

## **RHODES UNIVERSITY PENSION FUND**

### **Amendment No. 9**

The Trustees of the Rhodes University Pension Fund resolved at Grahamstown on 1 April 2020 that the Rules of the Rhodes University Pension Fund shall be amended as follows:

#### **A. Erratum**

With effect from 1 January 1995, for the reason set out below:

*To correctly reflect the early retirement provisions applicable to Members who transferred from the Previous Fund with effect from that date, by replacing Rule 3.2(1) with the following:*

- 3.2 (1) If a Member retires from Service after having attained the age of 55 years, or is dismissed from Service after attainment of such age and the Employer regards such dismissal as early retirement, such Member shall receive a Pension vesting on the first day of the following month and calculated in accordance with Rule 3.1(1) but based upon his Pensionable Service and Final Average Salary at the actual date of such early retirement, reduced by 0,25 per cent for each full month between the date of the Member's retirement or dismissal and his Normal Retirement Date, subject to Rule 8.12; provided that the reduction factor shall not apply to the Pension payable to a Member retiring in terms of this Rule, who had transferred to the Fund from the Previous Fund on 1 January 1995, with effect from the end of the calendar year in which such Member reaches age 60 years.

#### **B. With effect from 1 April 2007, for the reason set out below:**

*To reflect the current practice with regard to the election of Member-elected Trustees, by replacing Rule 9.1(1) with the following:*

- 9.1 (1) The management, control and administration of the Fund vest in a Board of Trustees consisting of ten persons, five of whom shall be appointed by the Main Employer and five of whom shall be elected by the Members.**

**Of the five Member-elected Trustees, a minimum of one must be a Pensioner who is a retired Member of the Fund.**

**The procedure for all elections of Member-elected Trustees shall be as follows:**

- (a) the Members shall be asked to nominate candidates for election as Member-elected Trustees; provided that:
  - (i) the candidates so nominated must be either an active Member of the Fund or a Pensioner who is a retired Member of the Fund; and**
  - (ii) at least one nominee must be a Pensioner who is a retired Member of the Fund;****
- (b) each nominee must accept his nomination in writing;**
- (c) if the number of nominations exceeds the number of vacancies, voting shall take place by ballot;**
- (d) subject to the requirement above that at least one of the Member-elected Trustees must be a Pensioner who is a retired Member of the Fund, the Member-elected Trustees shall be those nominees who receive**

the highest number of votes per vacancy in the election and the alternate for the Member-elected Trustees shall be the nominee who receive the next highest number of votes;

- (e) if the number of nominations equals the number of vacancies, no voting shall take place and the candidates so nominated shall be the Member-elected Trustees;
- (f) if the number of nominations is less than the number of vacancies, further nominations must be called for until the vacancies are filled.

**C. With effect from 1 September 2008, for the reason set out below:**

*To clarify that Members who have reached the age of 55 years shall be entitled to withdraw from the Fund and receive a benefit in terms of Rule 6.1, by replacing the first paragraph of Rule 6.1 with the following:*

**6.1** If a Member, who is not retiring, leaves Service prior to his Normal Retirement Date an amount equal to the Member's Accumulated Contributions shall be paid to him;

**D. With effect from 31 December 2009, for the reason set out below:**

*To make provision for a contingency reserve which has been reflected in the valuation reports of the Fund since 31 December 2009 to be set out in the Rules of the Fund, by adding Rule 9.8(4) to Rule 9.8:*

**9.8 (4) (a)** The Fund shall maintain a Solvency Reserve which shall be equal to the amount required on the advice of the Actuary to stabilise the funding level to a level considered prudent by the Actuary.

(b) The amount in the Solvency Reserve shall be credited or debited with such amounts as may be recommended by the Actuary from time to time and agreed to by the Trustees.

(c) The balance maintained in the Solvency Reserve shall be limited to what is affordable, having regard to the financial position of the Fund.

