

NATIONAL TERTIARY RETIREMENT FUND

Amendment no. 2

Extract of the minutes of a meeting of the Board of Trustees of the National Tertiary Retirement Fund (“the Fund”) held at OR Tambo Airport, Johannesburg on 20 June 2024.

It is resolved that the Rules of the Fund be amended with effect from 1 September 2024 as follows:

1. By the amendment of Rule 1.2 as follows:

1.2 OBJECT OF THE FUND

1.2.1 The main object of the FUND is to provide:

1.2.1.1 benefits to MEMBERS when they retire, whether they have reached their NORMAL RETIREMENT DATES or have retired early due to ill health, disability or otherwise;

1.2.1.2 benefits for the BENEFICIARIES of MEMBERS who have died;

1.2.1.3 benefits to MEMBERS whose employment by EMPLOYERS terminates before their retirement; and

1.2.1.4 savings withdrawal benefits as provided for in terms of these Rules.

2. By the amendment of the definition of “PENSIONABLE SERVICE” as follows:

2.2.69 “PENSIONABLE SERVICE” means, for a MEMBER, and subject to these RULES, the sum of:

- 2.2.69.1 in respect of MEMBERS that transferred from a PREVIOUS FUND, the period of SERVICE recognised as pensionable at the COMMENCEMENT DATE; and
- 2.2.69.2 any period made pensionable in terms of Rule 4.9.3; and
- 2.2.69.3 any continuous period of SERVICE for which CONTRIBUTIONS are paid to the FUND in terms of these RULES,

provided that, for the purposes of calculating benefits payable under these RULES, including any benefit payable in terms of Rule 9.5:

- 2.2.69.4 any period of SERVICE or APPROVED ABSENCE FROM WORK or UNAPPROVED ABSENCE FROM WORK without payment of CONTRIBUTIONS shall be excluded; and
- 2.2.69.5 PENSIONABLE SERVICE may be reduced accordingly, where partial CONTRIBUTIONS are paid to the FUND during any period of APPROVED ABSENCE FROM WORK or UNAPPROVED ABSENCE FROM WORK; and
- 2.2.69.6 PENSIONABLE SERVICE may be adjusted for any REDUCTION provided for in these Rules; and
- 2.2.69.7 PENSIONABLE SERVICE will be calculated in years and months and a fraction of a month will be regarded as a month provided the FUND is in receipt of the full CONTRIBUTIONS for that period;

3. By the insertion of the following definitions:

- 2.2.75A "REDUCTION" refers to an adjustment that will apply in respect of a FIXED RISK MEMBER or a MEMBER entitled to the CONDITIONAL RETIREMENT BENEFIT if the balance in his or her Main Account is reduced on account of a payment of a savings withdrawal benefit to the MEMBER or to his or her SPOUSE on divorce as provided for in these Rules, in order to make the payment financially neutral to the FUND, as follows:

- (a) In respect of a FIXED RISK MEMBER, the 60% (sixty percent) referred to in Rule 7.1.2.1.6.1, the 40% (forty percent) referred to in Rule 8.1.4.1.1 or the 10% (ten percent) and 30% (thirty percent) referred to in Rule 8.1.4.1.2, as applicable, shall be reduced by such percentage as determined by the VALUATOR; and
- (b) In respect of a MEMBER entitled to the CONDITIONAL RETIREMENT BENEFIT, the MEMBER'S PENSIONABLE SERVICE will be reduced by such period as determined by the VALUATOR.

2.2.77A "RETIREMENT COMPONENT" means the RETIREMENT COMPONENT or RETIREMENT COMPONENTS that form part of the MEMBER SHARE ACCOUNT of an ACTIVE MEMBER, PAID-UP MEMBER and DEFERRED PENSIONER in terms of Rule 13.2.

2.2.80A "SAVINGS COMPONENT" means the SAVINGS COMPONENT or SAVINGS COMPONENTS that form part of the MEMBER SHARE ACCOUNT of an ACTIVE MEMBER, PAID-UP MEMBER and DEFERRED PENSIONER in terms of Rule 13.2.

2.2.91A "VESTED COMPONENT" means the VESTED COMPONENT or VESTED COMPONENTS that form part of the MEMBER SHARE ACCOUNT of an ACTIVE MEMBER, PAID-UP MEMBER and DEFERRED PENSIONER in terms of Rule 13.2.

4. By the replacement of Rule 4.1.1 to Rule 4.1.3 as follows:

4.1.1 Each ACTIVE MEMBER (other than an ACTIVE MEMBER who is on APPROVED ABSENCE FROM WORK where less than his or her full CONTRIBUTIONS are paid or no CONTRIBUTIONS are paid and other than a CATEGORY C MEMBER and a CATEGORY D MEMBER), must contribute to the FUND at a rate of 8% (eight percent) of his or her PENSIONABLE EARNINGS each month. Such CONTRIBUTION will be credited to the Main Account of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.1.1 and Rule 13.2.2.1.

4.1.2 A CATEGORY A MEMBER must make an additional CONTRIBUTION to the FUND of 1.5% (one and a half percent) of his or her PENSIONABLE EARNINGS each month. Such CONTRIBUTION will be credited to his or her Supplementary Account 1 in terms of Rule 13.2.4.1 and Rule 13.2.5.1.

4.1.3 A CATEGORY B MEMBER must make an additional CONTRIBUTION to the FUND of 3.5% (three and a half percent) of his or her PENSIONABLE EARNINGS each month. Such CONTRIBUTION will be credited to his or her Supplementary Account 1 in terms of Rule 13.2.4.1 and Rule 13.2.5.1.

5. By the replacement of Rule 4.1.6 as follows:

4.1.6 An ACTIVE MEMBER other than a CATEGORY C MEMBER may, subject to the consent of his or her EMPLOYER, make additional voluntary CONTRIBUTIONS to the FUND for the purpose of accumulating an additional retirement benefit. It is provided that such CONTRIBUTIONS will be credited to Supplementary Account 1 in terms of Rule 13.2.4.2 and Rule 13.2.5.2 and that the MEMBER shall not accrue any additional PENSIONABLE SERVICE as a consequence of such CONTRIBUTIONS.

6. By the replacement of Rule 4.2.1.4 as follows:

4.2.1.4 The remaining balance must be credited to the Supplementary Account 1 of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.4.4 and Rule 13.2.5.4,

provided that any change to the share of costs as referred to in Rule 4.2.1.2 and/or Rule 4.2.1.3 will take effect from the first DAY of the month following the date on which the BOARD makes its determination.

7. By the replacement of Rule 4.3.2 as follows:

4.3.2 In respect of each FLEXIBLE RISK MEMBER contemplated in Rule 4.3.1, excluding a CATEGORY D MEMBER, a portion of such CONTRIBUTION comprising 11% (eleven percent) of PENSIONABLE EARNINGS will be allocated to the Main Account of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.1.2 and Rule 13.2.2.2.

