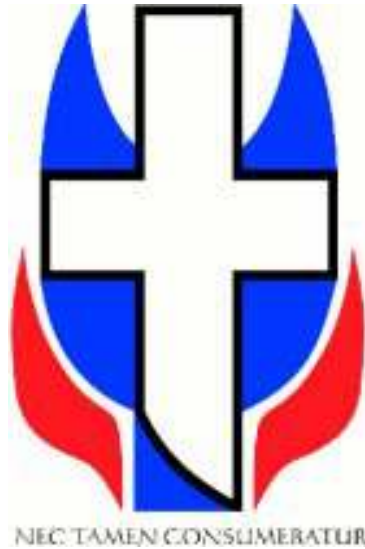


**The Uniting Presbyterian Church  
in Southern Africa**



**UPCSA PENSION FUND RULES**

**Rules consolidated with all amendments as at 20 August 2010.**

**RM SAMSON**

**UPCSA PENSION FUND**

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## **UPCSA PENSION FUND**

### **1. GENERAL**

- 1.1 A Fund known as the Presbyterian Ministers' Pension and Widows' and Orphans' Fund was established with effect from 1 January 1956.
- With effect from 1 January 2009 the Fund shall become known as the UPCSА Pension Fund.
- 1.2 The registered office of the FUND is at Presbyterian House, 28 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.
- 1.3 The object of the Fund is, in terms of these Rules, to provide retirement and other benefits to employees and former employees of the Employers, and benefits in the event of their death.
- 1.4 The Fund, in its own name, shall be capable in law of suing and of being sued and of acquiring, holding and alienating property, movable and immovable.
- 1.5 If the registration of these Rules in terms of the Act is effected later than 1 January 2000, the Rules shall nevertheless take effect from 1 January 2000.
- 1.6 In order to implement the change from a defined benefit fund to a defined contribution fund, with effect from 1 January 2000 the Employer shall contribute a defined amount in respect of each Member in Service.

### **2. DEFINITIONS**

In these Rules words defined in the Act and not in the Rules shall have the meanings assigned to them in the Act and, unless inconsistent with the context, all words and expressions signifying the singular shall include the plural and vice versa, words and expressions implying the masculine gender shall include the feminine, and the following words and expressions shall have the following meanings:

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

"Actuary" shall mean the Actuary appointed in terms of these Rules.

"Administrators" shall mean the Administrators appointed in terms of these Rules.

"Approved Pension Fund" shall mean a pension Fund, other than a Preservation Pension Fund, approved as such by the Revenue Authorities for the purposes of these Rules.

"Approved Provident Fund" shall mean a provident Fund, other than a Preservation Provident Fund, approved as such by the Revenue Authorities for the purposes of these Rules.

"Approved Retirement Annuity Fund" shall mean a retirement annuity Fund approved as such by the Revenue Authorities for the purposes of these Rules.

"Auditor" shall mean the Auditor appointed in terms of these Rules.

"Beneficiary" shall mean any person who is entitled to benefits in terms of these Rules and who has been nominated in writing by a Member, Pensioner or Deferred Pensioner as entitled to receive all or part of the death benefits provided by the Fund in terms of Appendix III.

"Category A Member" shall mean a Member who was a Member of the Fund on 31 December 1999, including a Member who was classified as a Deferred Pensioner in terms of the Rules as they then applied, and to whom the provisions of Appendix I shall apply with effect from 1 January 2000.

"Church" shall mean the Uniting Presbyterian Church in Southern Africa.

"Deferred Beneficiary" shall mean a Member in respect of whom a Paid-up Benefit is retained in the Fund.

"Disability Arrangement" shall mean a separate disability arrangement set up by an Employer to provide benefits for employees who are Members in the event of their disablement.

"Eligible Child" shall mean a child of a Pensioner who is a dependant as defined in the Act and shall include:

- (a) a posthumous child;
- (b) a stepchild or an illegitimate child who, in the opinion of the Trustees, was dependent on the Pensioner at the time of the Pensioner's death; and
- (c) a legally adopted child;

provided that such child

- (i) (aa) is under the age of 18 years; or
  - (bb) is under the age of 23 years and is receiving full-time education of which the Trustees approve; or
  - (cc) is, in the opinion of the Trustees, permanently incapacitated by reason of physical or mental infirmity from supporting himself;
- (ii) in the case of a Pensioner who was a Deferred Beneficiary, was a child as specified above when such person became a Deferred Beneficiary;
- (iii) in the case of a Pensioner who was not a Deferred Beneficiary, was a child as specified above when the Pensioner retired or was born of a marriage subsisting when he retired.

"Eligible Spouse" shall mean a person who, at the date of the Pensioner's death, was either

- (a) the legal spouse of the Pensioner; or
- (b) the Pensioner's partner,
  - (i) in a union according to customary law or in a union recognised as a marriage under any religion; or
  - (ii) in a relationship considered by the Trustees in their discretion to be of a permanent nature, where the partners, who may be persons of the same or the opposite sex, have cohabited for the period of the relationship and have shared a reciprocal duty of support;

provided that

- (aa) such person, in the case of a Pensioner who was a Deferred Beneficiary, was a person as specified above when he became a Deferred Beneficiary;
- (bb) such person, in the case of a Pensioner who was not a Deferred Beneficiary, was a person as specified above when he became a Pensioner; and
- (cc) the Pensioner has notified the Fund of the existence of such an Eligible Spouse prior to the date upon which a benefit becomes due from the Fund.

"Employer" shall mean the Church, any Presbytery and any congregation or any organization associated or affiliated to the Church as may be admitted to the Fund from time to time with the consent of the General Assembly and the Trustees and subject to such conditions as the Church may impose; provided that for the purposes of the Rules, where applicable, the definition "Employer" shall also include a congregation of that employer. The Church shall at any time have the power to withdraw such consent by giving written notice to the Employer concerned or to impose such conditions for the continued participation of an Employer and its employees as it may agree with the Trustees.

If the business of an Employer is wound up for the purpose of reconstruction in a similar or amended form, the reconstructed organisation shall (subject to the approval of the Church in the case of an Employer other than the Church) take the place of that Employer and the term "Employer" in such case shall mean the Employer as reconstructed.

In relation to any particular employee, Member, Deferred Beneficiary or Pensioner, "Employer" shall mean the Employer last responsible for his employer contributions.

"Finance Committee" shall mean the Finance Committee of the General Assembly.

"Financial Year" shall mean each twelve-month period ending on 31 December.

"Fund" shall mean the UPCSA Pension Fund.

"Fund Credit" shall mean in relation to each Member at any particular date the accumulated value of

- (a) in relation to each Member who was a Member of the Fund on 31 December 1999, the value of his actuarial reserve as calculated in terms of the Rules which applied immediately prior to 1 January 2000;
- (b) the contributions made by the Member in terms of Rule 4.1.1;
- (c) that part of the contributions made by the Employer in terms of Rule 4.2.1 that is applied towards the Member's retirement benefit in terms of Rule 4.2.2(b);
- (d) any additional contributions by the Member made in terms of Rule 4.6.1;
- (e) in relation to each Member who transformed from the Reformed Presbyterian Church in Southern Africa Pension Fund, any amount transferred in terms of Rule 11.1.1;
- (f) any amount contributed by the employer in terms of Rule 4.6.2;

- (g) any amount transferred in terms of Rule 11.1.2; and
- (h) any amount contributed from the Risk Reserve Account in terms of Rule 5.4.3(a);

increased or decreased at such rate that the Trustees in their reasonable discretion, after consulting the Actuary, shall from time to time determine, at least annually, effective each Financial Year having regard to the Investment Return on the Fund's assets.

