the widow or widower of a PENSIONER who was married to him when he retired on pension, or, if he was a DEFERRED PENSIONER before his PENSION became payable, was married to him when he ceased to be a MEMBER.

EMPLOYER shall mean the CHURCH, any COMMITTEE of GENERAL ASSEMBLY, any Presbytery of the CHURCH, any congregation of the CHURCH, and any other organisation associated with the CHURCH that, with the consent of the TRUSTEES and upon terms agreed with the TRUSTEES, participates in the FUND; and where the context so requires "EMPLOYER" shall, for an EMPLOYEE, MEMBER, DEFERRED PENSIONER or PENSIONER mean the EMPLOYER employing the EMPLOYEE or MEMBER or the EMPLOYER last employing that DEFERRED PENSIONER or PENSIONER.

FINAL AVERAGE EMOLUMENTS shall mean, for a MEMBER, the annual average of his PENSIONABLE EMOLUMENTS over the last two years of his PENSIONABLE SERVICE, or over the whole of his PENSIONABLE SERVICE, if less than two years.

FUND shall mean The Presbyterian Employees' Pension Fund.

GENERAL ASSEMBLY shall mean the GENERAL ASSEMBLY of the CHURCH.

MEMBER shall mean a person who has become a MEMBER of the FUND in terms of Rule 7 and who has not ceased to be a MEMBER under the provisions of these rules.

MINIMUM BENEFIT shall mean, in relation to each MEMBER, the amount determined in accordance with the ACT.

PARTICIPATION DATE shall mean, for an EMPLOYER, and his EMPLOYEES, the date as from which the EMPLOYER participates in the FUND.

PENSION shall mean an annual sum payable to a retired MEMBER or former MEMBER or spouse or child in terms of these rules.

PENSIONABLE AGE shall mean the age of 65 years.

PENSIONABLE EMOLUMENTS shall mean, for a MEMBER –

- (I) his basic salary; and
- (ii) such amount in lieu of all other remuneration as his EMPLOYER, subject to the consent of the TRUSTEES, determines, provided that
 - (a) in calculating benefits in respect of a MEMBER who, with the consent of his EMPLOYER, has made an election in terms of rule 13, his PENSIONABLE EMOLUMENTS during the period of reduction shall be the PENSIONABLE EMOLUMENTS that he was receiving immediately before the reduction; and
 - (b) if the PENSIONABLE EMOLUMENTS of a MEMBER increase above an amount that the TRUSTEES, after consulting the ACTUARY and the EMPLOYER employing the MEMBER considers reasonable, the excess shall be disregarded for all purposes of the FUND.

PENSIONABLE SERVICE shall mean, for a MEMBER –

- (i) such period before the date of becoming a MEMBER as the EMPLOYER decides;
- (ii) any period made pensionable in terms of Rule 27(3);
- (iii) his CONTINUOUS SERVICE after becoming a MEMBER for which CONTRIBUTIONS are paid to the FUND; and
- (iv) if he becomes a MEMBER of the FUND in terms of Rule 7(4), his CONTINUOUS SERVICE for which he paid CONTRIBUTIONS to the PROVIDENT FUND.
- (v) 25% of the PENSIONABLE SERVICE in terms of (i) to (iv) that is deemed by the TRUSTEES to have accrued before 1st January 1997.

PENSIONABLE SERVICE shall be calculated in years and decimals of a year.

PENSIONER shall mean a retired or former MEMBER in receipt of a PENSION from the FUND or the PROVIDENT FUND.

PRINCIPAL OFFICER shall mean a PRINCIPAL OFFICER of the Fund appointed in accordance with these rules.

PROVIDENT FUND shall mean The Presbyterian Staff Provident Fund.

SERVICE shall mean employment with one or more EMPLOYERS.

TRUSTEES shall mean the TRUSTEES appointed in terms of these rules.

MANAGEMENT OF THE FUND

3. (1) Trustees

- 3.1.1 Subject to the provisions of the ACT and of these rules, the sole responsibility for the management of the FUND shall be vested in the TRUSTEES.
- 3.1.2 The TRUSTEES appointed or elected in terms of these rules shall not be entitled to any remuneration for their services as such.
- 3.1.3 The TRUSTEES shall have the power in the name of the FUND to enter into and sign any contracts or documents and institute, conduct, defend, compound or abandon any legal proceedings by or against the FUND and to make bye-laws prescribing the form and manner in which claims are to be lodged and dealt with by the FUND.

3.2 Church-appointed Trustees

- 3.2.1 The GENERAL ASSEMBLY shall appoint two TRUSTEES (hereinafter referred to as "CHURCH-appointed TRUSTEES"). Subject to the provisions of Rule 3.2.2 and 3.4, the CHURCH-appointed Trustees shall hold office for a period of five years; provided that they shall be eligible for re-appointment on expiry of their term of office.
- 3.2.2 A CHURCH-appointed TRUSTEE may at any time be removed from office by the GENERAL ASSEMBLY or may resign at any time on giving written notice to the GENERAL ASSEMBLY and the other TRUSTEES.