8. By the replacement of Rule 4.3.3.3 as follows:

4.3.3.3 The balance of the CONTRIBUTION remaining after the deductions in terms of Rules 4.3.3.1 and 4.3.3.2 have been effected, must be credited to Supplementary Account 1 of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.4.3 and Rule 13.2.5.3.

provided that any change to the share of costs as referred to in Rule 4.3.3.2 will take effect from the first DAY of the month following the date on which the BOARD makes its determination.

9. By the replacement of Rule 4.3.4 as follows:

4.3.4 In respect of a CATEGORY D MEMBER, a portion of such CONTRIBUTION comprising 13% (thirteen percent) of PENSIONABLE EARNINGS will be allocated to the Main Account of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.1.2 and Rule 13.2.2.2.

10. By the replacement of Rule 4.3.5.2 as follows:

4.3.5.2 Each EMPLOYER shall be entitled to elect that all employees who are MEMBERS of the FUND shall no longer be covered for risk benefits provided by the FUND, by delivery of a written notification to the FUND. Where such an election is made, then such CATEGORY D MEMBER shall be treated as an ALTERNATIVE RISK MEMBER contemplated in Rule 4.4, in respect of which a portion of the CONTRIBUTION comprising 2% (two percent) of

PENSIONABLE EARNINGS will be allocated to the Supplementary Account 1 of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.4.3 and Rule 13.2.5.3.

11. By the replacement of Rule 4.3.8.3 as follows:

4.3.8.3 The balance remaining after the deductions in terms of Rule 4.3.8.1 and Rule 4.3.8.2 must be allocated to the Main Account of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.1.3 and Rule 13.2.2.3;

12. By the replacement of Rule 4.4.2.1 and Rule 4.4.2.2 as follows:

4.4.2.1 A portion of such CONTRIBUTION comprising 11% (eleven percent) of PENSIONABLE EARNINGS will be allocated to the Main Account of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.1.2 and Rule 13.2.2.2.

4.4.2.2 A portion of such CONTRIBUTION comprising 4% (four percent) of PENSIONABLE EARNINGS will be allocated to the Supplementary Account 1 of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.4.3 and Rule 13.2.5.3.

13. By the replacement of Rule 4.4.2.4 as follows:

4.4.2.4 The balance of the CONTRIBUTION remaining after the deductions in terms of Rules 4.4.2.1 to 4.4.2.3 have been effected, must be credited to Supplementary Account 1 of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.4.3 and Rule 13.2.5.3.

provided that any change to the share of costs as referred to in rule 4.3.3.2 will take effect from the first day of the month following the date on which the board makes its determination.

14. By the replacement of Rule 4.5.1 to Rule 4.5.3 as follows:

- 4.5.1 The EMPLOYER may elect to make additional CONTRIBUTIONS to the FUND to fund the CONDITIONAL RETIREMENT BENEFIT contemplated by Rule 9.5.2.3 or Rule 9.5.3.3 in respect of a MEMBER. Unless the provisions of Rule 9.5.3.5 apply (as contemplated by Rule 4.5.4), should the EMPLOYER make such a CONTRIBUTION, then each such CONTRIBUTION will be credited to Supplementary Account 1 of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.4.11 and Rule 13.2.5.11.
- 4.5.2 Where a MEMBER elects to receive an enhancement to his or her MEMBER SHARE and to waive the right to receive the CONDITIONAL RETIREMENT BENEFIT as contemplated by Rule 9.6, then the EMPLOYER may elect to make the additional CONTRIBUTIONS required to fund such enhancement, as contemplated by Rule 9.6.2. Where such additional CONTRIBUTIONS are made by the EMPLOYER, such CONTRIBUTIONS shall be credited to Supplementary Account 1 of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.4.12 and Rule 13.2.5.12.
- 4.5.3 The EMPLOYER shall make the additional CONTRIBUTIONS required in terms of Rule 9.7 where the EMPLOYER elects to pre-fund the CONDITIONAL RETIREMENT BENEFIT as contemplated by Rule 9.7. Such CONTRIBUTIONS shall be credited to Supplementary Account 2 of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.7.1 and Rule 13.2.8.1.

15. By the replacement of Rule 4.5.5 and Rule 4.5.6 as follows:

4.5.5 The EMPLOYER shall make an additional CONTRIBUTION to compensate a MEMBER whose employment conditions with regard to post-retirement medical aid contributions are changed on such basis as agreed between the MEMBER and his or her EMPLOYER. Such CONTRIBUTIONS shall be credited to Supplementary Account 1 of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.4.5 and Rule 13.2.5.5.

4.5.6 The EMPLOYER may make additional CONTRIBUTIONS to fund the cost of any greater benefits provided for in terms of Rule 10.14. Such CONTRIBUTIONS shall be credited to Supplementary Account 1 of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.4.10 and Rule 13.2.5.10.

16. By the replacement of Rule 6.1.2, Rule 6.1.2.1 and Rule 6.1.2.2 as follows:

6.1.2 Subject to the provisions of the INCOME TAX ACT, the PAID-UP MEMBER may, subject to his or her applicable conditions of employment, make a choice in writing as to whether:

6.1.2.1 the FUND must pay the whole or part of his or her MEMBER SHARE to him or her in cash, subject to Rule 6.1.6, provided that where the PAID-UP MEMBER chooses to have only part of his or her MEMBER SHARE paid out to him or her in cash, the remaining part of such MEMBER SHARE must be transferred to an APPROVED FUND in accordance with Rule 6.1.2.2; or

6.1.2.2 the FUND must pay the whole or part of his or her MEMBER SHARE to an APPROVED FUND for his or her benefit, provided that a PAID-UP MEMBER who makes such an election may not preserve his or her benefit in terms of Rule 6.2 and further provided that where the PAID-UP MEMBER chooses to have only part of his or her MEMBER SHARE transferred to an APPROVED FUND for his or her benefit, the remaining portion of his or her MEMBER SHARE must be paid in cash, subject to Rule 6.1.6; or

17. By the insertion of Rule 6.1.6 as follows:

- 6.1.6 A PAID-UP MEMBER shall not be entitled to receive any portion of his or her benefit that forms part of his or her RETIREMENT COMPONENT in cash. Where a PAID-UP MEMBER elects to receive any portion of his or her benefit that forms part of his or her SAVINGS COMPONENT and/or VESTED COMPONENT in cash, his or her RETIREMENT COMPONENT together with any balance of his or her SAVINGS COMPONENT and/or VESTED COMPONENT must be transferred to another APPROVED FUND in terms of Rule 6.1.2.1 or Rule 6.1.2.2 as applicable.

18. By the replacement of Rule 6.2.2 as follows:

- 6.2.2 Subject to the provisions of the INCOME TAX ACT, a PAID-UP MEMBER may at any time before attaining the age of 65 (sixty five), elect that his or her MEMBER SHARE (as calculated in terms of Rule 6.2.1) be paid in cash or be transferred to another APPROVED FUND, subject to Rule 6.1.6 and Rule 13.2.25.