"Fund Salary" shall mean the Member's basic annual stipend;

provided that:

- (a) for the purpose of the Fund, Fund Salary shall be determined in the first day of each month of membership of the Fund;
- (b) if the amount on which a Member's Fund Salary is based is reduced at any time then, subject to the agreement of the Member, his Employer may direct that, for the purposes of the Fund, the reduction shall not be applied in the calculation if the Member's Fund Salary or shall be applied only partially; and
- (c) while a Member is disabled in terms of the provisions of the Disability Arrangement his Fund Salary shall be his Fund Salary at the date on which his disablement commenced. Subject to the provisions of Rule 6.4.5, if the benefit payable to the Member under the Disability Arrangement is increased, his Fund Salary shall be increased in the same proportion.

"General Assembly" shall mean the General Assembly of the Church.

"Induction" shall mean

- (a) induction to a charge in the Church otherwise than in a part-time capacity;
- (b) appointment to a post designated by the General Assembly as a pensionable post;
- (c) appointment as a chaplain in the defence force in a temporary capacity;
- (d) appointment to such other post as the General assembly decides;

provided that "Induction" shall be deemed to include being set apart for special work in the Church otherwise than in a part-time capacity.

"Insured Portion" shall mean in relation to each Member during any particular Financial Year, the amount of death cover as can be provided from time to time from a Registered Insurer by that part of the contributions paid by the Employer in terms of Rule 4.2.1 which is applied towards the Member's death benefit in terms of Rule 4.2.2(a). Such cover shall be determined in accordance with Appendix II and may be revised from time to time by the Trustees, having regard to the cost of such benefits and subject to giving notification to the Members.

"Investment Return" shall mean:

- (a) any income (received and accrued), including any amount referred to in Rule 4.1.3 and Rule 4.3.4, less an allowance for any tax and, if applicable, part or all of such expenses as may be determined by the Trustees (paid and accrued); and

(b) any capital appreciation or depreciation (realised and unrealised).

"Member" shall mean an employee who, having been admitted to membership of the Fund in accordance with Rule 3.2, has not ceased to be a Member in terms of these Rules.

"Normal Retirement Date" shall mean

- (a) In the case of a Category A Member, the last day of the month in which the Member reaches age 68 years; and
- (b) In the case of each member of the Reformed Presbyterian Church of South Africa Pension Fund who was a Member of that fund at 31 December 1999 and who became a Member of the Fund on 1 January 2009, the last day of the month in which the Member reaches age 70 years; and
- (c) In the case of a Member not referred to in (a) or (b) above, the last day of the month in which the Member reaches age 65 years.

"Paid-up Benefit" shall mean the amount retained in the Fund in terms of Rule 11.2.1(b), increased or decreased by the Investment Return until it becomes payable in terms of these Rules.

"Pension" shall mean either:

- (a) the annual Pension payable in terms of these Rules to a Pensioner, Eligible Spouse or eligible Child; or
- (b) the annuity or, subject to the requirements of the Revenue Authorities, annuities purchased from a Registered Insurer in terms of the provisions of these Rules.

"Pensioner" shall mean either:

- (a) a retired Member who is in receipt of a Pension from the Fund; or
- (b) a retired Member who is in receipt of an annuity or annuities purchased from a Registered Insurer.

"Preservation Pension Fund" shall mean an Approved Pension Fund recognised as a preservation Fund, subject to the conditions set out by the Revenue Authorities from time to time.

"Preservation Provident Fund" shall mean an Approved Provident Fund recognised as a preservation Fund, subject to the conditions set out by the Revenue Authorities from time to time.

"Principal Officer" shall mean the Principal Officer of the Fund appointed in accordance with these Rules.

"Registered Insurer" shall mean an insurer registered in terms of the Long Term Insurance Act, 1998 (Act No. 52 of 1998), to transact life business and "Insurer" shall have a corresponding meaning.

"Registrar" shall mean the Registrar of Pension Funds referred to in the Act.

"Revenue Authorities" shall mean the South African Revenue Service.

"Rules" shall mean these Rules and such alterations as may at any time be applicable.

"SARS" shall mean the South African Revenue Services.

"Service" shall mean employment with any of the Employers and shall include any period during which the Member is deemed to remain in Service in terms of Rule 10 and any period of Service in another denomination recognised by the Church. Service shall include any past period of employment before joining Service in respect of which benefits have been transferred to the Fund in terms of Rule 11.1 or in respect of which additional contributions have been made to the Fund in terms of Rule 4.6. The period of past service to be reckoned as Service for the purposes of the Fund shall in respect of an amount transferred to the Fund be the relevant pensionable service earned in respect of such amount, and in respect of additional contributions be such period as the proportion of the total additional contributions made to the Fund by either the Member or Employer in each twelve month period ending on the last day of February, bears to the total contributions made to the Fund for the same period by the Member or Employer, as the case may be.

"Surplus Apportionment Date" shall mean 31 December 2001.

"Trustees" shall mean the Trustees or their alternates appointed or elected in terms of these Rules.

### **3. MEMBERSHIP**

3.1 Each person who was a Member of the Fund immediately prior to 1 January 2000 shall remain a Member of the Fund.

3.2 Every minister under the age of 61 whose Induction takes place for the first time after 31 December 1999 shall become a Member of the Fund on the date of Induction. Every lay member of the Church under the age of 61 who is appointed by the General Assembly or the Employer to a post designated by the General Assembly as a pensionable post shall become a Member of the Fund on the date on which he is appointed.

Notwithstanding the above provisions, each member of the Reformed Presbyterian Church of South Africa Pension Fund shall become a Member of the Fund on 1 January 2009, regardless of his age at that date.

3.3 A Member shall not be permitted to withdraw from membership while he remains in Service.

3.4 Each Member must produce evidence of age acceptable to the Trustees and must also give such other information as the Trustees may reasonably require for the purposes of the Fund.

3.5 A Member who has left Service for any reason and has received all the benefits which may be due to him in terms of these Rules shall cease to be a Member.

3.6 If a Member transfers to another Approved Pension Fund or an Approved Provident Fund in any of the circumstances envisaged in these Rules and such transfer is subject to Section 14 of the Act, then it is specifically provided that with effect from the date on which he becomes a member of such fund, contributions in terms of Rule 4 shall cease and in the event of his death, prior to transfer of his benefit in terms of these Rules from the Fund to such other fund that part of the death benefit in Rule 6 which is insured with a Registered Insurer shall not be payable.



## **4. CONTRIBUTIONS**

### **4.1 Contributions by the Member**

- 4.1.1 Each Member shall contribute monthly to the Fund throughout his Service at the rate of one-twelfth of 7.5 percent of his Fund Salary.
- 4.1.2 Each Member's contributions shall be deducted by his Employer from his salary or wages and paid to the Fund; provided that while a Member is in receipt of benefits from the Disability Arrangement his contributions to the Fund shall be paid from the benefit paid from the Disability Arrangement.
- 4.1.3 Contributions shall be paid to the Fund within seven days after the end of the month in respect of which contributions were made. If contributions are not paid to the Fund as required by the Act, the Employer shall be required to pay late payment interest at the rate prescribed in the Act. Any such interest shall be included in the Investment Return.

### **4.2 Contributions by the Employer**

- 4.2.1 The Employer shall make a monthly contribution in respect of each member equal to either:

- (a) R930; or
- (b) R620;

less the Employer's contributions in respect of the Members for that month to the Disability Arrangement; provided that the amounts in (a) and (b) may be adjusted from time to time by the Trustees, in consultation with the Actuary, and with the approval of the Finance Committee to take into account the effect of inflation.

- 4.2.2 Out of the amount paid in terms of Rule 4.2.1

- (a) such amounts as are required, less the cost of the separate Disability Arrangement, to meet the Fund's expenses for the month concerned and the cost of the death benefit referred to in Rule 6.1.1(a), shall be applied for this purpose;

and

- (b) the balance shall be applied towards the Member's retirement benefit.