3.3 Member-elected Trustees

- 3.3.1 The MEMBERS shall elect two TRUSTEES (hereinafter referred to as "MEMBER-elected TRUSTEES") from among their number.
- 3.3.2 All elections of the MEMBER-elected TRUSTEES shall be by secret ballot and shall be held every five years.
- 3.3.3 A MEMBER-elected TRUSTEE shall cease to hold office
 - (a) if the MEMBERS resolve that he is to be removed from office;
 - (b) if he has failed to attend three consecutive TRUSTEES' meetings without leave from the other MEMBER-elected TRUSTEES; or
 - (c) if appointed due to him being an EMPLOYEE, he ceased to be in SERVICE.

A MEMBER-elected TRUSTEE may also resign at any time on giving written notice to the MEMBERS and the other TRUSTEES.

3.4 Disqualification from holding office as a Trustee

No person in any of the following categories shall be eligible for appointment or election as a TRUSTEE and if a TRUSTEE at any time falls into any such category he shall cease to hold office:

- (a) a minor or any person who is insane or otherwise incapable of acting;
- (b) any person who is disqualified from being a director in terms of an order under the Companies Act 1973;
- (c) an unrehabilitated insolvent;
- (d) any person removed from an office of trust on account of misconduct;
- (e) any person who has been convicted and sentenced either to imprisonment without the option of a fine or to a fine exceeding R100 for one 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.

3.5 Meetings of Trustees

- 3.5.1 The TRUSTEES shall meet from time to time but at least twice in every twelve months to conduct the business of the Fund. Four TRUSTEES shall constitute a quorum.
- 3.5.2 Minutes of all meetings must be kept and at least 15 days' notice of each ordinary meeting shall be given to each TRUSTEE; provided that at the discretion of the TRUSTEES this notice period may be waived or reduced.
- 3.5.3 The TRUSTEES shall elect one of their number as a chairperson of the TRUSTEES. The TRUSTEES may elect a new chairperson from time to time, provided that the existing chairperson shall be eligible for re-election. If the chairperson of the TRUSTEES is absent from any meeting, the TRUSTEES shall elect a chairperson for that meeting from among their number.
- 3.5.4 At all meetings of the TRUSTEES the decision of the majority shall be binding and if the votes are equal the matter shall be referred to the next meeting of the TRUSTEES. If the vote remain equal at that meeting, the matter shall be referred to a person qualified in the matter under dispute for a recommendation. If the matter cannot be settled based on this recommendation, the matter shall be referred to an arbitrator agreed by the TRUSTEES and the arbitrator's decision on the matter shall be final. Any costs incurred in resolving disputes shall be met by the FUND.
- 3.5.5 A resolution in writing signed by a majority of the TRUSTEES shall be of the same force and effect as a resolution passed at a meeting of the TRUSTEES and must be recorded in the FUND's minute book.

OTHER APPOINTMENTS

4. (1) The TRUSTEES shall appoint an ACTUARY, auditor and administrators and may withdraw any such appointment and make another appointment in its place at any time.
- (2) The TRUSTEES shall appoint a PRINCIPAL OFFICER in terms of the act and may withdraw any such appointment and make another appointment in its place at any time. If the PRINCIPAL OFFICER is absent from the Republic of South Africa or is otherwise unable to perform his duties, the TRUSTEES shall within 30 days appoint another person to act as PRINCIPAL OFFICER for the period of his absence or inability.
- (3) The PRINCIPAL OFFICER shall not be entitled to any remuneration for his services as such.
- (4) The TRUSTEES may appoint consultants on such terms as they may determine and may withdraw any such appointment at any time.

INTERPRETATION OF RULES AND DISPUTES

5. (1) The decision of the TRUSTEES as to the meaning of or interpretation of these rules or any particular rule or any part of a rule shall be final and binding on the EMPLOYER, MEMBERS and every person claiming to be entitled to a benefit under these rules, subject to the provisions of section 30A of the ACT.
- (2) Any question which may arise with regard to a claim by any person under these rules shall be decided by the TRUSTEES, subject to the provisions of section 30A of the ACT.
- (3) If any person affected by a decision of the TRUSTEES in terms of Rule 5.1 and 5.2 is dissatisfied with the decision, he shall have the right to lodge a written complaint to the TRUSTEES. The TRUSTEES must respond within thirty days of receipt of the complaint. If the complainant is still dissatisfied with the TRUSTEES' response, the complainant shall have the right to lodge his complaint with the Pension Funds Adjudicator appointed in terms of the ACT which shall be dealt with in accordance with sections 30D and 30P of the ACT.
- (4) The EMPLOYER, the TRUSTEES (one or more of their number), or any person having a complaint or dispute of fact or law shall, notwithstanding anything to the contrary in these rules, have the right to invoke the complaint procedures in accordance with the ACT.

Indemnification

6. (1) Each member of the TRUSTEES and each officer of the FUND shall be indemnified by the FUND against all proceedings, costs and expenses incurred through any claim in connection with the FUND not arising from his negligence, dishonesty or fraud.
- (2) The CHURCH shall insure the FUND with a registered insurer against any loss resulting from the dishonesty or fraud of any member of the TRUSTEES or officer of the FUND.