E. With effect from 1 June 2010, for the reasons set out below:

- (1) *To change the address of the registered office of the Fund;*
- (2) *To remove the provision in the Rules allowing unclaimed benefits to revert to the Fund and to allow any such benefits to be transferred to a national fund for unclaimed benefits or a fund established by an administrator for such purpose;*
- (3) *To allow reasonable tracing and administration costs to be taken into consideration in the calculation of an unclaimed benefit;*

by:

- (i) *replacing Rule 1.4 with the following:*

#### **REGISTERED OFFICE**

1.4 The registered office of the Fund is at 256 Cape Road, Newton Park, Port Elizabeth.

- (ii) *replacing Rule 8.6 with the following:*

### **UNCLAIMED MONEYS**

**8.6 (1) The Trustees shall ensure that a separate record is maintained in respect of benefits due under the Fund which have not been claimed. Subject to the provisions of the Act any such benefit shall be dealt with in the manner set out below:**

**(a) if a potential Beneficiary approaches the Fund at any stage the Trustees shall consider his claim and if the circumstances so warrant, shall pay to the Beneficiary that part of the benefit, increased or decreased with fund return, that as at the date of payment to the Beneficiary is in excess of any costs incurred by the Fund in the administration of such benefit and any amount referred to in Rule 8.6(2);**

**or**

**(b) if so decided by the Trustees, that part of the benefit, increased or decreased with fund return, that as at the date of transfer in terms of this Rule is in excess of any costs incurred by the Fund in the administration of such benefit and any amount referred to in Rule 8.6(2) may be transferred to a national fund established by legislation for the purpose of housing unclaimed benefits, or to a fund established by an administrator for the same**

purpose.

- (2) If any costs are incurred as a consequence of the Trustees tracing any potential Beneficiaries whose benefits due under the Fund are unclaimed, such reasonable costs may be taken into account in the calculation of the benefits payable to such Beneficiaries.

F. With effect from 1 June 2014, for the reasons set out below:

- (1) *To provide that since participation in the Fund is not limited to a principal employer and its subsidiaries, the Fund shall be regarded as a 'Type B' umbrella fund; provided that:*
  - (a) *since the benefit structure is the same for the employees of all participating Employers, the Fund shall not operate in terms of special rules applicable to individual participating Employers; and*
  - (b) *the Fund does not wish to deprive Members of their democratic right to elect Trustees and shall not apply to the Registrar for an exemption in terms of Section 7B(1)(b)(i) of the Act from the provisions of Section 7A of the Act;*
- (2) *To remove the provision that benefits are paid by cheque as a matter of course and to provide for payment of benefits by electronic transfer into the bank account of a Beneficiary, or into the bank account of a third party in certain circumstances;*

by:

(i) *replacing Rule 1.1 with the following:*

**NAME**

- 1.1 (1) The Rhodes University Pension Fund (hereinafter referred to as "the Fund") was established with effect from 1 January 1995 (hereinafter referred to as the "Commencement Date"). These Rules are the Rules of the Fund which are effective from the Commencement Date.
- (2) With effect from 1 June 2014, the Fund shall operate as an umbrella fund; provided that:
- (a) as the contribution rates and the benefits set out in the Rules apply without variation to all the participating Employers, the Fund does not operate in accordance with special rules applicable to each Employer; and
- (b) the Fund shall not apply to the Registrar for an exemption in terms of Section 7B(1)(b)(i) of the Act from the provisions of Section 7A of the Act.

(ii) *replacing Rule 8.1(6) with the following;*

- 8.1 (6) (a) Payment of each benefit in terms of these Rules shall be made to the person entitled thereto by means of electronic transfer into the bank account of such person to a bank

registered in terms of the Banks Act, 1990, as amended.

(b) At the request of the Beneficiary, payment may be made in some other manner agreed upon by the Beneficiary and the Trustees, including:

(i) payment at the registered office of the Fund; or

(ii) postage by registered mail or by such other means as agreed to by the Trustees; or

(iii) payment into the account of another person if the Beneficiary provides sufficient proof to the Trustees that he is unable to open a bank account;

(c) Payment in terms of (a) or (b) shall constitute full and final settlement of all claims to the benefit against the Fund and neither the Fund, the Trustees nor the persons responsible for the administration of the Fund shall have any further liability for the benefit to any person.