- 4.2.3 Should the amount referred to in Rule 4.2.2(a) be at any time more than the amount needed to meet the cost of the death benefit referred to in Rule 6.1.1(a) and the Fund's expenses for the month concerned, such positive balance shall be allocated to the Risk Reserve Account; provided that should such amount exceed one-third of the contributions referred to in Rule 4.2.1, the Trustees may elect to follow any of the following options:

- (a) reduce the benefit to the amount which can be afforded by one-third of the contributions referred to in Rule 4.2.1; or
- (b) require the Members to make a portion of the contributions referred to in terms of Rule 4.1.1 available to meet the cost of the increased contribution; or

- (c) increase the Employer's contributions towards the cost of the death benefit; or
  - (d) use any amount standing to the credit of the Risk Reserve Account in order to meet the shortfall.
- 4.2.4 Contributions by the Employer must be paid to the Fund within seven days after the end of the month to which they relate. If contributions are not paid to the Fund as required by the Act, the Employer shall be required to pay late payment interest at the rate prescribed in the Act. Any such interest shall be included in the Investment Return.

### **4.3 Surplus Apportionment Reserve Account.**

- 4.3.1 The Surplus Apportionment Reserve Account shall be credited with the actuarial surplus in the Fund (if any) as at 31 December 1999.
- 4.3.2 The amount standing to the credit of the Surplus Apportionment Reserve Account shall be increased or decreased by the Investment Return earned on the assets attributable to the Surplus Apportionment Reserve Account.
- 4.3.3 The amount standing to the credit of the Surplus Reserve Account, less any cost and expenses specifically arising as a result of the Fund's compliance with the Pension Funds Second Amendment Act, Act No. 39 of 2001, shall be subject to apportionment in terms of Section 15B of the Act.

### **4.4 Pensions Account No. 1**

- 4.4.1 To Pensions Account No. 1 shall be credited:
  - (a) the value of the Pensions in payment on 31 December 1999 to Pensioners, Eligible Spouses and Eligible Children; and
  - (b) any contributions made by the Finance Committee in terms of Rule 4.7.
- 4.4.2 The amount standing to the credit of Pensions Account No. 1 shall be increased by a pro-rata share of the Investment Return earned by the Fund.
- 4.4.3 The amount standing to the credit of Pensions Account No. 1 shall be used to continue the pay Pensions to the Pensioners, Eligible Spouses and Eligible Children in receipt of Pensions on 31 December 1999 in accordance with the terms and conditions of the Rules as they applied immediately prior to 1 January 2000.
- 4.4.4 The Trustees shall have the right to review the level of Pensions being paid from the Fund and may direct that Pensions be increased. The amount of the increase shall be determined by the Trustees from time to time in consultation with the Actuary and with the approval of the Finance Committee, payable from the date set out in the pension increase policy adopted by the Trustees, subject to the minimum Pension increase in terms of the Act.

### **4.5 Risk Reserve Account**

- 4.5.1 The Risk Reserve Account shall be credited with any positive balance in the contributions allocated in terms of Rule 4.2.2(a) towards the cost of risk benefits and the expenses of the Fund, as contemplated in the first sentence of Rule 4.2.3.

- 4.5.2 The amount standing to the credit of the Risk Reserve Account shall be increased by a pro-rata share of the Investment Return earned by the Fund.
- 4.5.3 The balance in the Risk Reserve Account shall be reviewed from time to time by the Trustees, and, as the Trustees decide, may be:
- (a) distributed to Fund Credits; or
  - (b) used to meet a shortfall in the cost of risk benefits and the Fund's expenses in terms of Rule 4.3.3(d).

#### **4.6 Additional Voluntary Contributions by Members and Employers**

- 4.6.1 A Member may make additional contributions to the Fund in order to secure greater benefits or in respect of a period of past Service, in accordance with such conditions and procedures as the Trustees may prescribe from time to time. The payment of additional contributions to the Fund shall be subject to the limitations and requirements of the Income Tax Act, 1962. Such additional contributions shall be allocated to the Member's Portion.
- 4.6.2 An Employer may make additional contributions to the Fund in respect of a Member's period of past Service, in accordance with such conditions and procedures as the Trustees may require from time to time. The payment of additional contributions to the Fund shall be subject to the limitations and requirements of the Income Tax Act, 1962. Such additional contributions shall be allocated to the Member's benefit under the Employer's Portion.

#### **4.7 Special Contributions By the Finance Committee**

The Finance Committee shall, from time to time, make additional contributions to the Fund in order to meet a shortfall in Pensions Account No, 1.

### **5. RETIREMENT BENEFITS**

#### **5.1 Amount of Pension**

The Pension payable to a Member on his retirement shall, subject to Appendix 1, be of such amount as can be purchased by his Fund Credit, or his Paid-up Benefit in the case of a Deferred Beneficiary, at the date of his retirement after the exercise of any option in terms of Rule 8.

#### **5.2 Retirement**

- 5.2.1 A Member who has reached aged 60 years and has completed thirteen years of Service may, subject to the approval of the Presbytery of the bounds and the General Assembly, retire on the last day of any month occurring before he reaches his Normal Retirement Date.
- 5.2.2 A Member who has not retired in terms of Rule 5.2.1 shall, with the approval of the Presbytery of the bounds and the General Assembly, retire on reaching his Normal Retirement Date.
- 5.2.3 Upon receipt of notification from the Employer that a Member who does not qualify for a benefit in terms of the provisions of the Disability Agreement has become totally and permanently incapable of efficiently carrying out his duties, the Trustees shall, with the approval of the Presbytery of the bounds

and the General Assembly, agree to such Member's retirement at any time before he reaches Normal Retirement Date.

## **6. DEATH BENEFITS**

### **6.1 Death in Service**

If a Member dies while in Service before reaching Normal Retirement Date there shall be payable as an annuity or annuities that part of the amount in (a) and (b) below which is in excess of any amount referred to in Rule 19.9:

(a) the Insured Portion;

plus

(b) the Member's Fund Credit

provided that:

- (i) the Beneficiary may elect to commute part or the whole of such benefit for a lump sum;
- (ii) an annuity or annuities which becomes payable in terms of this Rule shall be purchased by the Fund in the name of the Beneficiary from a Registered Insurer, and thereafter the Fund shall have no liability in respect of the benefit payable to the Beneficiary, such liability resting with the Registered Insurer from whom such annuity or annuities are purchased;
- (iii) purchase of an annuity or annuities in terms of (ii) above shall be subject to the provisions of the Income Tax Act, 1962, the Long-term Insurance Act, 1998, and any requirement specified by the Revenue Authorities from time to time.

### **6.2 Death of a Pensioner**

6.2.1 The following benefits shall be payable:

- (a) a lump sum of R2000; and
- (b) a further R5000, which shall be payable as an annuity, of which the amounts and frequency of payment shall be determined by the Trustees after consulting the Actuary.

6.2.2 On the death of a Pensioner, his Eligible Spouse shall be entitled to:

- (a) during the first six calendar months after the month in which he dies, to 100 percent of the Pension that he was receiving at the date of his death or, if he retired in terms of Rule 5.2.3, the Pension he would have been receiving at the date of his death if he had remained in the Service of the Church until his Normal Retirement Date; and
- (b) thereafter to 60 percent of such Pension.

6.2.3 On the death of a Pensioner who leaves Eligible Children, a Pension shall be payable to the Eligible Children equal to the following percentage of the Pension payable to the Eligible Spouse:

<b>Number of Eligible Children</b>	<b>Percentage</b>
1	20
2 or more	30

provided that:

- (a) if no Pension is payable in terms of Rule 6.2.2 to an Eligible Spouse, then the Pension payable in terms of this Rule 6.2.3 shall be doubled; and
- (b) the Pension payable to the Eligible Children shall be recalculated and adjusted when any child ceases to be an Eligible Child or on the death of the Eligible Spouse.