19. By the insertion of Rule 6.3 and Rule 6.4 as follows:

6.3 SAVINGS WITHDRAWAL BENEFIT

- 6.3.1 An ACTIVE MEMBER, PAID-UP MEMBER or DEFERRED PENSIONER may at any time request a savings withdrawal benefit of the full amount, or a portion thereof, of any amounts in a SAVINGS COMPONENT of that ACTIVE MEMBER, PAID-UP MEMBER or DEFERRED PENSIONER, provided that:
- 6.3.1.1 The minimum amount that may be taken as a savings withdrawal benefit is R2000 or such other amount as prescribed in terms of the INCOME TAX ACT before taking into account any charges or transaction costs; and

- 6.3.1.2 Only 1 (one) savings withdrawal benefit may be made during a tax year, unless an ACTIVE MEMBER subsequently leaves the SERVICE of an EMPLOYER during that tax year and the remaining value of his SAVINGS COMPONENTS is less than R2000 in total or such other amount as prescribed in terms of the INCOME TAX ACT, in which case the ACTIVE MEMBER shall be entitled to a second withdrawal of the balance of the SAVINGS COMPONENTS.
- 6.3.1.3 An ACTIVE MEMBER may elect whether the savings withdrawal benefit is to be deducted and paid from his or his SAVINGS COMPONENT in the Main Account, Supplementary Account 1 or Supplementary Account 2 or a combination thereof.
- 6.3.1.4 A savings withdrawal benefit by a FIXED RISK MEMBER or a MEMBER entitled to the CONDITIONAL RISK BENEFIT must first be funded from the SAVINGS COMPONENTS of the Supplementary Account 1 or Supplementary Account 2 of that MEMBER. Where a FIXED RISK MEMBER or a MEMBER that is entitled to the CONDITIONAL RETIREMENT BENEFIT takes a savings withdrawal benefit that results in a deduction from the SAVINGS COMPONENT in his or her Main Account, an equivalent amount shall automatically be transferred from the RETIREMENT COMPONENT in his or her Supplementary Account 1 or Supplementary Account 2 to the RETIREMENT COMPONENT in his or her Main Account, or from the VESTED COMPONENT in his or her Supplementary Account 1 or Supplementary Account 2 to the VESTED COMPONENT in his or her Main Account, as determined by the VALUATOR, in order to offset the deduction, unless otherwise directed by the MEMBER. Provided that in the event that the balance in the RETIREMENT COMPONENTS or the VESTED COMPONENTS of the Supplementary Account 1 or Supplementary Account 2 are insufficient to enable the offset, or where the MEMBER directs that the offset shall not take place, a REDUCTION will apply.

- 6.3.1.5 The payment of a savings withdrawal benefit in terms of this Rule may be refused in the event that the FUND is of the opinion that the payment of a savings withdrawal benefit will or may impact on the ability of the FUND to satisfy a deduction that the FUND is or may be required to make in terms of section 37D of the PFA and/or Rules 10.3 to Rule 10.10.

6.4 SPECIAL PROVISIONS APPLICABLE TO EMIGRATION

- 6.4.1 Where an ACTIVE MEMBER, PAID-UP MEMBER or DEFERRED PENSIONER has ceased to be a South African tax resident for an uninterrupted period of 3 (three) years or longer or has left South Africa at the end of a work visa or visitor's visa, as contemplated in the INCOME TAX ACT, then such individual shall be entitled to receive the full value of his or her MEMBER'S SHARE in cash as a withdrawal benefit notwithstanding the underlying component of such benefit or any other provisions of these Rules.

20. By the replacement of Rule 7.1.2, Rule 7.1.2.1, Rule 7.1.2.1.1, Rule 7.1.2.1.2 and Rule 7.1.2.1.3 as follows:

- 7.1.2 When a DISABILITY INCOME BENEFIT which was payable to the FIXED RISK MEMBER has ceased to be paid to him or her and he or she has not again become employed by an EMPLOYER within 12 (twelve) months from date of initial disablement and the INSURER has determined that the FIXED RISK MEMBER is DISABLED, in terms of the applicable disability policy in place with the INSURER, then the following FIXED RISK BENEFIT will apply, provided that the calculation of these benefits in terms of this Rule 7 will be reduced by any additional amounts deducted in terms of these RULES and the PFA and/or adjusted based on the proceeds actually received from the INSURER under the applicable risk policy and may be subject to a REDUCTION, if applicable:

7.1.2.1 at the written request of the FIXED RISK MEMBER, the following lump sum benefit may be paid:

7.1.2.1.1 to the extent applicable, the portion of the capital value of the VESTED COMPONENTS comprising the VESTED RIGHTS in respect of that FIXED RISK MEMBER; plus

7.1.2.1.2 up to one-third of the capital value of his or her VESTED COMPONENTS on disability (after having excluded any amount comprising the VESTED RIGHTS referred to in Rule 7.1.2.2.1 where applicable) and any amount in his or her SAVINGS COMPONENTS; or

7.1.2.1.3 if the amount of his or her MEMBER SHARE on disability (after having excluded the amount comprising the VESTED RIGHTS referred to in Rule 7.1.2.1.1 where applicable) is less than an amount prescribed in terms of the INCOME TAX ACT, the whole of that amount, provided that:

7.1.2.1.3.1 In respect of a FIXED RISK MEMBER entitled to a PENSION in terms of Rule 7.1.2.1.6.1, two-thirds of the difference between the capital value of that PENSION and the PENSION calculated in terms of Rule 7.1.2.1.6.2 shall be allocated to the RETIREMENT COMPONENT of the Main Account of that MEMBER and one-third of the difference between the capital value of that PENSION and the PENSION calculated in terms of Rule 7.1.2.1.6.2 shall be allocated to the SAVINGS COMPONENT of the Main Account of that MEMBER, in order to allow the amount allocated to the SAVINGS COMPONENT of the Main Account of that MEMBER to be commuted in terms of Rule 7.1.2.1.2, if so elected; and

7.1.2.1.3.2 In respect of a FIXED RISK MEMBER entitled to a PENSION in terms of Rule 7.1.2.1.7.1, two-thirds of the difference between the capital value of that PENSION and the PENSION calculated in terms of

Rule 7.1.2.1.7.2 shall be allocated to the RETIREMENT COMPONENT of the Main Account of that MEMBER and one-third of the difference between the capital value of that PENSION and the PENSION calculated in terms of Rule 7.1.2.1.7.2 shall be allocated to the SAVINGS COMPONENT of the Main Account of that MEMBER, in order to allow the amount allocated to the SAVINGS COMPONENT of the Main Account of that MEMBER to be commuted in terms of Rule 7.1.2.1.2, if so elected;

and, unless Rule 7.1.2.1.3 is applicable, the balance of the capital value of his or her PENSION on disability shall be applied to provide a PENSION from the FUND in which instance the following will apply:

21. By the replacement of Rule 7.1.2.1.6.1 as follows:

7.1.2.1.6.1 60% (sixty percent), subject to any REDUCTION if applicable, of his or her PENSIONABLE EARNINGS (after taking into account any TAX which was deducted from any CONTRIBUTIONS in respect of him or her); and

22. By the replacement of Rule 7.1.2.1.7.1(ii) as follows:

7.1.2.1.7.1 (ii) 60% (sixty percent), subject to any REDUCTION if applicable, of his or her PENSIONABLE EARNINGS (after taking into account any TAX which was deducted from any CONTRIBUTIONS in respect of him or her),

and

23. By the replacement of Rule 7.1.2.3 as follows:

- 7.1.2.3 If a FIXED RISK MEMBER who qualifies for a benefit in terms of this Rule 7.1.2 dies before electing whether or not to receive a lump sum as provided for in Rule 7.1.2.1, then the provisions of Rule 7.1.2.1 shall apply *mutatis mutandis* except that the FIXED RISK MEMBER'S SPOUSE will be deemed to stand in the place of the deceased FIXED RISK MEMBER and may accordingly make the election referred to in Rule 7.1.2.1. In these circumstances if there is more than one SPOUSE, the BOARD shall allocate the benefit payable between SPOUSES in a manner which is deemed equitable by the BOARD, in consultation with the VALUATOR, and the provisions of Rule 7.1.2.1 shall apply *mutatis mutandis* to each SPOUSE. If there is no SPOUSE then the provisions of Rule 8.2.1, Rule 8.2.2.1 and Rule 8.2.2.3 shall apply *mutatis mutandis*.

24. By the replacement of Rule 7.1.4.3, Rule 7.1.4.3.1, Rule 7.1.4.3.2, Rule 7.1.4.3.3 as follows:

- 7.1.4.3 in respect of the MEMBER SHARE, at the written request of the FLEXIBLE RISK MEMBER, the following lump sum benefit may be paid—
- 7.1.4.3.1 to the extent applicable, the portion of the VESTED COMPONENTS comprising the VESTED RIGHTS in respect of that MEMBER; plus
- 7.1.4.3.2 up to one-third of his or her VESTED COMPONENTS (after having excluded the amount comprising the VESTED RIGHTS referred to in Rule 7.1.4.3.1 where applicable) and any amount in his or her SAVINGS COMPONENTS; or

7.1.4.3.3 if the amount of his or her MEMBER SHARE (after having excluded the amount comprising the VESTED RIGHTS referred to in Rule 7.1.4.3.1 where applicable) is less than an amount prescribed in terms of the INCOME TAX ACT, the whole of that amount,

and at the election of the MEMBER, unless Rule 7.1.4.3.3 is applicable, the balance of the MEMBER'S MEMBER SHARE may be applied (i) to secure a LIVING ANNUITY from the FUND in terms of Rule 9 or (ii) subject to compliance with the INCOME TAX ACT and the requirements of SARS as may be applicable, to buy an annuity policy in the name of the FLEXIBLE RISK MEMBER from –

25. By replacement of Rules 8.1.4.1.1 and 8.1.4.1.2 as follows:

8.1.4.1.1 a PENSION payable to the SPOUSE, or if there is more than one, to the SPOUSES in equal proportions, equal to 40% (forty percent), subject to any REDUCTION if applicable, of the FIXED RISK MEMBER'S PENSIONABLE EARNINGS (after taking into account any TAX which was deducted from any CONTRIBUTIONS in respect of him or her) as at the date of his or her death or such greater PENSION as calculated by the VALUATOR taking into account the value of the Main Account of his or her MEMBER SHARE at the date of his or her death (provided that the BOARD manages to locate the SPOUSE within twelve months of the MEMBER'S death); or

8.1.4.1.2 if the FIXED RISK MEMBER died leaving no SPOUSE or SPOUSES, a PENSION payable to each CHILD equal to the greater of "A" and "B" where:

A = 10% (ten percent), subject to any REDUCTION if applicable, of the FIXED MEMBER'S PENSIONABLE EARNINGS (after taking into account any TAX which was deducted from any CONTRIBUTIONS in respect of him or her) as at the date of his or her death, provided that the aggregate amount paid to all CHILDREN of such FIXED RISK MEMBER shall not be greater than 30% (thirty percent), subject to any REDUCTION if applicable, of such FIXED MEMBER'S PENSIONABLE EARNINGS and provided further that, if there are more than 3 (three) CHILDREN,

then each CHILD'S PENSION will be limited to an equal share of 30% (thirty percent) of such FIXED RISK MEMBER'S PENSIONABLE EARNINGS; and

B= the PENSION which would be paid in equal shares to each CHILD as calculated by the VALUATOR taking into account the value of the Main Account of such FIXED RISK MEMBER'S MEMBER SHARE at the date of his or her death, provided that the BOARD is able to locate the CHILD or CHILDREN within twelve months of the MEMBER'S death;

26. By the replacement of Rule 9.1.1, Rule 9.1.1.1, Rule 9.1.1.1.1, Rule 9.1.1.1.2 and Rule 9.1.1.1.3 as follows:

9.1.1 Unless an ACTIVE MEMBER or a PAID-UP MEMBER elects to become a DEFERRED PENSIONER in terms of Rule 9.8, or in the case of an ACTIVE MEMBER, such ACTIVE MEMBER elects to transfer his or her retirement interest in terms of Rule 9.1.2, on the retirement of such MEMBER on his or her NORMAL RETIREMENT DATE such MEMBER will, following receipt by the ADMINISTRATOR from the MEMBER of the written requests contemplated below, be entitled to the following benefit, the value of which benefit must be determined at the end of the month in which the ADMINISTRATOR has received the written instruction of such retirement:

9.1.1.1 at the written request of the ACTIVE MEMBER or PAID-UP MEMBER (as applicable), the following lump sum benefit may be paid,

9.1.1.1.1 to the extent applicable; the portion of the VESTED COMPONENTS comprising the VESTED RIGHTS in respect of that MEMBER; plus

9.1.1.1.2 up to one-third of his or her VESTED COMPONENTS (after having excluded the amount comprising the VESTED RIGHTS referred to in Rule 9.1.1.1.1 where applicable) any amount in his or her SAVINGS COMPONENTS; or

9.1.1.1.3 if the amount of his or her MEMBER SHARE (after having excluded the amount comprising the VESTED RIGHTS referred to in Rule 9.1.1.1.1 where applicable) is less than an amount prescribed in terms of the INCOME TAX ACT, the whole of that amount,

and at the election of MEMBER, unless Rule 9.1.1.1.3 is applicable, the FUND must use the balance of the MEMBER SHARE:

27. By the insertion of Rule 10.17 as follows:

10.17 PROPORTIONALITY OF DEDUCTIONS AGAINST COMPONENTS

10.17.1 Any deduction effected in terms of Rule 10.3 to Rule 10.10 or Rule 13.2.18 to Rule 13.2.20 or otherwise in terms of these Rules or section 37D of the PFA shall be effected proportionally across the RETIREMENT COMPONENTS, SAVINGS COMPONENTS and VESTED COMPONENTS of the relevant ACTIVE MEMBER, PAID-UP MEMBER or DEFERRED PENSIONER, as applicable.

