



APPLICABLE TO ALL MEMBERS

....AS AT OCTOBER 2020

RULES ARE NECESSARY...

The rules set out the nature and extent of benefits which members (and their beneficiaries) are entitled to as well as details of the operations of the fund. Rules are binding on the fund, its members, shareholders and officers, as well as anyone who claims from the Fund.

AMENDMENTS...

All amendments to the Fund's rules must be approved by the Financial Sector Conduct Authority ("FSCA") before they can be acted upon. Amendments have to be submitted to the FSCA for approval within 60 days of any resolution to change the rules. If the amendment affects the financial condition of the fund, it must be accompanied by a certificate by an actuary certifying the financial soundness of the change. The FSCA will not approve rule amendments which are inconsistent with the Pension Funds Act and which are not financially sound. Approved amendments take effect from the date of approval by the FSCA unless otherwise specified.

During 2020, the following rule amendments were submitted to the Financial Sector Conduct Authority for registration and approval:

A. Pension Section

1. Rule amendment #2, which provides for the following, was registered on 6 May 2020.

To make special provision in the Rules for the effect of the Regulations on certain Employers who, due to circumstances beyond their control, are unable to continue with the normal operation of their business and therefore may not be in a position to continue to contribute the contributions which are required in terms of these Rules to be applied towards retirement funding, until such time after the Regulations cease to apply and they are able to resume business activities as normal.

2. Rule amendment #3, which provides for the following, was registered on 20 July 2020.

1. *To increase the amount contributed towards retirement funding by:*
 - i. *making the contribution rate of 10 per cent unavailable to Members who join the Fund on and after 1 March 2020 and to existing Members in respect of whom the Employer currently contributes at a higher rate of Pensionable Salary; and*
 - ii. *providing that a Member in respect of whom the Employer currently contributes at 10 per cent of Pensionable Salary who elects that the Employer shall contribute at a higher rate of Pensionable Salary may not revert to the contribution rate of 10 per cent of Pensionable Salary;*
2. *To remove the requirement that the Employer needs to consult with the Trustees before making a decision to retire a Member on the grounds of ill-health, since early retirement is an employment issue.*

3. Rule amendment #4, which provides for the following, registration is outstanding.

To extend the period in which an Employer may reduce contributions as envisaged in FSCA Communication 11 of 2020, since due to the effect of the continued implementation of the Regulations to the Disaster Management Act, 2002, many Employers are still suffering economic hardship and are unable to continue with the normal operation of their business and therefore may not be in a position to continue to contribute the contributions which are required in terms of these Rules to be applied towards retirement funding.

B. Provident Section

1. Rule amendment #2, which provides for the following, was registered on 6 May 2020.

To make special provision in the Rules for the effect of the Regulations on certain Employers who, due to circumstances beyond their control, are unable to continue with the normal operation of their business and therefore may not be in a position to continue to contribute the contributions which are required in terms of these Rules to be applied towards retirement funding, until such time after the Regulations cease to apply and they are able to resume business activities as normal.

2. Rule amendment #3, which provides for the following, was registered on 11 July 2020.

1. *To increase the amount contributed towards retirement funding by:*
 - i. *making the contribution rate of 10 per cent unavailable to Members who join the Fund on and after 1 March 2020 and to existing Members in respect of whom the Employer currently contributes at a higher rate of Pensionable Salary; and*
 - ii. *providing that a Member in respect of whom the Employer currently contributes at 10 per cent of Pensionable Salary who elects that the Employer shall contribute at a higher rate of Pensionable Salary may not revert to the contribution rate of 10 per cent of Pensionable Salary;*
2. *To remove the requirement that the Employer needs to consult with the Trustees before making a decision to retire a Member on the grounds of ill-health, since early retirement is an employment issue.*

3. Rule amendment #4, which provides for the following, was registered on 23 September 2020.

To provide for a new category of membership, to be known as the Ford NBC category of membership, who are to be admitted to the fund as a result of a transfer in terms of Section 197 of the Labour Relations Act, Act 66 of 1995 and to provide for the variations in contributions and benefit structure which apply to these Members, by adding Appendix 2 to the Rules.

4. Rule amendment #5, which provides for the following, registration is outstanding.

To extend the period in which an Employer may reduce contributions as envisaged in FSCA Communication 11 of 2020, since due to the effect of the continued implementation of the Regulations to the Disaster Management Act, 2002, many Employers are still suffering economic hardship and are unable to continue with the normal operation of their business and therefore may not be in a position to continue to contribute the contributions which are required in terms of these Rules to be applied towards retirement funding.

CONTACT DETAILS

The following Fund representatives are available to you should you have any questions regarding the contents of this communication:

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