### **6.3 Death of a Deferred Beneficiary**

If a Deferred Beneficiary dies before payment of his Pension has commenced, there shall be payable a lump sum benefit equal to that part of the capital value of his Paid-up Benefit at the date of his death, as determined by the Actuary, that is in excess of any amount referred to in Rule 19.9.

### **6.4 Restrictions**

- 6.4.1 The Trustees have power, where so required by the Registered Insurer, to require a Member to be examined at the Registered Insurer's expense by a medical practitioner appointed by the Registered Insurer.
- 6.4.2 Acting on the results of this examination, the Trustees may decide that the benefit payable in terms of Rule 6.1.1(a) shall be restricted in such manner as they decide in consultation with the Actuary and the Registered Insurer.
- 6.4.3 The Trustees must inform the Member in writing of the terms of any restriction imposed in terms of this Rule.
- 6.4.4 The benefit payable in terms of Rule 6.1.1(a) shall be insured with a Registered Insurer and no such benefit shall be paid unless the claim for the benefit has been admitted by the Registered Insurer.
- 6.4.5 No increase in Fund Salary during a period in which the Member is disabled in terms of the provisions of the Disability Arrangement shall apply for the purposes of that part of the death benefit which is so insured without the prior agreement of the Registered Insurer.
- 6.4.6 It is specifically provided that for the purposes of determining the Pension payable to an Eligible Child in terms of Rule 6.1.3 or Rule 6.2.3:
  - (a) no Pension shall be payable to an Eligible Child who is married or who was married on the date of the Pensioner's retirement or in the case of a Pensioner who is a Deferred Beneficiary when such person left Service; and
  - (b) the Pension shall be payable for as long as the Eligible Child is under the age of 18 years and no Pension shall be payable to an Eligible Child who is over the age of 18 years on the date of the Pensioner's retirement or in the case of a Pensioner who is a Deferred Beneficiary, when such person left Service;

provided that

- (i) notwithstanding the provisions of (a) and (b) above, the Pension may be paid to an Eligible Child who is, in the opinion of the Trustees, permanently incapacitated by reason of physical or mental infirmity from supporting himself;
- (ii) if such child is in receipt of regular income from any source the Trustees, in their absolute discretion and taking the amount of such income into account, may direct that, for so long as such income continues to be received, the Pension shall not be payable to such Eligible Child.

#### **6.5 Additional benefit**

Once no further payment is due to an Eligible Spouse, the Trustees shall deduct the total amount paid in terms of Rule 6.2.2, including any amount commuted in terms of Rule 8, from the Pensioner's Fund Credit at the date of his retirement. Should there be any positive difference, shall difference shall be paid in terms of Rule 6.6.

#### **6.6 Payment of Death Benefits**

Payment of a death benefit which is not expressed in Rule 6 to be paid to a particular person shall be made in terms of Section 37C of the Act. (The contents of Section 37C of the Act are contained in the Annexure to these Rules.)

#### **6.7 Suspension or Cancellation of death cover**

Notwithstanding any other provision in this Rule 6, if any part of the death benefit in Rule 6 is insured with a Registered Insurer and the cover provided in terms of the policy issued by the Registered Insurer is suspended or cancelled for reasons beyond the control of the Trustees, then that part of the death benefit in Rule 6 which was so insured shall not be payable by the Fund.

### **7. PAYMENT OF PENSION**

7.1 Each Pension payable in terms of these Rules shall be paid from the Fund;

provided that

- (a) a retiring Member may elect that his Pension be purchased as an annuity or annuities from a Registered Insurer in terms of Rule 7.7; or
- (b) the Trustees, with the agreement of the Employer and after consultation with the Actuary, may direct that his Pension be purchased as an annuity from a Registered Insurer.

7.2 Each Pension shall be payable by equal monthly instalments on the 25th day of each month, unless otherwise agreed, provided that the monthly instalment for December each year shall be made on the 18th day of that month.

7.3 Subject to such modification as may have been agreed in terms of Rule 7.2, the first monthly instalment of a Pension payable to a Pensioner shall be payable on the 25th day of the month following his retirement. Subject to

the provisions of Rule 6.2.2(a), no payment of his Pension shall become due after a Pensioner's death.

- 7.4 The first monthly instalment of a Pension payable to an Eligible Spouse or an Eligible Child shall be payable on the 25th day of the month in which the Member or Pensioner dies.

No payment of a Pension to an Eligible Spouse shall become due after the Eligible Spouse's death and no payment of a Pension payable to an Eligible Child shall become due after the Eligible Child dies or otherwise ceases to be an Eligible Child.

- 7.5 Each person in receipt of a Pension shall provide such evidence of his survival or continued eligibility as the Administrators may require. If such evidence is not produced then the Trustees may direct that payment of the Pension be suspended until such evidence is produced.

- 7.6 Subject to the Trustees' approval, a retiring Member shall have the option to substitute for his Pension an alternative Pension of such an amount as is calculated by the Actuary to be of equal value. The terms and conditions of payment of the alternative Pension shall be determined by the Trustees in consultation with the Actuary and shall be communicated in writing to the retiring Member. Such terms and conditions shall overrule any conflicting provision in this Rule 7 or in Rule 6.

- 7.7 Each retiring Member or beneficiary to whom a Pension becomes payable in terms of Rule 6.1.2, Rule 6.1.3 or Rule 6.2.2, may elect to have a Pension purchased as an annuity or annuities from a Registered Insurer, chosen by the person who so elects and purchased in the name of such person. If the retiring Member or beneficiary does not so elect, the terms and conditions of these Rules shall apply unaltered. If the retiring Member or beneficiary so elects the terms and conditions applicable to the Pension, including options elected by the retiring Member or beneficiary and the determination of any benefits arising on the death of such person, shall be agreed between the retiring Member or beneficiary and the Registered Insurer and shall be set out in writing by the Registered Insurer;

provided that

- (a) the Pension so purchased shall be of such amount as can be purchased by, as applicable
- (i) the retiring Members Fund Credit; or
- (ii) the beneficiary's actuarial reserve of the Pension;

as calculated by the Actuary, such calculation being based on the general assumptions as set out in the latest statutory valuation of the Fund but taking into account the actual factors applicable to the retiring Member or beneficiary at the date of purchase of the Pension including, in particular, any contingent liability with regard to the payment of a Pension on the date of death of such person, but less any amount commuted in terms of Rule 8;

- (b) the Pension so purchased shall be compulsory, non-commutable, non-assignable and payable for the life of the retiring Member or beneficiary; provided that, if the beneficiary is an Eligible Child, the Pension shall be payable for the term agreed on with the Registered Insurer;

and

- (c) on purchase of the Pension in terms of this Rule, the Fund shall have no further liability in respect of the retiring Member or beneficiary, such liability resting with the Registered Insurer from whom the Pension is purchased.

Each Member and beneficiary hereby appoints the Trustees as his duly authorised agent to do all things necessary to procure the purchase of the Pension.

## **8. COMMUTATION OF PENSION**

- 8.1 Within six months of the commencement date of a Pension payable to an Eligible Spouse or an Eligible Child, such person may commute the whole, or such portion as they may decide, of such Pension for a lump sum.
- 8.2 At the commencement date of a Pension which is not referred to in Rule 8.1, a retiring Member or Deferred Beneficiary may commute for a lump sum:
  - (a) the whole of the Pension if it does not exceed the limit set by the relevant legislation from time to time;
  - (b) if the Pension exceeds the limit referred to in (a), not more than one-third of the Pension.
- 8.3 The amount of a lump sum provided for in Rule 8.1 or Rule 8.2 shall be determined by the Trustees on a basis agreed to by the Employer, on the advice of the Actuary.
- 8.4 If the whole of a Pension is commuted in terms of Rule 8.2(a), no Pension shall be payable to the Eligible Spouse or the Eligible Children, and this shall be taken into account in the determination of the lump sum in terms of Rule 8.3

If part of a Pension is commuted in terms of Rule 8.2(b), the Pension that may be payable to the Eligible Spouse or to the Eligible Children shall be adjusted by the Trustees, in consultation with the Actuary, to take into account the commuted amount.