10.17.2 Any deduction contemplated in Rule 10.17.1 shall first be effected against the Supplementary Account 1 and thereafter the Supplementary Account 2 of the relevant ACTIVE MEMBER, PAID-UP MEMBER or DEFERRED PENSIONER, proportionally across the RETIREMENT COMPONENTS, SAVINGS COMPONENTS and VESTED COMPONENTS of those accounts. A deduction contemplated in Rule 10.7.1 shall only be effected against the Main Account of the relevant ACTIVE MEMBER, PAID-UP MEMBER or DEFERRED PENSIONER in the event that the amount standing to the credit of the Supplementary Account 1 and/or Supplementary Account 2 is insufficient to satisfy the deduction in full, which deduction will be effected proportionally across the RETIREMENT COMPONENT, SAVINGS COMPONENT and VESTED COMPONENT of the Main Account.

28. By the replacement of Rule 13.2 in its entirety as follows:

13.2 MEMBER SHARE ACCOUNT

A MEMBER SHARE ACCOUNT must be established for each ACTIVE MEMBER, PAID-UP MEMBER and DEFERRED PENSIONER. The build-up of the MEMBER SHARE ACCOUNT for a PAID-UP MEMBER is described in Rule 6.2.1 and Rule 13.2.23 and the buildup of the MEMBER SHARE ACCOUNT for a DEFERRED PENSIONER is described in Rule 9.8.1.4 and Rule 13.2.24.

For ACTIVE MEMBERS, the MEMBER SHARE ACCOUNT will consist of the Main Account, Supplementary Account 1, and Supplementary Account 2. The Main Account, Supplementary Account 1 and Supplementary Account 2 in respect of each ACTIVE MEMBER will each comprise a RETIREMENT COMPONENT, SAVINGS COMPONENT and VESTED COMPONENT as set out in this Rule. The components of the ACCOUNTS will be debited as provided for in these Rules and following credit transactions will be recorded in the components of these ACCOUNTS:

13.2.1 RETIREMENT COMPONENT of the Main Account

Credits:

13.2.1.1 Two-thirds or such other percentage as prescribed in terms of the INCOME TAX ACT of the 8% (eight percent) of PENSIONABLE EARNINGS CONTRIBUTIONS paid by the MEMBER in terms of Rule 4.1.1;

13.2.1.2 Other than in respect of CATEGORY C MEMBERS, two-thirds of the EMPLOYERS CONTRIBUTIONS in respect of FLEXIBLE RISK MEMBERS or FIXED RISK MEMBERS paid and allocated in terms of Rule 4.2.1.1, Rule 4.3.2, Rule 4.3.3, Rule 4.3.4, Rule 4.3.5 or Rule 4.4.2.1;

13.2.1.3 In respect of CATEGORY C MEMBERS, two-thirds or such other percentage as prescribed in terms of the INCOME TAX ACT of the amount paid and allocated as retirement savings in terms of Rule 4.3.8.3;

- 13.2.1.4 Two-thirds or such other amount as may be prescribed in terms of the INCOME TAX ACT of the amount or amounts, if any, allocated to the Main Account from any other ACCOUNT other than the Supplementary Account 1 or Supplementary Account 2;
- 13.2.1.5 Where requested by the MEMBER, any amount allocated to this component of the Main Account from the SAVINGS COMPONENT and/or VESTED COMPONENT of the Main Account in terms of Rule 13.2.21;
- 13.2.1.6 Amounts transferred from the RETIREMENT COMPONENT of the Supplementary Account 1 or Supplementary Account 2 in terms of Rule 6.3.1.4; and
- 13.2.1.7 FUND RETURN on the underlying assets which may be positive or negative.

13.2.2 SAVINGS COMPONENT of the Main Account

Credits

- 13.2.2.1 One-third or such other percentage as may be prescribed in terms of the INCOME TAX ACT of the 8% (eight percent) of PENSIONABLE EARNINGS CONTRIBUTIONS paid by the MEMBER in terms of Rule 4.1.1;
- 13.2.2.2 Other than in respect of CATEGORY C MEMBERS, one-third or such other percentage as may be prescribed in terms of the INCOME TAX ACT of the EMPLOYERS CONTRIBUTIONS in respect of FLEXIBLE RISK MEMBERS or FIXED RISK MEMBERS paid and allocated in terms of Rule 4.2.1.1, Rule 4.3.2, Rule 4.3.3, Rule 4.3.4, Rule 4.3.5 or Rule 4.4.2.1;
- 13.2.2.3 In respect of CATEGORY C MEMBERS, one-third or such other percentage as may be prescribed in terms of the INCOME TAX ACT of the amount paid and allocated as retirement savings in terms of Rule 4.3.8.3; prescribed in terms of the INCOME TAX ACT

- 13.2.2.4 One-third of the amount or amounts, if any, allocated to this ACCOUNT from any other ACCOUNT other than the Supplementary Account 1 or Supplementary Account 2;
- 13.2.2.5 The seed capital amount allocated in terms of Rule 13.2.22; and
- 13.2.2.6 FUND RETURN on the underlying assets which may be positive or negative.

13.2.3 VESTED COMPONENT of the Main Account

Credits

- 13.2.3.1 The value in the Main Account of each ACTIVE MEMBER as at 31 August 2024, which, for clarity shall include, if applicable, an opening balance comprising the MEMBER'S net actuarial liability in the PREVIOUS FUND as calculated by the VALUATOR as well as any contributions and amounts payable to the Main Account in respect of the period prior to 1 September 2024 but only received after that date together with late payment interest payable thereon;
- 13.2.3.2 Amounts transferred from the VESTED COMPONENT of the Supplementary Account 1 or Supplementary Account 2 in terms of Rule 6.3.1.4; and
- 13.2.3.3 FUND RETURN on the underlying assets which may be positive or negative.