MEMBERSHIP

Admission to Membership

7. (1) Every ELIGIBLE EMPLOYEE in the SERVICE on 1st March 1980, or the PARTICIPATION DATE if later, who is not a MEMBER of the PROVIDENT FUND, may, subject to the consent of his EMPLOYER, elect to become a MEMBER of the FUND as from 1st March 1980. The election shall be made in writing delivered to the TRUSTEES and shall be irrevocable. Any such EMPLOYEE who does not exercise his option to become a MEMBER shall not be entitled to apply for membership at a later date, unless in the opinion of the TRUSTEES circumstances prevented his making the election within the period aforesaid; but in no event shall any such EMPLOYEE be admitted to membership after 28th February 1981 or twelve months after the PARTICIPATION DATE, whichever is later.
- (2) Every person who is a MEMBER of the PROVIDENT FUND on 1st March 1980 may become a MEMBER of the FUND subject to such conditions as the TRUSTEES determine.
- (3) Every person who becomes an ELIGIBLE EMPLOYEE after 1st March 1980 or the PARTICIPATION DATE, if later, shall become a MEMBER of the FUND as from the date of becoming an ELIGIBLE EMPLOYEE.
- (4) Every person who is a MEMBER of the PROVIDENT FUND on 30th September 1980 shall become a MEMBER of the FUND with effect from 1st October 1980.

Cessation of Membership

8. (1) A MEMBER shall not be permitted to withdraw from his membership while he remains in the SERVICE of an EMPLOYER.
- (2) Subject to the provisions of Rule 27, a MEMBER who for any reason leaves the SERVICE of the EMPLOYER shall forthwith cease to be a MEMBER.

Requirements of members

9. (1) Every MEMBER shall produce to the PRINCIPAL OFFICER a birth certificate or other satisfactory evidence of age for himself, his spouse, and children, and shall also give such other information as the TRUSTEES may require. If a MEMBER does not do so, the TRUSTEES may, in its absolute discretion, withhold the payment of any benefit payable to or in respect of him until he does so.
- (2) Every MEMBER shall notify the PRINCIPAL OFFICER in writing of any change in his marital status and the number of his ELIGIBLE CHILDREN. If a MEMBER does not do so, the FUND shall not be obliged to pay benefits in terms of these rules on his death.
- (3) Every MEMBER shall acknowledge in writing that he has received a summary of these rules.

Right to documents

10. (1) Every MEMBER shall -
 - (i) be given a summary of these rules;

- (ii) be entitled, on payment of R2, to a copy of –
 - (a) the rules of the FUND exclusive of appendices; and
 - (b) any appendix that applies to him;
 - (iii) be entitled, on payment of R50, to a copy of any other appendix; and
 - (iv) be entitled, on payment of R3, to a copy of the last revenue account and balance sheet.
- (2) Every MEMBER shall be entitled to inspect, at any time convenient to the PRINCIPAL OFFICER, any of the documents mentioned in Section 35(2) of the ACT.

CONTRIBUTIONS

Members' Contributions

11. Every MEMBER shall contribute to the FUND five percent of his PENSIONABLE EMOLUMENTS. His CONTRIBUTIONS shall be deducted by his EMPLOYER from his salary and paid immediately to the FUND.

Contributions during leave

12. (1) When a MEMBER is on leave with full pay or with pay less than full pay, he shall continue to contribute on his full PENSIONABLE EMOLUMENTS immediately before such leave.
- (2) If a MEMBER is on leave without pay, he shall have the right, provided he notifies the TRUSTEES in writing within one month of his return to duty that he is exercising the right and subject to the consent of his EMPLOYER, to contribute on his full PENSIONABLE EMOLUMENTS immediately before such leave. The arrear CONTRIBUTIONS shall be paid within a period determined by the TRUSTEES by deducting from his salary. If a MEMBER does not pay CONTRIBUTIONS in respect of a period of leave without pay, it shall not be included in his period or PENSIONABLE SERVICE.

Reduction in Pensionable EMOLUMENTS

13. Notwithstanding the provisions of Rule 11, if the PENSIONABLE EMOLUMENTS of a MEMBER are reduced, he may elect, subject to the consent of his EMPLOYER, to contribute to the FUND while his PENSIONABLE EMOLUMENTS are less than before the reduction on the basis of his PENSIONABLE EMOLUMENTS immediately before the reduction; provided that, if he does not so elect or if his EMPLOYER withholds his consent, any PENSION that becomes payable to or in respect of him shall not be less than the sum of the separate PENSIONS based on his PENSIONABLE SERVICE and FINAL AVERAGE EMOLUMENTS before and after the date of reduction.

Employer Contributions

14. (1) Each EMPLOYER shall (effective 1 April 2007) contribute to the FUND amounts equal to 2.5 times the CONTRIBUTIONS paid in terms of Rules 11, 12 and 13 by those of his EMPLOYEES who are MEMBERS. The EMPLOYER'S CONTRIBUTIONS

shall be paid to the FUND at the same time as its corresponding CONTRIBUTIONS deducted from the salaries of the MEMBERS.

- (2) Each EMPLOYER shall also pay to the FUND the amount determined by the TRUSTEES after consulting the ACTUARY, in respect of any period referred to in paragraph (1) of the definition of PENSIONABLE SERVICE.

New Employers

15. Notwithstanding any of these rules, if any NEW EMPLOYER decides with the consent of the TRUSTEES, to participate in the FUND, the TRUSTEES, after consulting the ACTUARY, shall have power to make such financial and other arrangements and impose such conditions as it thinks fit, to ensure that the admission of the EMPLOYEES of that EMPLOYER to membership of the FUND shall not be to the disadvantage of the existing MEMBERS; and in particular the TRUSTEES may require the NEW EMPLOYER to pay such initial CONTRIBUTION to the FUND as is certified by the ACTUARY to be necessary.