## **9. TERMINATION OF SERVICE**

### **9.1 Benefit**

If a Member who has not reached Normal Retirement Date leaves Service in circumstances not provided for elsewhere in these Rules, he shall become entitled to a benefit equal to his Fund Credit.

### **9.2 Payment of Benefit**

- 9.2.1 The benefit in terms of this Rule shall be paid to the Member as a lump sum. Subject to the provisions of Rule 13.2, payment shall be made as soon as possible after the date of his leaving Service.
- 9.2.2 Instead of receiving the benefit entirely as a lump sum, the Member may transfer all or, subject to (b) below, part of the benefit to another Approved Pension Fund, Preservation Pension Fund, Approved Provident Fund or Approved Retirement Annuity Fund; provided that



- (a) in the case of transfer to an Approved Provident Fund, the amount so transferred shall be less any tax payable thereon; and
- (b) transfer to a Preservation Pension Fund is subject to the requirements of the Revenue Authorities as specified from time to time.

## **10. ABSENCE**

- 10.1 When a Member is on leave with full pay or less than full pay, he shall contribute to the Fund in accordance with Rule 4.1.1 and the Employer shall continue to contribute in respect of him in accordance with Rule 4.2 and all benefits under the Fund in respect of him shall be maintained.
- 10.2 A Member qualifying for a disablement benefit in terms of the provisions of the Disability Arrangement shall, for the purposes of the Fund, be deemed to remain in Service.
- 10.3 If a Member is on leave without pay, no contributions shall be made by him in terms of Rule 4.1.1 and the contributions made by the Employer in respect of him shall be limited to those required to maintain the death benefit payable in terms of Rule 6.1.1(a), which benefit shall continue to be payable
  - (a) throughout the period of leave, if the Member's leave is due to sickness; or
  - (b) for not longer than twelve months, if the Member's leave is due to reasons other than sickness.

## **11. TRANSFERS**

### **11.1 Transfers into the Fund**

- 11.1.1 The Fund shall receive such amount as becomes payable to the Fund by the Reformed Presbyterian Church in Southern Africa Pension Fund as the result of the transfer of members of that fund to the Fund. An amount determined in terms of the rules of the Reformed Presbyterian Church in Southern Africa Pension Fund at the date of transfer to be equal to each Member's benefit entitlement shall be transferred to the Fund and applied under such Member's Fund Credit.
- 11.1.2 If a Member who was a member of an Approved Pension Fund, any other Approved Provident Fund, or a Preservation Pension Fund prior to becoming a Member of the Fund, chooses to transfer the benefit to which he is entitled on leaving that fund into the Fund, the amount so transferred shall be applied under such Member's Fund Credit.

### **11.2 Transfers out of the Fund**

- 11.2.1 If a Member is transferred to the service of a Presbytery or organisation associated with or subsidiary to the Church but not participating in the Fund, then
  - (a) if the transferred Member becomes a Member of an Approved Pension Fund or an Approved Provident Fund established for the benefit of the employees of the

organisation to which he is transferred, the Trustees shall pay the Member's Fund Credit less, in the case of transfer to an Approved Provident Fund, any tax payable thereon at the date of his transfer to that fund and he shall have no further claim on the Fund; or

- (b) if the circumstances provided for in (a) do not exist, the Trustees, in consultation with the Church and the Actuary, shall decide on the manner of dealing with the Member's Fund Credit; provided that the Member may elect to become a Deferred Beneficiary and in such case his Fund Credit shall be retained in the Fund as a Paid-up Benefit.

11.2.2 If an Employer ceases to participate in the Fund as a result of a decision to participate in or to establish another Approved Pension Fund or an Approved Provident Fund, then the Fund Credit of each Member in the Service of that Employer who is eligible for membership of such fund on a date determined by the Trustees shall be transferred to such Approved Pension Fund or Approved Provident Fund; provided that if such fund is an Approved Provident Fund, the following shall apply:

- (a) each such Member may elect that the Trustees shall transfer an amount equal to his own contributions to the Fund, increased or decreased by the Investment Return on such contributions, to an Approved Retirement Annuity Fund or, after payment of any tax thereon, to the Approved Provident Fund; and
- (b) the Trustees shall also transfer the balance of the member's Fund Credit to such Approved Provident Fund.

The Employer shall cease to participate in the Fund on finalisation of the transfer.

## **12. TERMINATION AND PARTIAL TERMINATION OF THE FUND**

### **12.1 Termination of the Fund**

12.1.1 The Fund may be terminated

- (a) by the Trustees with the consent of the Church;
- (b) by order of court; or
- (c) if the Church or the General Assembly decides unanimously that the Fund be terminated, subject to six month's notice to the Trustees.

12.1.2 If the Fund is to be terminated, then the following provisions shall apply:

- (a) the Trustees shall, subject to the approval of the Registrar, appoint a liquidator who must liquidate the Fund with effect from the date of the registrar's approval of his appointment;
- (b) in accordance with the instructions of the liquidator, the total moneys available under the Fund, after the payment of all expenses incurred in the liquidation, shall be applied

to provide benefits for all Members, Pensioners, Deferred Beneficiaries, Eligible Spouses and Eligible Children on an equitable basis recommended by the Actuary and approved by the liquidator;

- (c) the amount available for a person in receipt of a Pension shall be applied to purchase an annuity or annuities for him from a Registered Insurer in terms of Rule 7.7;
- (d) the amount available for a person prospectively entitled to a Pension shall, as directed by the liquidator, either
  - (i) be transferred for his benefit to another Approved Pension Fund, Preservation Pension Fund, Approved Provident Fund or Approved Retirement Annuity Fund; or
  - (ii) if the Member so requests, be paid to the Member as a lump sum benefit;

provided that

- (aa) in the case of transfer to an Approved Provident Fund, the amount so transferred shall be less any tax payable thereon;

and

- (bb) transfer to a Preservation Pension Fund is subject to the requirements of the Revenue Authorities as specified from time to time;

and

- (e) if a person to whom an amount is payable cannot be traced, the amount referred to in (c) and (d) shall be paid to the Guardian's Fund.

12.1.3 In making an apportionment in terms of Rule 12.1.2(b) the liquidator shall take into consideration every former Member who left Service during the period of at least twelve months ending on the date of commencement of liquidation. The former Member's apportionment shall be reduced by the amount of the benefit which he received on leaving Service.

12.1.4 When all payments have been made by the Fund in terms of Rule 12.1.2, the Fund shall have no further liability to any person and the Funds registration in terms of the Act shall be cancelled.

12.1.5 It is specifically provided that the provisions of the Pension Funds Second Amendment Act, Act No. 39 of 2001, shall override any conflicting provisions in this Rule 12.1, in particular with regard to payment of minimum benefits and the rights of the stakeholders.

## **12.2 Partial Termination**

12.2.1 An Employer's participation in the Fund will cease:

- (a) if the Employer goes into liquidation; or
- (b) by consent of the Trustees, subject to giving at least 1 month's notice to the Trustees of its intention to cease participation.

In such case, the provisions of Rule 12.1.2 shall apply; provided that that part of the Fund which is to be liquidated in terms of the Act shall be limited to the total assets and liabilities attributable to the Members related to the withdrawing Employer as determined by the liquidator in consultation with the Actuary.