13.2.4 RETIREMENT COMPONENT of Supplementary Account 1

Credits:

- 13.2.4.1 In respect of CATEGORY A MEMBERS, two-thirds or such other percentage as may be prescribed in terms of the INCOME TAX ACT of 1.5% (one and a half percent) of PENSIONABLE EARNINGS paid in terms of Rule 4.1.2 and in respect of CATEGORY B MEMBERS, two-thirds of 3.5% (three and a half percent) of PENSIONABLE EARNINGS paid in terms of Rule 4.1.3;

- 13.2.4.2 Two-thirds or such other percentage as may be prescribed in terms of the INCOME TAX ACT of any additional voluntary CONTRIBUTIONS paid by the MEMBER in terms of Rule 4.1.6;
- 13.2.4.3 In respect of FLEXIBLE RISK MEMBERS, two-thirds or such other percentage as may be prescribed in terms of the INCOME TAX ACT of that part of the CONTRIBUTION that is paid by the EMPLOYER and allocated in terms of Rule 4.3.3.3 or Rule 4.3.5.2 and in respect of ALTERNATIVE RISK MEMBERS, two-thirds of that part of the CONTRIBUTION that is paid by the EMPLOYER and allocated in terms of Rule 4.4.2.2 or Rule 4.4.2.4;
- 13.2.4.4 Two-thirds or such other percentage as may be prescribed in terms of the INCOME TAX ACT of the CONTRIBUTION paid by the EMPLOYER and allocated as retirement savings for FIXED RISK MEMBERS as calculated in terms of Rule 4.2.1.4;
- 13.2.4.5 Two-thirds or such other percentage as may be prescribed in terms of the INCOME TAX ACT of amounts payable in terms of Rule 4.5.5 to compensate those MEMBERS whose conditions of employment with regard to the provision of post-retirement medical aid have been amended to make provision for such an additional amount;
- 13.2.4.6 Any amounts transferred for the benefit of a MEMBER from the retirement component of that MEMBER in another APPROVED FUND;
- 13.2.4.7 Two-thirds or such other percentage as may be prescribed in terms of the INCOME TAX ACT of any risk proceeds payable from the INSURER in terms of the relevant provisions of Rule 7.1.4;
- 13.2.4.8 Two-thirds of any risk proceeds payable from the INSURER in terms of the relevant provisions of Rule 8.1.2;

- 13.2.4.9 Based on the advice of the VALUATOR, two-thirds (or such other percentage as may be prescribed in terms of the INCOME TAX ACT of any amount which the BOARD decides should be transferred from the RISK RESERVE ACCOUNT for the benefit of FIXED RISK MEMBERS;
- 13.2.4.10 Two-thirds or such other percentage as may be prescribed in terms of the INCOME TAX ACT of any additional CONTRIBUTIONS paid by the EMPLOYER to provide for a greater benefit in terms of Rule 4.5.6;
- 13.2.4.11 Two-thirds of any additional CONTRIBUTIONS made by the EMPLOYER in terms of Rule 4.5.1 to fund the CONDITIONAL RETIREMENT BENEFIT or two-thirds of any surplus used to fund the CONDITIONAL RETIREMENT BENEFIT in terms of Rule 10.15, unless the provisions of Rule 9.5.3.5 (as contemplated by Rule 4.5.4) apply;
- 13.2.4.12 Two-thirds or such other percentage as may be prescribed in terms of the INCOME TAX ACT of additional amounts payable in terms of Rule 9.6, provided that such amounts may also be funded in terms of Rule 10.15;
- 13.2.4.13 Two-thirds or such other percentage as may be prescribed in terms of the INCOME TAX ACT of the amount or amounts, if any, reallocated to this ACCOUNT from any other ACCOUNT other than the Main Account or Supplementary Account 2 which the BOARD, in exercise of its discretion, decides should be allocated to this ACCOUNT;
- 13.2.4.14 Where requested by the MEMBER, any amount allocated to this component of the Supplementary Account 1 from the SAVINGS COMPONENT and/or VESTED COMPONENT of the Supplementary Account 1 in terms of Rule 13.2.21; and
- 13.2.4.15 FUND RETURN on the underlying assets which may be positive or negative.

13.2.5 **SAVINGS COMPONENT of the Supplementary Account 1**

Credits

13.2.5.1 In respect of CATEGORY A MEMBERS, one-third of 1.5% (one and a half percent) or such other percentage as may be prescribed in terms of the INCOME TAX ACT of PENSIONABLE EARNINGS paid in terms of Rule 4.1.2 and in respect of CATEGORY B MEMBERS, one-third of 3.5% (three and a half percent) of PENSIONABLE EARNINGS paid in terms of Rule 4.1.3;

13.2.5.2 One-third or such other percentage as may be prescribed in terms of the INCOME TAX ACT of any additional voluntary CONTRIBUTIONS paid by the MEMBER in terms of Rule 4.1.6;

13.2.5.3 In respect of FLEXIBLE RISK MEMBERS, one-third or such other percentage as may be prescribed in terms of the INCOME TAX ACT of that part of the CONTRIBUTION that is paid by the EMPLOYER and allocated in terms of Rule 4.3.3.3 or Rule 4.3.5.2 and in respect of ALTERNATIVE RISK MEMBERS, one-third of that part of the CONTRIBUTION that is paid by the EMPLOYER and allocated in terms of Rule 4.4.2.2 or Rule 4.4.2.4;

13.2.5.4 One-third or such other percentage as may be prescribed in terms of the INCOME TAX ACT of the CONTRIBUTION paid by the EMPLOYER and allocated as retirement savings for FIXED RISK MEMBERS as calculated in terms of Rule 4.2.1.4;

13.2.5.5 One-third or such other percentage as may be prescribed in terms of the INCOME TAX ACT of the amounts payable in terms of Rule 4.5.5 to compensate those MEMBERS whose conditions of employment with regard to the provision of post-retirement medical aid have been amended to make provision for such an additional amount;

13.2.5.6 Any amounts transferred for the benefit of a MEMBER from the savings component of that MEMBER in another APPROVED FUND;

- 13.2.5.7 One-third of any risk proceeds payable from the INSURER in terms of the relevant provisions of Rule 7.1.4;
- 13.2.5.8 One-third of any risk proceeds payable from the INSURER in terms of the relevant provisions of Rule 8.1.2;
- 13.2.5.9 Based on the advice of the VALUATOR, one-third or such other percentage as may be prescribed in terms of the INCOME TAX ACT any amount which the BOARD decides should be transferred from the RISK RESERVE ACCOUNT for the benefit of FIXED RISK MEMBERS;
- 13.2.5.10 One-third or such other percentage as may be prescribed in terms of the INCOME TAX ACT of any additional CONTRIBUTIONS paid by the EMPLOYER to provide for a greater benefit in terms of Rule 4.5.6;
- 13.2.5.11 One-third of any additional CONTRIBUTIONS made by the EMPLOYER in terms of Rule 4.5.1 to fund the CONDITIONAL RETIREMENT BENEFIT or two-thirds of any surplus used to fund the CONDITIONAL RETIREMENT BENEFIT in terms of Rule 10.15, unless the provisions of Rule 9.5.3.5 (as contemplated by Rule 4.5.4) apply;
- 13.2.5.12 One-third or such other percentage as may be prescribed in terms of the INCOME TAX ACT of additional amounts payable in terms of Rule 9.6, provided that such amounts may also be funded in terms of Rule 10.15;
- 13.2.5.13 One-third or such other percentage as may be prescribed in terms of the INCOME TAX ACT of the amount or amounts, if any, reallocated to this ACCOUNT from any other ACCOUNT other than the Main Account or Supplementary Account 2 which the BOARD, in exercise of its discretion, decides should be allocated to this ACCOUNT;

- 13.2.5.14 The seed capital amount allocated in terms of Rule 13.2.22; and
- 13.2.5.15 FUND RETURN on the underlying assets which may be positive or negative.