BENEFITS

Pension

16. (1) Subject to the provisions of section (2) and the other provisions of these rules, the PENSION granted to a retiring MEMBER shall be equal to one-fiftieth of his FINAL AVERAGE EMOLUMENTS per year of PENSIONABLE SERVICE.
- (2) Notwithstanding the provisions of section (1), if the amount in the MEMBER'S ACCOUNT is not sufficient to provide the PENSION specified in terms of these rules and the spouse's and children's PENSIONS that will be payable on his death, his PENSION shall be correspondingly reduced, unless an amount is transferred from the PENSION RESERVE ACCOUNT to make good the shortage.

Inflation allowance

17. The TRUSTEES shall grant such bonus additions to PENSIONS and DEFERRED PENSIONS as, after consulting the ACTUARY, it determines.

Normal retirement

18. (1) A MEMBER who has attained the PENSIONABLE AGE shall retire from the SERVICE; provided that he may, if he and his EMPLOYER agree, continue in the SERVICE for a further period but not after attaining the age of 70 years, during which he shall continue to pay CONTRIBUTIONS and which shall be included in his period of PENSIONABLE SERVICE.
- (2) If a MEMBER retires or is retired from the SERVICE on attaining the PENSIONABLE AGE, he shall be entitled, as from the date of his retirement, to a PENSION calculated in terms of Rule 16.

Late Retirement

19. If a MEMBER retires or is retired from the SERVICE on attaining the PENSIONABLE AGE, he shall be entitled, as from the date of his retirement, to a PENSION equal to the PENSION calculated in terms of Rule 16 in respect of his SERVICE to the date of his retirement increased by 0.00013 for each day by which his age of retirement exceeds the PENSIONABLE AGE.

Early Retirement

20. Notwithstanding the provisions of Rule 21, a MEMBER who has completed not less than 10 years' CONTINUOUS SERVICE and has attained an age five years less than the PENSIONABLE AGE, may, subject to the consent of his EMPLOYER, retire from the SERVICE, in which case he shall be entitled, from the date of his retirement to a PENSION in respect of his PENSIONABLE SERVICE, to the date of retirement calculated in terms of Rule 16 and reduced by 0.00013 for each day by which his age at retirement is less than the PENSIONABLE AGE.

Ill-Health retirement

21. If a MEMBER who has not attained the PENSIONABLE AGE is retired from the SERVICE because his EMPLOYER, after taking medical advice at the expense of the EMPLOYER, has, with the consent of the TRUSTEES, decided that he is incapable of efficiently discharging his duties through infirmity of mind or body not caused deliberately or maliciously by his own fault, he shall be entitled, as from the date of his retirement, to a PENSION calculated in terms of Rule 16, provided that -
- (i) He shall be medically examined at the expense of the GENERAL ASSEMBLY, at intervals determined by the TRUSTEES, by a medical practitioner appointed by it and if, in its opinion, he is fit for employment, his PENSION shall be reduced or suspended as it decides, and he may again become a MEMBER on terms decided by it after consulting the ACTUARY; and
 - (ii) The PENSION payable to him after he attains the PENSIONABLE AGE shall not be less than that calculated in terms of Rule 16.

Commutation of pension

22. (1) The TRUSTEES, in its absolute discretion, may commute for a lump sum -
- (a) The whole amount of a PENSION that does not exceed the maximum amount that may be totally commuted in terms of the Income Tax Act; or
 - (b) At the request of a retiring MEMBER whose PENSION exceeds the maximum amount that may be totally commuted in terms of the Income Tax Act, not more than one-third of his PENSION.

The amount of the lump sum shall be calculated by the ACTUARY.

- (2) If a PENSION is commuted in terms of paragraph (a) of section (1), no PENSION or lump sum benefit shall be payable to the ELIGIBLE SPOUSE or ELIGIBLE CHILDREN or dependants of the MEMBER, and this shall be allowed for in assessing the lump sum.
- (3) If part of a PENSION is commuted in terms of paragraph (b) of section (1) the PENSION and lump sum benefit that may become payable to the ELIGIBLE SPOUSE or ELIGIBLE CHILDREN or dependants of the MEMBER shall be unaffected.