12.2.2 In making an apportionment in terms of Rule 12.1.2(b) the liquidator shall take into consideration every former Member of the withdrawing Employer who left Service during the period of at least twelve months ending on the date of commencement of partial liquidation. The former Member's apportionment shall be reduced by the amount of the benefit which he received on leaving Service.

12.2.3 When all payments have been made by the Fund in terms of Rule 12.1.2 in respect of the withdrawing Employer, the Fund shall have no further liability to any person related to that Employer in respect of whom the Fund held assets and liabilities at the date of the partial liquidation.

### **13. DEDUCTIONS FROM BENEFITS**

13.1 The Trustees shall have the right to make any such deductions from the benefit to which a Member or other beneficiary is entitled in terms of the Rules as are permitted in terms of Section 37D of the Act and in respect of which a claim has been lodged in writing within such reasonable time of the event giving rise to the benefit as the Trustees may from time to time fix for making such claims.

13.2 Notwithstanding any other provisions of these Rules, the Trustees may, where an Employer has instituted legal proceedings in a court of law and/or laid a criminal charge against the Member concerned for compensation in respect of damage caused to the Employer as contemplated in Section 37D of the Act, withhold payment of the benefit until such time as the matter has been finally determined by a competent court of law or has been settled or formally withdrawn; provided that

- (a) the amount withheld shall not exceed the amount that may be deducted in terms of Section 37D(b)(ii) of the Act;
- (b) the Trustees in their reasonable discretion are satisfied that the Employer has made out a prima facie case against the Member concerned and there is reason to believe that the Employer has a reasonable chance of success in the proceedings that have been instituted;
- (c) the Trustees are satisfied that the Employer is not at any stage of the proceedings responsible for any undue delay in the prosecution of the proceedings;
- (d) once the proceedings have been determined, settled or withdrawn, any benefit to which the Member is entitled is paid forthwith; and
- (e) the Trustees, at the express written request of a Member whose benefit is withheld, if applicable and practical, permit the value of

the Member's benefit as at the time of such request to be isolated, in whatever manner the Trustees believe appropriate, from the possibility of a decrease therein as a result of poor investment performance.

(The contents of Section 37D of the Act are contained in the Annexure to the Rules.)

- 13.3 If a Member is retiring on Pension, the Trustees shall have the right to commute for a lump sum an amount of the Pension up to the maximum amount which may be commuted in terms of Rule 8 and to make the deduction from such lump sum.

## **14. MANAGEMENT OF THE FUND**

### **14.1 Trustees**

14.1.1 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.

14.1.2 The Trustees and their alternates appointed or elected in terms of these Rules shall not be entitled to any remuneration for their services as such.

14.1.3 The Trustees shall have the power in the name of the Fund to enter into and sign any contracts or documents and to institute, conduct, defend, compound or abandon any legal proceedings by or against the Fund and to make bye-laws prescribing the form and the manner in which claims are to be lodged and dealt with by the Fund.

### **14.2 Employers' Trustees**

14.2.1 The General Assembly shall appoint four Trustees (hereinafter referred to as "Employers' Trustees") and an alternate to each Employer's Trustee. An alternate may replace the Employer's Trustee, for whom he is an alternate, who is temporarily unable to act in that capacity.

14.2.2 An Employers' Trustee may at any time be removed from office by the General Assembly

### **14.3 Members' Trustees**

14.3.1 The Members shall elect four Trustees (hereinafter referred to as "Members' Trustees") and four alternate Trustees from their number. The following procedure shall apply:

- (a) the persons so elected shall be ranked according to the number of votes received;
- (b) the first four persons so ranked shall be the Members' Trustees;
- (c) the next four persons so ranked shall be the alternate Trustees and shall be ranked from first to fourth in accordance with the number of votes received.

Any alternate Trustee may replace a Members' Trustee who is temporarily unable to act in that capacity but vacancies on the Board of Trustees shall be filled in accordance with the provisions of Rule 14.3.2.

14.3.2 Any vacancy on the Board of Trustees arising by reason of the operation of Rule 14.3.4 or Rule 14.4 shall be filled by the alternate listed first in the ranking order referred to in Rule 14.3.1. On the appointment of such first ranking alternate as a Members' Trustee the second ranking alternate shall then rank as the first alternate, the third ranking alternate as the second alternate and the fourth ranking alternate as the third alternate; provided that in the event that only one Members' Trustee remains, three more alternate Members' Trustees shall be elected or appointed from among the Members in accordance with such procedures as may be agreed upon by the Church and the Members and approved by the Trustees. These alternates shall be ranked in accordance with the number of votes received.

14.3.3 All elections of Members' Trustees shall be by secret ballot and shall be held at least every five years.

14.3.4 A Members' Trustee shall cease to hold office

- (a) if the Members resolve that he is to be removed from office; or
- (b) if he has failed to attend three consecutive Trustees' meetings without leave from the other Members' Trustees.

A Members' Trustee may also resign at any time on giving written notice to the Members and the other Trustees.

#### **14.4 Disqualification from holding office as 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 under the Corruption Act, 1992, any offence involving dishonesty or any offence in connection with the promotion, formation or management of a company.

#### **14.5 Meetings of trustees**

- 14.5.1 The Trustees shall meet from time to time but at least once in every twelve months to conduct the business of the Fund. Four Trustees shall form a quorum provided that at least two of the Trustees present are Employers' Trustees and at least two of the Trustees present are Members' Trustees.
- 14.5.2 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.
- 14.5.3 The Trustees shall appoint a chairperson who shall be a professional person, independent of the Church. The Trustees may appoint a new chairperson from time to time, provided that the existing chairperson shall be eligible for re-appointment. If the chairperson of the Trustees is absent from any meeting, the Trustees shall appoint a chairperson for that meeting from their number.
- 14.5.4 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 votes 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.
- 14.5.5 A resolution in writing signed by all the Trustees (for which purpose an alternate may sign in the absence of the Trustee for whom he is an alternate) shall be of the same force and effect as a resolution passed at a meeting of Trustees and must be recorded in the Fund's minute book.

#### **14.6 Other Appointments**

- 14.6.1 The Trustees shall appoint an Actuary, an Auditor, and Administrators and may withdraw any such appointment and make another appointment in its place at any time.
- 14.6.2 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.
- 14.6.3 The Principal Officer shall not be entitled to any remuneration for his services as such.
- 14.6.4 The Trustees shall appoint consultants on such terms as they may determine and may withdraw any such appointment at any time.

#### **14.7 Indemnification of Officers of the Fund**

- 14.7.1 The Trustees and all other officers of the Fund shall be indemnified by the Fund against all proceedings, costs and expenses incurred

by reason of any claim in connection with the Fund not arising from their negligence, dishonesty or fraud.

- 14.7.2 The Trustees must ensure that the Fund is insured against any loss resulting from the dishonesty or fraud of any of its officers.

#### **14.8 Sub-Committees**

The Trustees may decide that any power of decision on any matter that is vested in them, over and above a matter referred to in Rule 15.1.6, shall be delegated, on such terms and conditions as they may specify, to a sub-committee, or sub-committees, of such of their number as they nominate. The decision of a sub-committee to which a power is so delegated shall, unless the Trustees stipulate that it must be referred to them for ratification, be regarded as a decision of the Fund and shall be recorded in the minutes at the next meeting of the Trustees. It is specifically provided that the full board of the Trustees shall retain full responsibility and liability for any decision made by a sub-committee to whom the Trustees' power of decision-making has been delegated in terms of this Rule.

