



NATIONAL TERTIARY RETIREMENT FUND

BROOKLYN BRIDGE, 1<sup>st</sup> FLOOR – STEVEN HOUSE, 570 FEHRSEN STREET, BROOKLYN, PRETORIA  
Φ PRIVATE BAG X41, BRAAMFONTEIN, 2017 Φ TEL: 010 549 1100/1/2 Φ EMAIL: NTRF@momentum.co.za

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**Reviews and Authorisations Department**

**Financial Sector Conduct Authority: Retirement Funds**

**Fund No: 12/8/30878**

*Submitted via FSCA Retirement Online System*

24 June 2022

**RULE AMENDMENT NO. 1: THE NATIONAL TERTIARY RETIREMENT FUND (THE “FUND”)**

1. The board of trustees of the Fund recently adopted a resolution (“**Rule Amendment No. 1**”) resolving to amend the rules of the Fund (the “**Rules**”). We have enclosed herewith, a copy of Rule Amendment No. 1.
2. In accordance with regulation 24(a)(iii) of the regulations to the Pension Funds Act, 1956, the explanatory statement explaining the reasons for the amendments to the Rules is included under the recordal section of Rule Amendment No. 1
3. In terms of the Pension Funds Act, 1956, the valuator of the Fund has certified that Rule Amendment No. 1 will not affect the financial solvency of the Fund to such an extent that the Fund will be unable to meet its obligations to its members.
4. We now await your response to this submission.

Yours faithfully

**TE Louw**  
**ACTING CHAIRPERSON**

**PJ van der Merwe**  
**PRINCIPAL OFFICER**

**BA Stanfliet**  
**BOARD MEMBER**



## NATIONAL TERTIARY RETIREMENT FUND

BROOKLYN BRIDGE, 1st FLOOR – STEVEN HOUSE, 570 FEHRSEN STREET, BROOKLYN, PRETORIA  
Φ PRIVATE BAG X41, BRAAMFONTEIN, 2017 Φ TEL: 010 5491100/1/2 Φ EMAIL: jacquesvdm@retfunds.co.za

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### **RULE AMENDMENT NO. 1 TO THE RULES OF THE NATIONAL TERTIARY RETIREMENT FUND**

Resolution adopted at a meeting of the Board of the National Tertiary Retirement Fund (fund no. 30878) (the “Fund”) held at Brooklyn, Pretoria on **24 June 2022** to approve and adopt an amendment to the rules of the Fund (the “Rules”) in accordance with Rule 15.2 of the Rules as set out below, with effect from 24 June 2022, except for the amendment to Rule 1.5 of the Rules (*Registered Office*), which will take effect from 1 July 2022.

#### **RECORDAL:**

1. The Board wishes to adopt this Rule Amendment No. 1 to the Rules, in order to provide for the following key amendments:
  - 1.1 To amend the registered office of the Fund due to the change of registered address of the Fund;
  - 1.2 To provide for additional provisions in relation to a new contribution category of membership comprising “Alternative Risk Members”, being active members of the Fund in respect of which a participating employer has elected that risk benefits shall no longer be provided by the Fund to all employees who are members of the Fund, on the basis that risk benefits will be provided to such active members under an arrangement in place between the participating employer and an insurer directly, and to provide for other consequential changes. These amendments include:
    - 1.2.1 the insertion of a new definition for “Alternative Risk Member”;
    - 1.2.2 the amendment of the existing definitions of “Active Member”, “Category C Member” and “Category D Member” to incorporate the concept of an “Alternative Risk Member”;
    - 1.2.3 the amendment of Rule 4.3.5 (Category D Members) and Rule 4.3.8 (Category C Members) to provide for Alternative Risk Members;
    - 1.2.4 the insertion of a new Rule 4.4. (Normal Employer Contributions in respect of Alternative Risk Members) to provide for contributions in respect of Alternative Risk Members;
    - 1.2.5 the amendment of Rule 4.1.5 (Member Contributions) to provide for a consequential change;
    - 1.2.6 the insertion of a new Rule 7.1.7 to clarify that disability benefits will not be applicable to Alternative Risk Members;
    - 1.2.7 the insertion of a new Rule 8.1.3 to provide for the death benefit payable to Alternative Risk Members; and
    - 1.2.8 the insertion of a consequential change under Rule 9.3.1 (Ill-health Retirement).