G. With effect from 1 March 2019, for the reasons set out below:

(1) *To revise the definitions of Approved Pension Fund, Approved Provident Fund, Preservation Pension Fund and Preservation Provident Fund since funds previously recognised as preservation*

*funds have been defined in the Income Tax Act, 1962;*

- (2) *To promote preservation of retirement benefits by providing for in-fund preservation on a defined contribution basis as the default on leaving Service before retirement but to allow a Member to elect to transfer the benefit to another arrangement for retirement funding, or to receive payment of the benefit as a lump sum, or to become a Deferred Pensioner;*
- (3) *To clarify the manner in which a withdrawal benefit is paid where a Member dies after an election or instruction is made as to how the benefit is paid but before payment of his benefit has been made;*

*by:*

- (i) *replacing the definition 'Approved Pension Fund' in Rule 1.5 with the following:*

**APPROVED PENSION FUND** : a pension fund approved as such by the Commissioner for the purposes of these Rules;

- (ii) *adding the definition 'Approved Pension Preservation Fund' to Rule 1.5 as follows:*

**APPROVED PENSION PRESERVATION FUND** : a pension preservation fund approved as such by the Commissioner for the purposes of these Rules;

- (iii) *replacing the definition 'Approved Provident Fund' in Rule 1.5 with the following:*

**APPROVED PROVIDENT FUND** : a provident fund approved as such by the Commissioner for the purposes of these Rules;

- (iv) *adding the definition 'Approved Provident Preservation Fund' to Rule 1.5 as follows:*

**APPROVED PROVIDENT PRESERVATION FUND** : a provident preservation fund approved as such by the Commissioner for the purposes of these Rules;

- (v) *replacing the definition 'Deferred Pensioner' in Rule 1.5 with the following:*

**DEFERRED PENSIONER** : a Member who has elected a Deferred Pension in terms of Rule 6.2, the payment of which Deferred Pension has not yet commenced;

- (vi) *deleting the definitions 'Preservation Pension Fund' and 'Preservation Provident Fund' in Rule 1.5;*

- (vii) *replacing each reference to 'Preservation Pension Fund' in the Rules with a reference to 'Approved Pension Preservation Fund';*

- (viii) *replacing each reference to 'Preservation Provident Fund' in the Rules with a reference to 'Approved Provident Preservation Fund';*

- (ix) *adding the definition 'Preserved Member' to Rule 1.5 as follows:*

**PRESERVED MEMBER** : a Member, other than a Deferred Pensioner, whose benefit on leaving Service in terms of Rule 6 has been preserved in the Fund and whose benefit has not yet become payable

in terms of the Rules;

(x) *replacing Rule 6.1 with the following:*

### **WITHDRAWAL BENEFIT**

6.1 (1) 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

(a) his Accumulated Contributions;

plus

(b) an additional amount, equal to a percentage of his Accumulated Contributions, such percentage being calculated in accordance with the following formula:

$$S \times 100/120$$

where:

S = total number of completed months of membership of the Fund, subject to a maximum of 120;

plus

(c) if applicable, his Transfer Value;

provided that the benefit payable in terms of this Rule to a Member who due to a reduction in or a reorganisation of staff, is dismissed by the Employer, shall not be less than his actuarial reserve in the Fund as determined by the Actuary.

- (2) If a Member who has completed at least five years of Service does not elect to receive his benefit as a lump sum in terms of Rule 6.3(1)(a), then in addition to the benefit referred to in Rule 6.1(1), he shall be entitled to an additional amount in respect of each completed month of Service in excess of 60 months, equal to a percentage of the difference between the benefit calculated in terms of Rule 6.1(1) and his actuarial reserve in the Fund, as determined by the Actuary, such percentage being calculated in accordance with the following formula:

$$S \times 100/120$$

where:

S = total number of completed months of Service in excess of 60 months, subject to a maximum of 120.

(xi) *replacing Rule 6.2(1) with the following:*

- 6.2 (1) Notwithstanding any other provisions of this Rule 6, each Member to whom Rule 6.1 applies shall have the option to elect in writing to the Trustees within 31 days of leaving Service to become a Deferred Pensioner

and to receive, instead of the benefit referred to in Rule 6.1, a Deferred Pension payable from his Normal Retirement Date.

(xii) *replacing Rule 6.3 with the following:*

### **PRESERVATION AND PAYMENT OF BENEFIT**

6.3 (1) The benefit in terms of Rule 6.1 shall be preserved in the Fund in accordance with the provisions of Rule 6.4, unless upon leaving Service the Member elects that the benefit be:

- (a) paid to him as a lump sum; or
- (b) transferred to another Approved Pension Fund, an Approved Pension Preservation Fund, an Approved Provident Fund or an Approved Retirement Annuity Fund;

provided that:

- (i) in the case of transfer to an Approved Provident Fund, the amount so transferred shall be less any tax payable thereon;
- (ii) transfer to an Approved Pension Preservation Fund is subject to the requirements of the Commissioner as specified from time to time; and
- (iii) if a Member elects option (a) or (b) above, then subject to the provisions of Rule 8.5(3), the benefit shall be paid to him or transferred to another fund as soon as possible after the

date of his leaving Service.