#### **14.9 Meetings of Members**

- 14.9.1 A meeting of the Members of the Fund shall be held whenever the Trustees deem it necessary or when an application has been made in writing and signed by at least one-fifth of the Members. Notices of such meeting, together with the agenda, shall be sent by the Principal Officer by post not less than fourteen days before the meeting to every person entitled to be present at such meeting.
- 14.9.2 Persons entitled to be present at the meeting of the Members shall be the Members of the Fund and a representative of the Church. Two-fifths of the Members of the Fund shall constitute a quorum and minutes of all such meetings shall be kept.
- 14.9.4 The Trustees shall have the right to attend the meeting of the Members.
- 14.9.5 The chairperson of the meeting of the Members shall be either a Trustee or a person appointed by the Trustees or, if no such person is present, a person elected by those present at the meeting.
- 14.9.6 At the meeting of the Members each person present shall be entitled to one vote; such vote may be by show of hands, by ballot, or otherwise as may be determined by the chairperson, and the vote of the majority of the persons present at the meeting shall be the decision of the meeting.
- 14.9.7 The balance sheet and accounts of the Fund together with the Auditor's report for the preceding Financial Year shall be presented at the meeting of the Members.
- 14.9.8 All resolutions passed at the meeting of the Members of the Fund shall be forwarded to the Trustees who shall, after due consideration, deal therewith in the spirit and terms of the Rules of the Fund and report back their actions to the next meeting of the Members.



**14.10 Special Provisions Applicable to the Operation of the Management of the Fund to Facilitate the Transfer of Members of the Reformed Presbyterian Church in Southern Africa Pension Fund to the Fund**

14.10.1 A new board of Trustees, consisting of Employers' Trustees appointed in terms of Rule 14.10.2 and Members' Trustees elected in terms of 14.2.3 shall assume office on 1 January 2009, the previous board of office having resigned on 31 December 2008.

14.10.2 The General Assembly shall appoint four Trustees (hereafter referred to as "Employers' Trustees"); provided that one Employers' Trustee must be an independent person who is not a Member of the Fund and is a professional person, independent of the Church.

14.10.3 The Members shall elect four Trustees (hereafter referred to as "Members' Trustees"). Members' Trustees shall be elected in accordance with the following:

- (a) one Members' Trustee shall be elected by Members who transferred on 1 January 2009 from the Reformed Presbyterian Church in Southern Africa Pension Fund;
- (b) two Members' Trustees shall be elected by Members of the Fund who were Members prior to January 1 2009;
- (c) one Members' Trustee shall be elected by the Pensioners of the Fund.

If a Members' Trustee leaves office during the period referred to in Rule 14.10.4, the provisions of Rule 14.10.5(c) shall apply.

14.10.4 The Employers' Trustees appointed in terms of Rule 14.10.2 and the Members' Trustees elected in terms of Rule 14.10.3 shall remain in office for a period of 12 months after 1 January 2009, or for such longer period as may be needed to enable the board to finalise matters related to the transfer of members of the Reformed Presbyterian Church in Southern Africa Pension Fund to the Fund. Thereafter further elections shall be held and the provisions of Rule 14.2 and 14.3 shall apply.

14.10.5 During the period referred to in Rule 14.10.4:

- (a) An Employers' Trustee appointed in terms of Rule 14.10.2 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;
- (b) A Members' Trustee elected in terms of Rule 14.10.3 may at any time be removed from office
  - (i) if the Members resolve that he is to be removed from office; or
  - (ii) if he has failed to attend three consecutive Trustees' meetings without leave from the other Members' Trustees;
  - (iii) if he resigned by giving written notice to the Members and the other Trustees.

- (c) If a vacancy occurs among the Members' Trustees on the board of Trustees due to the operation of (b) above or Rule 12.4, the Trustees shall appoint or elect another Members' Trustee to fill the vacancy until the next election in accordance with such procedures as they may determine;
- (d) the chairperson shall be the independent person appointed by the General Assembly in terms of Rule 14.10.2.

14.10.6 On the expiry of the period referred to in Rule 14.10.4, the Employers' Trustees and the Members' Trustees shall resign from office but shall be eligible for re-appointment or re-election.

## **15. FINANCIAL PROVISIONS**

### **15.1 Investments**

- 15.1.1 All moneys received on account of the Fund must be paid into a banking account opened in the name of the Fund.
- 15.1.2 The Trustees shall have full power, subject to the provisions of the Act and the requirements of the Registrar, to receive, administer and apply the moneys of the Fund and in their absolute discretion to invest, put out at interest, place on deposit, make advances, or otherwise deal with the moneys of the Fund upon such security and in such manner as they may from time to time determine and to realise, vary, reinvest or otherwise deal with such securities and other investments as they from time to time determine.
- 15.1.3 The Trustees shall have power to effect policies of insurance with one or more Registered Insurers for the purpose of investing the Fund's moneys in order to meet the cost of providing benefits in terms of these Rules and/or to insure, in whole or in part, the death benefits payable in terms of these Rules.
- 15.1.4 The Trustees may, subject to the requirements of the Registrar, obtain an overdraft from a bank or borrow from an Employer or any other party, on such terms as they think fit, such sums as they approve for the purpose of completing any investment or meeting any temporary cash shortage and for this purpose may give such security as they decide.
- 15.1.5 All title deeds and securities must be registered in the name of the Fund in the name of such nominee company acceptable to the Registrar as the Trustees may appoint. The documents of title registered in the name of the Fund in connection with any investment or asset of the Fund must be kept in safe custody at the registered office of the Fund or in a banking institution, as decided by the Trustees. Any documents of title registered in the name of a nominee company in connection with any investment or asset of the Fund must be kept in safe custody at the registered office of that company or in a banking institution, as decided by that company.
- 15.1.6 The power of the Trustees to make investments and to realise, vary, reinvest or otherwise deal with the securities concerned, may be delegated by the Trustees, on such terms and conditions as they may specify, to

- (a) a sub-committee of such of their number as they nominate or other appropriately qualified persons;
  - (b) a financial institution as defined in the Financial institutions (Investment of Fund) Act, 1984;
- or
- (c) a person approved in terms of Section 4(1)(a) of the Stock Exchanges Control Act, 1985.

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

15.1.7 The Trustees shall have the power to transfer the assets and liabilities of the Fund or a portion thereof to another Approved Provident Fund or to an Approved Pension Fund or to take transfer of the assets and liabilities or a portion thereof of another Approved Provident Fund or an Approved Pension Fund

## **15.2 Expenses**

Unless specifically provided elsewhere in these Rules, the whole of the expenses in connection with or incidental to the management or administration of the Fund shall be paid by the Fund.

## **15.3 Accounts**

The Trustees shall cause full and true accounts of the Fund to be kept, such accounts to be made up as at the end of each Financial year, to be audited by the Auditor and then to be submitted to the Registrar.

## **15.4 Valuations**

If the Fund is not exempted from valuation in terms of the Act, the financial condition of the Fund shall be investigated and reported on by the Actuary at intervals not exceeding three years. The Trustees shall forward a copy of such report to the Registrar and shall cause a copy of such report or a summary thereof to be sent to every Employer participating in the Fund.

# **16. ADMINISTRATION OF THE FUND**

- 16.1 The Fund shall be administered by Administrators appointed by, and acting on the instructions of, the Trustees.
- 16.2 The Employers shall from time to time furnish to the Trustees in respect of those employees who are Members all necessary particulars affecting their benefits or their entitlement to benefits under the Fund and the Trustees shall ensure that such particulars are furnished to the Administrators. The Trustees and the Administrators shall be entitled to act upon such particulars without further enquiry and shall not be responsible to any Member or to the Employer or to any other person or body whatsoever for any mis-statements or errors or omissions which may be contained in such particulars.

- 16.3 The Administrators shall keep a complete record of all necessary particulars of the Members of the Fund and of all other matters essential to the operation of the Fund.
- 16.4 The Administrators shall keep full and true accounts of the Fund as required in terms of Rule 15.3.
- 16.5 All cheques, contracts and other documents pertaining to the Fund shall be signed by such persons as the Trustees by resolution may appoint; provided that the documents to be deposited with the Registrar must be signed in the manner set out in the Act.
- 16.6 The Administrators shall maintain fidelity cover to indemnify the Fund against any loss resulting from the dishonesty or fraud of any person employed by them.