Death

23. (1) If a MEMBER dies in the SERVICE before attaining the PENSIONABLE AGE, and leaves an ELIGIBLE SPOUSE, she shall, subject to the provisions of section (15) and Rule 16(2), be entitled to the higher of his MINIMUM BENEFIT; or –
- (a) A lump sum equal to one-quarter of his annual PENSIONABLE EMOLUMENTS at the date of his death; and
 - (b) A PENSION equal to one-half of the PENSION to which he would have been entitled if he had remained in the SERVICE to the PENSIONABLE AGE and his PENSIONABLE EMOLUMENTS had remained unchanged.
- (2) If a male MEMBER dies in the SERVICE after attaining the PENSIONABLE AGE and leaves an ELIGIBLE SPOUSE, she shall, subject to the provisions of section (15), be entitled to the higher of the MINIMUM BENEFIT; or
- (a) The lump sum equal to one-quarter of his annual PENSIONABLE EMOLUMENTS at the date of his death; or
 - (b) A lump sum equal to the sum of one-quarter of the annual PENSION to which he would have become entitled if he had retired on the day of his death and one-third of his PENSION had been commuted in terms of Rule 25;
- whichever is greater; and
- (c) A PENSION equal to one-half of the PENSION to which he would have become entitled if he had retired on the day of his death.
- (3) Subject to the provisions of section (16), if a PENSIONER dies and leaves an ELIGIBLE SPOUSE, she shall be entitled to –
- (a) A lump sum equal to one-quarter of the annual PENSION to which he became entitled on retirement before commutation, if any; and
 - (b) A PENSION equal to one-half of the PENSION to which he became entitled on retirement before commutation, if any.
- (4) If a MEMBER or PENSIONER dies and leaves an ELIGIBLE SPOUSE and ELIGIBLE CHILDREN, a PENSION shall be granted in respect of the children equal to two-thirds of the PENSION payable to the ELIGIBLE SPOUSE while there are two or more ELIGIBLE CHILDREN and one-third of that PENSION while there is one ELIGIBLE CHILD.
- (5) Subject to the provisions of section (16), if a MEMBER or PENSIONER dies and leaves no ELIGIBLE SPOUSE, but leaves ELIGIBLE CHILDREN, a PENSION shall be granted in respect of them equal to four-thirds of the PENSION that would have been payable to an ELIGIBLE SPOUSE had he left an ELIGIBLE SPOUSE while there are two or more ELIGIBLE CHILDREN and to two-thirds of that PENSION while there is one ELIGIBLE CHILD and they shall also be entitled to the lump sum that would have been paid to an ELIGIBLE SPOUSE.
- (6) The PENSION payable to an ELIGIBLE SPOUSE shall cease on death, and the PENSION payable in respect of any ELIGIBLE CHILDREN of the deceased spouse

shall thereafter be twice that which would have been payable in respect of them if the PENSION had not ceased.

- (7) The PENSION payable in respect of any ELIGIBLE CHILDREN shall normally be paid to their surviving parent to administer on their behalf; provided that the TRUSTEES may, in its absolute discretion, apportion the PENSION and any lump-sum amongst the children and pay any child's share of PENSION or lump sum to him direct or to his guardian to administer on his behalf.
- (8) If a MEMBER dies in the SERVICE before attaining the PENSIONABLE AGE leaving neither an ELIGIBLE SPOUSE or an ELIGIBLE CHILD, his dependants, if any, shall be entitled to a benefit equal to twice his ACCUMULATED CONTRIBUTIONS or his MINIMUM BENEFIT, whichever is the highest.
- (9) If a MEMBER dies in the SERVICE after attaining the PENSIONABLE AGE leaving neither an ELIGIBLE SPOUSE or an ELIGIBLE CHILD, his dependants, if any, shall be entitled to a benefit equal to twice his ACCUMULATED CONTRIBUTIONS or his MINIMUM BENEFIT, whichever is the highest.
- (10) Subject to the provisions of section (16), if a PENSIONER dies having neither an ELIGIBLE SPOUSE nor an ELIGIBLE CHILD, his dependants, if any, shall be entitled to a benefit equal to twice his ACCUMULATED CONTRIBUTIONS or the amount in his account of the day on which he retired, if less, reduced in the proportion that his PENSION after commutation bears to his PENSION before commutation, less the total amount that he has received in PENSION.
- (11) When a benefit becomes payable in terms of section (8), (9) or (10) the TRUSTEES, in its absolute discretion, shall decide whether the deceased MEMBER or PENSIONER left a dependant or dependants and to which dependant or dependants and in what proportions the benefit shall be paid.
- (12) If no dependant is traced within twelve months of the death of the MEMBER, it shall be assumed that no dependant exists and an amount equal to the total of his CONTRIBUTIONS shall, subject to the provisions of section 37C of the ACT, be paid to his estate, and there shall thereafter be no further claim on the FUND in respect of him.
- (13) Subject to the provisions of section (16), if no dependant is traced within twelve months of the death of a PENSIONER, it shall be assumed that no dependant exists and the excess, if any, of the total of his CONTRIBUTIONS, reduced in the proportion that his PENSION after commutation bears to his PENSION before commutation, over the total amount that he has received in PENSION shall, subject to the provisions of section 37C of the ACT, be paid to his estate, and there shall thereafter be no further claim on the FUND in respect of him.
- (14) Subject to the provisions of section (16), if, when the last payment of PENSION is made to the ELIGIBLE SPOUSE and ELIGIBLE CHILDREN of a deceased MEMBER or PENSIONER, the total amount paid in respect of him is less than would have been paid if he had left only dependants other than an ELIGIBLE SPOUSE or ELIGIBLE CHILDREN, the TRUSTEES shall pay the amount of the shortfall to such person as it, in its absolute discretion, decides; provided that, if the TRUSTEES considers that it is probable that a payment will be made in terms of this section, it may, after consulting the ACTUARY, increase the PENSION payable to the spouse or children, but the provision of this section shall still apply unless otherwise agreed with the spouse.

- (15) The TRUSTEES shall, with effect from a date determined by it, effect with a registered insurer and keep in force a group life assurance policy on the lives of MEMBERS for amounts determined by the TRUSTEES from time to time after consulting the ACTUARY; provided that, if the life of any MEMBER is not insured, or not insured for the amount so determined, the benefits payable in terms of this rule shall be reduced as the TRUSTEES, after consulting the ACTUARY, determines, and the MEMBER shall be notified accordingly.
- (16) When a lump sum benefit becomes payable in terms of section (3)(a), (5), (10), (13) or (14) the amount paid as a lump sum shall not exceed R1 000 and the balance of the lump sum shall be paid as an ANNUITY, either for a fixed period or for the lifetime of a dependant, of an amount determined by the TRUSTEES on the recommendation of the ACTUARY; provided that, for section (14), the amount of any lump sum already paid on the death of a PENSIONER shall be deducted from the amount of R1 000.