13.2.6 **VESTED COMPONENT of the Supplementary Account 1**

Credits

- 13.2.6.1 The value in the Supplementary Account 1 of each ACTIVE MEMBER as at 31 August 2024 as well as any contributions or amounts payable to the Supplementary Account 1 in respect of the period prior to 1 September 2024 but only received after that date together with late payment interest payable thereon; and
- 13.2.6.2 FUND RETURN on the underlying assets which may be positive or negative.

13.2.7 **RETIREMENT COMPONENT of Supplementary Account 2**

Credits:

- 13.2.7.1 Two-thirds or such other percentage as may be prescribed in terms of the INCOME TAX ACT of any additional amounts payable in terms of Rule 9.7, provided that such amounts may also be funded in terms of Rule 10.15;
- 13.2.7.2 Where requested by the MEMBER, any amount allocated to this component of the Supplementary Account 2 from the SAVINGS COMPONENT and/or VESTED COMPONENT of the Supplementary Account 2 in terms of Rule 13.2.21; and
- 13.2.7.3 FUND RETURN on the underlying assets which may be positive or negative.

13.2.8 **SAVINGS COMPONENT of the Supplementary Account 2**

Credits

13.2.8.1 One-third or such other percentage as may be prescribed in terms of the INCOME TAX ACT of additional amounts payable in terms of Rule 9.7, provided that such amounts may also be funded in terms of Rule 10.15;

13.2.8.2 The seed capital amount allocated in terms of Rule 13.2.22 and

13.2.8.3 FUND RETURN on the underlying assets which may be positive or negative.

13.2.9 **VESTED COMPONENT of the Supplementary Account 2**

Credits

13.2.9.1 The value in the Supplementary Account 2 of each ACTIVE MEMBER as at 31 August 2024 as well as any contributions or amounts payable to the Supplementary Account 1 in respect of the period prior to 1 September 2024 but only received after that date together with late payment interest payable thereon; and

13.2.9.2 FUND RETURN on the underlying assets which may be positive or negative.

The MEMBER SHARE ACCOUNT will be debited with the following:

13.2.10 Any amounts transferred to APPROVED FUNDS in terms of Rule 6;

13.2.11 Any amounts paid to MEMBERS in cash as a savings withdrawal benefit;

13.2.12 Any amounts paid to MEMBERS in cash as lump sums on retirement in terms of the relevant provisions of Rule 9.1;

- 13.2.13 Any amounts paid to MEMBERS in cash on withdrawal from the FUND in terms of the relevant provisions of Rule 6.1;
- 13.2.14 Any amounts paid in respect of MEMBERS in cash on his or her death in terms of the relevant provisions of Rule 8.1 and Rule 10.16;
- 13.2.15 Any amounts paid to MEMBERS in cash on his or her disability in terms of the relevant provisions of Rule 7.1;
- 13.2.16 Any amounts transferred, at the election of the MEMBER to an INSURER to provide a PENSION in terms of the relevant provisions of Rule 9;
- 13.2.17 Any amounts transferred to the PENSIONER ACCOUNT to provide a PENSION in terms of the relevant provisions of Rules 6,7,8 and/or 9;
- 13.2.18 Subject to the provisions of Rule 10.17, any amounts that may be deducted from the MEMBER SHARE ACCOUNT in terms of the relevant provisions of Rule 10 and/or elsewhere as provided for in these RULES or the PFA;
- 13.2.19 Subject to the provisions of Rule 10.17, any amounts allocated to another FUND ACCOUNT as recommended by the VALUATOR, on a basis deemed equitable and as approved by the BOARD from time to time;
- 13.2.20 Subject to the provisions of Rule 10.17, any reasonable cost not already provided for from the proceeds of the CONTRIBUTIONS for the administration and management of this ACCOUNT, as determined by the BOARD from time to time on the advice of the VALUATOR; and
- provided that the debits effected in terms of this Rule will be effected against the components of the ACCOUNTS as provided for in terms of these Rules.

13.2.21 **TRANSFERS FROM THE SAVINGS COMPONENT AND VESTED COMPONENT TO THE RETIREMENT COMPONENT**

13.2.21.1 An ACTIVE MEMBER, PAID-UP MEMBER or DEFERRED PENSIONER shall be entitled to elect that the entire balance in his or her SAVINGS COMPONENT and/or his or her VESTED COMPONENT in his or her Main Account, Supplementary Account 1 and Supplementary Account 2 be transferred to his or her corresponding RETIREMENT COMPONENT in his or her Main Account, Supplementary Account 1 and Supplementary Account 2, as applicable, provided that such election must be exercised in a format determined by the BOARD and provided further that any such election shall automatically apply to all of his or her SAVINGS COMPONENTS and/or VESTED COMPONENTS, as applicable.

13.2.22 **TRANSFER OF SEED CAPITAL AMOUNT FROM THE VESTED COMPONENT TO THE SAVINGS COMPONENT**

13.2.22.1 10% (ten percent) of the value of the VESTED COMPONENT in the Main Account, Supplementary Account 1 and Supplementary Account 2 of an ACTIVE MEMBER, PAID-UP MEMBER or DEFERRED PENSIONER, as applicable, immediately before 1 September 2024, shall be allocated to the corresponding SAVINGS COMPONENT in the Main Account, Supplementary Account 1 and Supplementary Account 2 of that ACTIVE MEMBER, PAID-UP MEMBER or DEFERRED PENSIONER on or after 1 September 2024, provided that if the total value of the VESTED COMPONENTS in the Main Account, Supplementary Account 1 and Supplementary Account 2 immediately before 1 September 2024 exceeds the amount of R300 000 then such amounts shall be allocated proportionally to the corresponding SAVINGS COMPONENTS in the Main Account, Supplementary Account 1 and Supplementary Account 2 such that the total amount allocated does not exceed R30 000.