## **17. ALTERATIONS**

- 17.1 The Trustees may alter these Rules at any time.
- 17.2 No alteration to the Rules which affects the terms on which the Employers' contributions are based or the Fund may be terminated may be made without the approval of the Finance Committee.
- 17.3 No alteration to the Rules which affects the financial condition of the Fund may be made until it has been referred by the Trustees to the Actuary and the Finance Committee.
- 17.4 All alterations to the Rules shall be submitted to the Registrar, the Revenue Authorities and any other statutory authority who may so require.
- 17.5 If the registration of any of alteration to these Rules in terms of the Act is effected on a date after the effective date of the alteration, the alteration shall nevertheless take effect from the effective date stated in the alteration.

## **18. INTERPRETATION OF RULES AND DISPUTES**

- 18.1 The decision of the Trustees as to the meaning of or interpretation of these Rules or of any particular Rules or part of a Rule shall be final and binding on the Employers, Members and every person claiming to be entitled to a benefit under these Rules, subject to the provisions of Section 30A of the Act. (The contents of Section 30A of the Act are contained in the Annexure to the Rules.)
- 18.2 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.
- 18.3 If any person affected by a decision of the Trustees in terms of Rules 18.1 or 18.2 is dissatisfied with the decision, he shall have the right to lodge a written complaint as envisaged in Section 30A of the Act. If such person remains dissatisfied he may lodge his complaint with the Pension Funds Adjudicator appointed in terms of the Act which shall be dealt with in accordance with Sections 30 to 30P of the Act. (The contents of Sections 30D to 30P of the Act are contained in the Annexure to the Rules.)
- 18.4 The Employer, the Trustees (one or more of their number), or any other 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.

## **19. MISCELLANEOUS PROVISIONS**

- 19.1 (a) Subject to payment of such fees as the Trustees may require, a Member shall be entitled on application to a copy of any of the documents referred to in Section 35(1) of the Act.
- (b) A Member shall be entitled on application to inspect without charge a copy of any of the documents referred to in Section 35(2) of the Act and to make extracts therefrom.

(Section 35 of the Act is contained in the Annexure to these Rules.)

- 19.2 (a) Payment of each benefit in terms of these Rules shall be made to the person entitled thereto at the registered office of the Fund.
- (b) Payment elsewhere than at the registered office of the Fund may be made at the request of the beneficiary in a manner agreed upon by the beneficiary and the Trustees, including payment by means of electronic transfer into the bank account of the beneficiary to a bank registered in terms of the Banks Act, 1990, as amended.
- (c) Payment in terms of (a) or (b) shall constitute full and final settlement of all claims to the benefit against Fund and neither the Fund, the Trustees nor the Administrators shall have any further liability for the benefit to any person.

- 19.3 All benefits and rights to benefits in terms of these Rules shall be subject to the prohibitions as to reduction, cession, etc. contained in Sections 37A and 37B of the Act.

(The contents of these Sections are contained in the Annexure to these Rules.)

- 19.4 If a benefit due under the Fund, other than a benefit payable in terms of Section 37C, is not claimed within three years after the date on which it became due for payment, the benefit shall revert to the Fund; provided that if a potential beneficiary approaches the Fund at any stage thereafter, the Trustees shall consider his claim and, if the circumstances so warrant, shall pay to the beneficiary that part of the benefit, increased by such interest as they may allow but less any costs incurred by the Fund in the administration of such benefit, that, as at the date of payment to the beneficiary, is in excess of any amount referred to in Rule 19.9.

(The contents of Section 37C of the Act are contained in the Annexure to these Rules.)

- 19.5 Nothing in these Rules shall in any way restrict the right of the employer to terminate the employment of any Member or affect any agreement between the Employer and an employee in regard to conditions of Service.

- 19.6 No person shall have any claim concerning the Fund either upon the Fund or against the Employers, except in accordance with these Rules.

- 19.7 Admission to membership of the Fund shall be regarded as an acknowledgement by the Member that he agrees that these Rules, including any alteration to these Rules, shall be binding upon him and upon any person claiming to derive a benefit under the Fund by virtue of his membership.

- 19.8 Subject to the requirements of the Revenue Authorities as specified from time to time and to the payment by the Employer of such additional contribution, or contributions, as the Trustees, after consulting the Actuary, may decide to be necessary, the Trustees, with the agreement of the Employer, may direct that any benefit payable to or in respect of any Member be increased on such basis as shall be determined in consultation with the Actuary.
- 19.9 If any costs are incurred as a consequence of the Trustees tracing any potential beneficiaries whose benefits due under the Fund are unclaimed or in order to give effect to the provisions of Section 37C of the Act, such reasonable costs may be recovered from the benefits payable to such beneficiaries.

## **APPENDIX 1**

### **SPECIAL PROVISIONS APPLICABLE TO CATEGORY A MEMBERS**

In the case of a CATEGORY A MEMBER the following provisions will apply:

1. Each CATEGORY A MEMBER who becomes entitled to a benefit in terms of Rule 5 shall be entitled to elect whether to receive a benefit in terms of Rule 5 or in terms of the RULES as they applied immediately prior to 31 December 1999; provided that the benefits in terms of this Appendix will not apply in respect of a MEMBER'S SERVICE after 1 September 2004 for which the actual contributions received by the FUND are less than required in terms of Rule 4.1 and 4.2. Within three months of ceasing to be in SERVICE or within three months of being informed by the TRUSTEES of his options, if later, such MEMBER shall be required to make an election. Should the MEMBER not so elect, he shall be deemed to have elected the benefit in terms of Rule 5. For the purposes of the RULES as they applied on 31 December 1999, the following scale shall apply:

**Exact Age at Retirement Pension per year of Pensionable Service for the Financial Year ending 31 December:**

	<b>1999</b>	<b>2000</b>	<b>2001 and thereafter</b>
60	R662.00	R700.00	R735.00
61	R699.00	R740.00	R777.00
62	R747.00	R790.00	R830.00
63	R803.00	R850.00	R892.00
64	R869.00	R920.00	R966.00
65 and over	R945.00	R1000.00	R1050.00

If the age of retirement is not an exact number of years, allowance shall be made by interpolation for completed months of age.

2. The scale in Provision 1 shall be adjusted by the Trustees from time to time, based on the advice of the Actuary.
3. A Deferred Beneficiary who became a Deferred Beneficiary prior to 1 January 2000 shall be deemed to have elected to retire in terms of the Rules as they applied prior to 31 December 1999.
4. In the event that the Rules as they applied on 31 December 1999 are at variance with any change in legislation which takes place after 1 January 2000, such change shall override the provisions of the Rules as they applied prior to 31 December 1999.
5. The Finance Committee shall contribute to the Fund such amounts as are agreed upon from time to time between the Church and the Trustees. Such amounts shall not be less than the amounts determined by the Actuary to be necessary to ensure that the Registrar's requirements with regard to the financial soundness of pension funds are met.

## APPENDIX 2

1. The following level of death benefit cover shall apply if an Employer contributes at the rate set out in Rule 4.2.1(a):

<b>Age of Member at date of death</b>	<b>Amount of benefit</b>
Up to age 30	R120 000
Age 31 to 40	R100 000
Age 41 to 50	R70 000
Age 51 to 60	R40 000
Age 61 and above	R20 000

2. The following level of death benefit cover shall apply if an Employer contributes at the rate set out in Rule 4.2.1(b):

<b>Age of Member at date of death</b>	<b>Amount of benefit</b>
Up to age 30	R80 000
Age 31 to 40	R66 667
Age 41 to 50	R46 667
Age 51 to 60	R26 667
Age 61 and above	R13 333