Transfer

24. (1) If before attaining the PENSIONABLE AGE, a MEMBER is transferred to the SERVICE of an organisation approved by the TRUSTEES, the TRUSTEES, in its absolute discretion, may –
- (a) if he becomes a MEMBER of a pension fund established for the benefit of EMPLOYEES of the organisation, either –
 - (i) pay to that FUND an amount to be determined by the ACTUARY in respect of him, so that he shall thereafter have no claim on the FUND; or
 - (ii) permit him to become a DEFERRED PENSIONER subject to the provisions of Rule 31; or
 - (b) if he does not become a MEMBER of a pension fund established for the benefit of the EMPLOYEES of that organisation permit him either –
 - (i) to remain a MEMBER of the FUND with that organisation taking the place of an EMPLOYER in respect of him; or
 - (ii) to become a DEFERRED PENSIONER subject to the provisions of Rule 32.
- (2) If a MEMBER is seconded or otherwise temporarily transferred to the SERVICE of a company or other organisation approved by the TRUSTEES, he shall be deemed to remain in the SERVICE and shall continue to be a MEMBER and pay CONTRIBUTIONS accordingly; provided that if he is not retransferred to the SERVICE, the provisions of section (1) shall apply mutatis mutandis, except that the date of transfer shall be the date upon which the TRUSTEES decides that he shall not be retransferred.
- (3) If any amount is paid to the FUND in respect of a MEMBER, the TRUSTEES may permit a period before the date on which he became a MEMBER be reckoned as PENSIONABLE SERVICE on terms determined by the TRUSTEES after consulting the ACTUARY.

Reorganisation

25. If a MEMBER who has not attained the PENSIONABLE AGE is discharged from the SERVICE by his EMPLOYER owing to a reduction or reorganisation of staff approved by the TRUSTEES, he shall be entitled to a benefit equal to twice his ACCUMULATED CONTRIBUTIONS or his MINIMUM BENEFIT whichever is the higher; provided that –
- (i) if he is qualified, he may elect instead to retire in terms of Rule 23;
 - (ii) if he has completed ten years' CONTINUOUS SERVICE, he may elect instead to become a DEFERRED PENSIONER subject to the provisions of Rule 32; or
 - (iii) if he has completed ten years' CONTINUOUS SERVICE, he may elect instead that the TRUSTEES shall transfer an amount determined by the ACTUARY in respect of him to a retirement annuity fund selected by him or to a pension fund approved by the TRUSTEES of which he becomes a MEMBER.

Dismissal

26. If a MEMBER is dismissed from the SERVICE for fraud, dishonesty, or serious misconduct, or is allowed to resign in order to avoid such dismissal, he shall receive a benefit consisting of a refund of the total CONTRIBUTIONS paid by him to the FUND or his MINIMUM BENEFIT whichever is the higher; provided that if his employer has sustained any pecuniary loss as a result of his proven fraud, dishonesty or serious misconduct, the amount of the loss shall be deducted from the benefit payable to him and paid to his EMPLOYER. The benefit shall be paid twelve months after the date of dismissal, provided that the TRUSTEES may, in its absolute discretion, pay it within twelve months of the date of dismissal.

Resignation

27. Save as is provided in Rule 23, if a MEMBER who has not attained the PENSIONABLE AGE resigns voluntarily from the SERVICE, or leaves the SERVICE or is discharged because of unsuitability or for a reason for which a benefit is not specifically provided elsewhere in these rules, he shall be entitled to a benefit equal to his ACCUMULATED CONTRIBUTIONS or his MINIMUM BENEFIT whichever is the higher; provided that –
- (i) if he has completed ten years' CONTINUOUS SERVICE, he may elect instead to become a DEFERRED PENSIONER subject to the provisions of Rule 32; or
 - (ii) if he has completed ten years' CONTINUOUS SERVICE, he may elect instead that the TRUSTEES shall transfer an amount determined by the ACTUARY in respect of him to a retirement annuity fund selected by him or to a pension fund approved by the TRUSTEES of which he becomes a MEMBER.

The benefit, if a lump sum, shall be paid twelve months after the date of leaving the SERVICE with simple interest at the rate of 4% a year; provided that the TRUSTEES may, in its absolute discretion, pay it within twelve months of the date of leaving the SERVICE.

Employer's decision final

28. If any doubt arises in any particular case which of Rules 27, 28, 29 and 30 applies, the decision of the EMPLOYER, subject to the consent of the TRUSTEES, shall be final and binding upon the MEMBER and the FUND.

Deferred pension

29. If a MEMBER becomes a DEFERRED PENSIONER, he shall be entitled to receive from the PENSIONABLE AGE a PENSION calculated in terms of Rule 16 as at the date of leaving the SERVICE. The provisions of Rules 20, 22, 23, 25 and 26 shall apply mutatis mutandis to a DEFERRED PENSIONER, except that the lump sum benefit specified in Rule 26 (1)(a) or Rule 26(2)(a) shall not be payable and the PENSION payable in terms of Rule 26(1)(b) shall, subject to the provisions of Rule 16(2) mutatis mutandis, be one one-hundredth of his FINAL AVERAGE EMOLUMENTS per year of PENSIONABLE SERVICE.