13.2.23 **APPLICABILITY OF RETIREMENT COMPONENT, SAVINGS COMPONENT AND VESTED COMPONENT TO A PAID-UP MEMBER**

13.2.23.1 In respect of a MEMBER who was an ACTIVE MEMBER on 1 September 2024 and who becomes a PAID-UP MEMBER after that date, his or her MEMBER SHARE at the TERMINATION DATE as contemplated in Rule 6.2.1.1 shall constitute:

13.2.23.1.1 A RETIREMENT COMPONENT being the value of his or her RETIREMENT COMPONENTS in the Main Account, Supplementary Account 1 and Supplementary Account 2 at that date; and

13.2.23.1.2 A SAVINGS COMPONENT being the value of his or her SAVINGS COMPONENTS in the Main Account, Supplementary Account 1 and Supplementary Account 2 at that date; and

13.2.23.1.3 A VESTED COMPONENT being the value of his or her VESTED COMPONENTS in the Main Account, Supplementary Account 1 and Supplementary Account 2 at that date.

13.2.23.2 In respect of a MEMBER who became a PAID-UP MEMBER prior to 1 September 2024, his or her benefit as at that date will constitute:

13.2.23.2.1 A SAVINGS COMPONENT equal to 10% of the value of the VESTED COMPONENT referred to in Rule 13.2.23.2.2 immediately before 1 September 2024; subject to a maximum of R30 000; and

13.2.23.2.2 A VESTED COMPONENT equal to the value of the benefit due to the PAID-UP MEMBER immediately before 1 September 2024, less the allocation referred to in Rule 13.2.23.2.1.

13.2.23.2.3 A RETIREMENT COMPONENT.

13.2.23.3 Any reductions as contemplated in Rule 6.2.1.5 shall apply be applied proportionately to the RETIREMENT COMPONENT, SAVINGS COMPONENT and VESTED COMPONENT of the PAID-UP MEMBER.

13.2.23.4 A PAID-UP MEMBER shall be entitled to elect that the entire balance in his or her SAVINGS COMPONENT and/or his or her VESTED COMPONENT be transferred to his or her corresponding RETIREMENT COMPONENT, provided that such election must be exercised in a format determined by the BOARD.

13.2.24 **APPLICABILITY OF THE RETIREMENT COMPONENT, SAVINGS COMPONENT AND VESTED COMPONENT TO A DEFERRED PENSIONER**

13.2.24.1 In respect of a MEMBER who was an ACTIVE MEMBER on 1 September 2024 and who becomes a DEFERRED PENSIONER after that date, his or her benefit as contemplated in Rule 9.8.1.4 shall constitute:

13.2.24.1.1 A RETIREMENT COMPONENT being the value of his or her RETIREMENT COMPONENTS in the Main Account, Supplementary Account 1 and Supplementary Account 2 at the date on which he or she elects to become a DEFERRED PENSIONER; and

13.2.24.1.2 A SAVINGS COMPONENT being the value of his or her SAVINGS COMPONENTS in the Main Account, Supplementary Account 1 and Supplementary Account 2 at the date on which he or she elects to become a DEFERRED PENSIONER; and

13.2.24.1.3 A VESTED COMPONENT being the value of his or her VESTED COMPONENTS in the Main Account, Supplementary Account 1 and Supplementary Account 2 at the date on which he or she elects to become a DEFERRED PENSIONER.

13.2.24.2 In respect of a MEMBER who became a DEFERRED PENSIONER prior to 1 September 2024, his or her benefit as at that date will constitute:

13.2.24.2.1 A SAVINGS COMPONENT equal to 10% of the value of the VESTED COMPONENT referred to in Rule 13.2.24.2.2 immediately before 1 September 2024, subject to a maximum of R30 000 and

13.2.24.2.2 A VESTED COMPONENT equal to the value of the benefit due to the DEFERRED PENSIONER immediately before 1 September 2024, less the allocation referred to in Rule 13.2.24.2.1.

13.2.24.2.3 A RETIREMENT COMPONENT.

13.2.24.3 Any reductions as contemplated in Rule 9.8.1.3 shall apply be applied proportionately to the RETIREMENT COMPONENT, SAVINGS COMPONENT and VESTED COMPONENT of the DEFERRED PENSIONER.

13.2.24.4 A DEFERRED PENSIONER shall be entitled to elect that the entire balance in his or her SAVINGS COMPONENT and/or his or her VESTED COMPONENT be transferred to his or her corresponding RETIREMENT COMPONENT, provided that such election must be exercised in a format determined by the BOARD.

13.2.25 **TRANSFER OF RETIREMENT COMPONENT, SAVINGS COMPONENT OR VESTED COMPONENT TO ANOTHER FUND**

13.2.25.1 In the event the benefit or any portion thereof due to an ACTIVE MEMBER, PAID-UP MEMBER or DEFERRED PENSIONER is transferred out of the FUND to any other APPROVED FUND in any of the circumstances provided for in terms of these RULES, such benefit shall be allocated to the retirement component, savings component or vested component of that APPROVED FUND according to the component from which the benefit arises in this FUND.

29. By the replacement of Rule 13.3.1 as follows:

13.3.1 Where the MEMBER or his or her SPOUSE elects to receive a PENSION from the FUND, the transfer of the relevant amount from the MEMBER SHARE ACCOUNT in terms of Rule 13.2.17.

30. By the replacement of Rule 14.1.2.2.1.2 as follows:

14.1.2.2.1.2 on the election of the ACTIVE MEMBER, DEFERRED PENSIONER, PAID-UP MEMBER or other such MEMBER, be paid to such MEMBER in cash, provided that any portion of the RETIREMENT COMPONENTS attributable to the ACTIVE MEMBER, DEFERRED PENSIONER or PAID-UP MEMBER must be transferred to another APPROVED FUND as contemplated in Rule 14.1.2.2.1.1.

The reasons for the amendment are the following:

1. To give effect to the introduction of the Two-Pot System with effect from 1 September 2024, more specifically:

1.1. To establish a Retirement Component, Savings Component and Vested Component within each of the three accounts currently held in respect of members (including paid-up members and deferred pensioners), namely the Main Account, Supplementary Account 1 and Supplementary Account 2.

1.2. To specify the various amounts that will be debited and credited to the respective components and in what circumstances a benefit will become payable from the respective components, most notably on withdrawal, death, disability or retirement.

1.3. To provide for the concept of a savings withdrawal benefit and to specify in what circumstances a savings withdrawal benefit may be taken.

1.4. To provide for a reallocation of amounts between the accounts of a member between components that are similar in nature, in order to offset the impact of any amount withdrawn from the Savings Component of the Main Account of a member on the benefits that are defined benefit in nature and, failing which, to provide for an actuarial reduction in order to ensure that such transactions are financially neutral to the Fund.

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



A Soonder
Chairperson



B Stanfliet
Board member



J Grefen
Principal Officer

Date: 27 June 2024

I hereby confirm that I have studied Rule Amendment No. 2 of the Fund and hereby certify that Rule Amendment No. 2 will not affect the financial solvency of the Fund to such an extent that it will be unable to meet its obligations to its members.



A Bezuidenhout FASSA

In my capacity as Valuator of the National Tertiary Retirement Fund

Date: 27 June 2024