- (2) A Member who leaves Service in terms of this Rule and who does not elect either option (a) or (b) in Rule 6.3(1), shall become a Preserved Member and the provisions of Rule 6.4 shall apply to such Member.
- (3) If a Member who leaves Service in terms of this Rule dies after electing to receive payment of his benefit but before payment of his benefit has been made, the benefit shall be paid to his estate as a lump sum.

*(xiii) adding the following Rule 6.4 to Rule 6:*

#### **PROVISIONS APPLICABLE TO A PRESERVED MEMBER**

**6.4** The following provisions shall apply to a Preserved Member:

- (a) after the date of leaving Service no further contributions shall be made by or in respect of the Preserved Member terms of Rule 7 and no deductions shall be made from the benefit referred to in (b) below in respect of any risk benefits;
- (b) the Preserved Member's benefit in terms of Rule 6.1 at the date of leaving Service shall be retained in the Fund and shall be debited with such reasonable expenses as the Trustees may determine and increased or decreased by fund return until it becomes payable in terms of (d) below;
- (c) the Preserved Member shall not be entitled to any benefits from the Fund other than the benefit referred

to in (b) above;

(d) the benefit referred to in (b) above shall become payable as contemplated in paragraph 4 of the Second Schedule to the Income Tax Act, 1962:

(i) on the Preserved Member electing to retire from the Fund on or after he has attained normal retirement age as defined in Section 1 of the Income Tax Act, 1962, in which case the following provisions shall apply:

(aa) the Preserved Member shall become entitled to a Pension of such amount as can be purchased by the benefit referred to in (b) above, after the exercise of any option in terms of Rule 3.4(1);

(bb) such Pension shall be purchased as an annuity or annuities in the Preserved Member's name from an Insurer of his choice;

(cc) the terms and conditions applicable to such annuity or annuities, including options elected by the Preserved Member and the determination of any benefits arising on his death, shall be agreed between the Preserved Member and the Insurer and shall be set out in writing by the Insurer;

(dd) the annuity or annuities so purchased shall be subject to the provisions of the Income Tax Act, 1962, the Long-term Insurance Act, 1998 and any requirements specified by the Commissioner from time to time;

(ee) on purchase of the annuity or annuities in terms of this Rule, the Fund shall have no further liability in respect of the Preserved Member, such liability resting with the Insurer from whom such annuity or annuities are purchased;

or

(ii) on the death of the Preserved Member to his Beneficiaries in terms of Section 37C of the Act;

or

(iii) on the Preserved Member electing prior to attainment of his Normal Retirement Date that the benefit be:

(aa) paid to him as a lump sum; or

(bb) transferred to another Approved Pension Fund or an Approved

Provident Fund; provided that in the case of transfer to an Approved Provident Fund, the amount so transferred shall be less any tax payable thereon;

or

- (iv) on the Preserved Member electing that the benefit be transferred to an Approved Retirement Annuity Fund or an Approved Pension Preservation Fund; provided that transfer to an Approved Pension Preservation Fund is subject to the requirements of the Commissioner as specified from time to time;

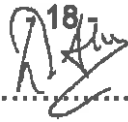
whichever event in (i), (ii), (iii) or (iv) above occurs first;

- (e) each Preserved Member shall have access to retirement benefits counselling before the benefit referred to in (b) above is paid to such Member in terms of (d)(i) or (d)(iii)(aa) above or transferred to another fund in terms of (d)(iii)(bb) or (d)(iv) above.

**Certified that the above resolution has been adopted In accordance with the provisions of the Rules of the Fund.**




.....  
**Chairman of Trustees**



.....  
**Trustee**



.....  
**Principal Officer**

**REGISTERED** in terms of  
Pension Funds Act, No. 24 of 1956  
**12 NOV 2020**  
  
.....  
**FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY**

**Certified that the above amendments are financially sound.**

Gary Veitch

**Actuary to the Fund**



Signature

BBusSc FFA FASSA

**Qualifications**