FINANCIAL PROVISIONS

Investment

30. (1) All moneys received on ACCOUNT of the FUND shall be paid into an ACCOUNT opened in the name of the FUND with a bank or building society.
- (2) The TRUSTEES shall have power, subject to the provisions of section 19 of the ACT and sections (3) and (4), to invest in immovable property and otherwise invest, lend, put out at interest, place on deposit, make advances of, or otherwise deal with all the moneys of the FUND upon such securities and in such manner as it from time to time determines, and to dispose of immovable property and realise, vary, reinvest, or otherwise deal with such securities and other investments as it from time to time determines; provided that no loan shall be made to a MEMBER.
- (3) Any amount advanced on mortgage of immovable property shall not, together with any other amount that has been or can be advanced on security of a prior or pair passé mortgage of that property, exceed seventy-five percent of the value of the property on the date of the advance.
- (4) The TRUSTEES may invest in immovable property subject to the conditions laid down by the Registrar.
- (5) The TRUSTEES may obtain an overdraft from a bank, or borrow from the CHURCH or any other party, on such terms as it thinks fit, such sum as it approves for the purpose of completing any investment or meeting any temporary unforeseen cash shortage, and for this purpose may give such security as it decides.
- (6) Every document of title to an investment shall be registered in the name of the FUND. Every document of title to an investment belonging to or held by the FUND shall be kept in the safes or strong rooms at the registered office of the FUND or in a banking institution, as decided by the TRUSTEES.

Expenses

31. The whole of the expenses of administering the FUND, including the cost of audit and actuarial investigations, shall be repaid by the CHURCH at the end of each financial year.

Accounts

32. The TRUSTEES shall cause ACCOUNTS of the FUND to be kept, to be made up annually as at 31st December and to be audited by the auditor.

Actuarial valuation

33. (1) The FUND shall be valued by the ACTUARY not later than at 31st December 1988 and thereafter at intervals not exceeding three years, for the purpose of determining whether it can continue to provide the benefits laid down in these rules. The ACTUARY shall submit a report on the valuation to the TRUSTEES.
- (2) If, as a result of a valuation by the ACTUARY, the TRUSTEES considers that there is a substantial surplus in the FUND the rules shall be amended to provide that the benefits shall be improved or the CONTRIBUTIONS reduced as the TRUSTEES, on the advice of the ACTUARY, decides.
- (3) If, as a result of a valuation by the ACTUARY, the TRUSTEES decides that the FUND cannot continue to provide the benefits laid down in these rules, the rules shall be amended to provide that the benefits shall be reduced or the CONTRIBUTIONS increased, on the advice of the ACTUARY, notwithstanding the proviso of Rule 48(1) decides.

MISCELLANEOUS PROVISIONS

Effect on terms of employment

34. (1) Nothing in these rules shall in any way restrict the right of an EMPLOYER to determine the employment of a MEMBER.
- (2) No person shall have any claim concerning the FUND either upon the FUND or against the TRUSTEES or an EMPLOYER, except in accordance with these rules.
- (3) No benefit, right or interest to which a MEMBER may claim to be entitled in terms of these rules shall be used as a ground for damages in any action brought by him against his EMPLOYER.

Payment of pension

35. (1) Every person entitled to a PENSION or ANNUITY shall notify the PRINCIPAL OFFICER in writing of his address or of any change of address.
- (2) Payments of PENSION and ANNUITY shall be made to the beneficiary monthly on the last day of each month, unless otherwise agreed, upon such evidence of his survival and continued eligibility as the TRUSTEES requires, if such evidence is not produced, the TRUSTEES, in its absolute discretion, may defer payment of the PENSION or ANNUITY until the evidence is produced.
- (3) The monthly amount of each PENSION shall be determined to the nearest cent.

Variation of method of payment

36. (1) If the TRUSTEES decides that it is not desirable to make a payment of a benefit, other than a PENSION, in the manner elsewhere provided for in these rules, it may, in its absolute discretion, pay the benefit to the beneficiary in whole or in part or by instalments or by conversion to an ANNUITY –
- (a) to the beneficiary; and or
- (b) to the dependants of the beneficiary.

- (2) if the TRUSTEES makes payment of a lump sum benefit by instalments, it shall add to the part retained by it interest at such rate as it from time to time determines.
- (3) If the person entitled to a benefit is a minor, or under some other legal disability, the TRUSTEES may pay the benefit to the guardian of the minor or the curator of the person under legal disability.
- (4) The TRUSTEES may from time to time vary any decision in terms of this rule.

Deductions from benefits

- 37. (1) Subject to the provisions of section 37D of the ACT, the TRUSTEES shall have power to deduct from any benefit, other than a PENSION, payable to or in respect of any MEMBER any amount due to that MEMBER to his EMPLOYER or the FUND and to pay such amount to the EMPLOYER or the FUND, as the case may be, whose receipt therefor shall constitute as good and valid receipt and discharge for the amount as if it had been paid to the MEMBER or beneficiary; and where a PENSION is payable, the TRUSTEES shall have power to commute the whole or part of a PENSION payable to the spouse or child of the MEMBER for a lump sum determined by the ACTUARY, and to make the deduction from such lump sum.

Prohibition of cession, etc.

- 38. (1) No right to a benefit payable in terms of these RULES shall be capable of being ceded or hypothecated or be liable to be attached or be subject to any form of execution under the judgement or order of a court of law.
- (2) If a person attempts to cede or hypothecate a right to a benefit to which he is entitled in terms of these rules, the benefit shall be withheld or suspended as the TRUSTEES decides; provided that it may pay the whole or part of the benefit to one or more of his dependants during such period as it determines.
- (3) If the estate of a MEMBER or beneficiary is sequestrated or assigned, the right to a benefit to which he is entitled in terms of these rules shall not form part of the assets of his insolvent or assigned estate.
- (4) Except as provided in Rules 26 and 45, no right to a benefit in terms of these rules shall become an asset in the deceased estate of any person.

Unpaid benefits

- 39. (1) If a MEMBE does not claim payment of his benefit within three years of leaving the SERVICE, the TRUSTEES may nevertheless, in its absolute discretion, after the expiry of the period of three years pay an amount equal to the amount of the benefit to him or, if he has died, to either his dependants subject to the provisions of Rule 26(12) mutatis mutandis, or, failing dependants, subject to the provisions of section 37C of the ACT, his estate.
- (2) If a DEFERRED PENSIONER does not claim payment of his PENSION within three years after the attainment of his PENSIONABLE AGE, the TRUSTEES MAY NEVERTHELESS, in their absolute discretion, after the expiry of the period of three years, begin payment of a PENSION to him or to his ERLIGIBLE SPOUSE and ELIGIBLE CHILDREN or, if no PENSION is payable, pay a lump sum benefit in terms of Rule 26 to either his dependants, subject to the provisions of Rule 26(12)

mutatis mutandis or, failing dependants, subject to the provisions of section 37C of the ACT, his estate.

- (3) If a person who becomes entitled to a lump sum benefit dies before the payment of the benefit to him is completed, the TRUSTEES shall pay the amount due to either his dependants, subject to the provisions of Rule 26(12) mutatis mutandis or, failing dependants, his estate.

Winding up of employers

40. (1) If all the EMPLOYERS cease to operate, the TRUSTEES shall, subject to the approval of the Registrar, appoint a liquidator, who shall, as from the date of approval of his appointment, liquidate the FUND by dividing the moneys of the FUND, after the payment of all expenses incurred in liquidating the FUND, among the MEMBERS and persons in receipt of PENSIONS and ANNUITIES and prospectively entitled to PENSIONS and ANNUITIES in a manner recommended by the ACTUARY and approved by the liquidator; provided that –
- (a) the amount available for a person in receipt of a PENSION or ANNUITY shall be used to purchase an ANNUITY for him from a registered insurer;
 - (b) the amount available for a person prospectively entitled to a PENSION or ANNUITY shall be transferred to another pension fund for his benefit or used to purchase a deferred annuity for him from a registered insurer;
 - (c) if a person to whom an amount is payable cannot be traced, it shall be disposed of in accordance with provisions included in the scheme of termination of the FUND, provided that no amount shall be paid to an EMPLOYER; and
 - (d) every MEMBER who left the SERVICE of the EMPLOYERS during a period immediately before the date of liquidation determined by the liquidator, either voluntarily or due to a reduction or reorganisation of staff, shall for the purpose of this section be regarded as being a MEMBER on the date of liquidation of the FUND, but the benefit already paid to him shall be taken into consideration in determining the amount payable to him.
- (2) If one of the EMPLOYERS ceases to operate, then, unless a reconstructed organisation takes the place of the EMPLOYER, the TRUSTEES shall instruct the ACTUARY to determine the interest in the FUND of the MEMBERS in the SERVICE of that EMPLOYER, subject to proviso (d) to section (1) mutatis mutandis, on a date determined by the TRUSTEES and the amount of each such MEMBER'S interest shall, as the TRUSTEES, in its absolute discretion, decides, be transferred to a retirement annuity fund or another pension fund for his benefit or paid to him, and that EMPLOYER and those MEMBERS shall cease to be an EMPLOYER and MEMBERS with effect from that date.
- (3) If the CHURCH unites with another Church, it shall be arranged –
- (a) that the interest of each MEMBER and beneficiary, as determined by the ACTUARY, shall be transferred to a new or existing pension fund for his benefit; or
 - (b) that the FUND be continued subject to such changes as may be decided.

Termination of fund

41. Notwithstanding anything in these rules, GENERAL ASSEMBLY may terminate the FUND, in which case the provisions of Rule 46(1) shall apply mutatis mutandis.

Amendment to rules

42. (1) The TRUSTEES may amend these rules by making new rules or altering or rescinding any existing rule; provided that no such amendment, new rule, or rescission shall be to the general disadvantage of MEMBERS and or persons entitled to benefits.
- (2) Notwithstanding the provisions of section (1), if the Commissioner for Inland Revenue at any time refuses to approve the FUND or any part of it for the purpose of enabling the MEMBERS to obtain the benefit of exemption or allowance in respect of income or other tax, or if the TRUSTEES considers it expedient, having regard to any ruling of the Commissioner for Inland Revenue about income or other tax, it may amend these rules to enable such approval to be obtained.
- (3) Every proposed amendment to these rules affecting the financial basis of the FUND shall be submitted to the ACTUARY for his report before being adopted.
- (4) The TRUSTEES shall notify the MEMBERS and the Commissioner for Inland Revenue of every amendment to these rules within two months of its approval by the Registrar.

DATE