2. To allow for more flexibility in relation to the form of the annuity or annuities which may be provided to retirees on retirement, based on the flexibility provided for in Binding General Ruling (Income Tax) 58 (“BGR 58”) dated 4 November 2021, in terms of which the South African Revenue Service (“SARS”) provided a ruling in relation to the forms of annuities that may be provided to retirees on retirement, including amendments under Rule 9.1 (Benefits Payable on Retirement) and Rule 9.9 (Living Annuities) and consequential changes.
  - 2.1 To provide for an alternative 20 year guarantee which may be elected by a retiree on retirement, as an alternative to the default period of 5 years, including:
    - 2.1.1 the insertion of a new definition for “Guarantee Period”;
    - 2.1.2 the insertion of amendments under Rules 8.2 (*Benefits Payable on Death of a Pensioner*);
    - 2.1.3 the amendment of Rule 9.1 (*Benefits payable on Retirement*) relating to the election of the applicable Guarantee Period;
    - 2.1.4 the amendment of Rule 15.17.5 (*Calculation basis for the conversion factor*); and
    - 2.1.5 the amendment of Rule 15.18 (*Calculation basis for the Conditional Retirement Factor*).
  - 2.2 To provide for an alternative 0% spouse’s pension, subject to the written consent of the spouse, which may be elected by a retiree on retirement, as an alternative to the default 75% spouse’s pension, including:
    - 2.2.1 the insertion of amendments under Rules 8.2 (*Benefits Payable on Death of a Pensioner*);
    - 2.2.2 the amendment of Rule 9.1 (*Benefits payable on Retirement*) relating to the election of the applicable spouse’s pension; and
    - 2.2.3 the amendment of Rule 15.17.5 (*Calculation basis for the conversion factor*).
  - 2.3 To provide for certain consequential changes in relation to the amendments described above, including amendments to the accounts rules, certain other definitions and cross-references.
3. In addition to the above, the Board shall amend the Fund’s existing living annuity policy in order to align with Rule Amendment No. 1.

**RESOLVED THAT** the Rules be amended, in terms of Rule 15.2 of the Rules, as follows:

1. By the deletion of the existing Rule 1.5 and the insertion of the following new Rule 1.5 with effect from 1 July 2022:

“1.5 **REGISTERED OFFICE**

*The FUND’S registered office is The Marc, 129 Rivonia Road, Cnr Rivonia Road and Maude Street, Sandton, 2196. The FUND’S registered office may be changed by the BOARD with effect from the date on which the required rule amendment is registered by the FSCA.”*

2. By the insertion of the following new definitions under Rule 2.2, to be numbered as set out hereunder, together with the consequential renumbering of the remaining sub-rules accordingly:

*“2.2.1 “ALTERNATIVE RISK MEMBER” means a MEMBER employed by an EMPLOYER who has elected that risk benefits shall no longer be provided by the FUND in respect of all of its employees who are MEMBERS, as contemplated in Rule 4.4;”*

*“2.2.51 “GUARANTEE PERIOD” means the minimum period applicable to the payment of the full PENSION provided in terms of these RULES, being:*

*2.2.51.1 a period of 5 (five) years; or*

*2.2.51.2 a period of 20 (twenty) years, provided that the applicable PENSIONER has elected such guarantee period on retirement in accordance with Rule 9.1.1.1.4.1;”*

3. By the amendment of the definition of “UNCLAIMED BENEFITS” in the re-numbered Rule 2.2.90.1, to refer to the defined term “GUARANTEE PERIOD” where the sub-rule of such definition provides as follows:

*“2.2.90.3.1 the expiry date of any GUARANTEE PERIOD for PENSION payments provided for in these RULES; or”*

4. By the deletion of the existing definitions for “ACTIVE MEMBER”, “CATEGORY C MEMBER” AND “CATEGORY D MEMBER” in their entirety and the insertion of the following new definitions, to be numbered as set out hereunder, together with the consequential renumbering of the remaining sub-rules accordingly:

*“2.2.3 “ACTIVE MEMBER” means a FIXED RISK MEMBER, a FLEXIBLE RISK MEMBER or an ALTERNATIVE RISK MEMBER;”*

*“2.2.22 “CATEGORY C MEMBER” means a FLEXIBLE RISK MEMBER or an ALTERNATIVE RISK MEMBER whose employment conditions provide that the aggregate of all CONTRIBUTIONS made by such MEMBER’S EMPLOYER shall be made in accordance with Rule 4.3.7 and Rule 4.3.8;*

*2.2.23 “CATEGORY D MEMBER” means a FLEXIBLE RISK MEMBER or an ALTERNATIVE RISK MEMBER whose employment conditions provide that the aggregate of all CONTRIBUTIONS made by such MEMBER’S EMPLOYER in respect of such FLEXIBLE RISK MEMBER or ALTERNATIVE RISK MEMBER shall be 16% of PENSIONABLE EARNINGS, and shall be allocated as contemplated by Rule 4.3.4 and Rule 4.3.5, provided that a CATEGORY D MEMBER shall exclude:*

*2.2.23.1 an ACTIVE MEMBER to whom Rule 9.5 applies, unless such ACTIVE MEMBER elects to forfeit any benefit provided for in Rule 9.5; and*

*2.2.23.2 a FIXED RISK MEMBER, unless such a MEMBER elects to switch into membership as a FLEXIBLE RISK MEMBER;”*

5. By the deletion of the existing Rule 4.1.5 and the insertion of the following new Rule 4.1.5 (with the only change being the insertion of the words “referred to in Rule 4.3.5.1 only” in the first line):

**“4.1 MEMBER CONTRIBUTIONS**

...

4.1.5 A CATEGORY D MEMBER referred to in Rule 4.3.5.1 only, may elect to make an additional monthly CONTRIBUTION in the amount of 2% (two percent) of his or her PENSIONABLE EARNINGS, which amount will be paid by the FUND to the applicable INSURER in terms of the policy of insurance contemplated in Rule 4.3.5.1.1.”

6. By the deletion of the existing Rules 4.3.4 and 4.3.5 and the insertion of the following new Rules 4.3.4 and 4.3.5 (with the key changes being made to the first line of Rule 4.3.5.1, to the first two lines of Rule 4.3.5.3 and by the insertion of a new Rule 4.3.5.2):

**“CATEGORY D MEMBERS**

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 13.2.1.3.

4.3.5 The balance of such CONTRIBUTION comprising 3% (three percent) of PENSIONABLE EARNINGS will be sub-divided as follows:

4.3.5.1 Unless Rule 4.3.5.2 is applicable, a CATEGORY D MEMBER will be required to allocate an amount of 2% (two percent) of PENSIONABLE EARNINGS towards the provision of disability and death benefits. The following conditions are applicable:

4.3.5.1.1 Such amount will be paid by the FUND to an INSURER in terms of a policy of insurance to provide for the CATEGORY D MEMBER’S death and disability benefits on the terms and conditions as set out in the insurance policy and as agreed to by the BOARD, as provided for in the RULES;

4.3.5.1.2 A CATEGORY D MEMBER may elect annually, to make additional MEMBER CONTRIBUTIONS as contemplated in Rule 4.1.5, in order to increase the rate applicable to him or her in terms of this Rule 4.3.5.1 subject to any terms and conditions which may be set out by the BOARD and the INSURER from time to time;

4.3.5.1.3 If an EMPLOYER fails to pay CONTRIBUTIONS to the FUND, as required in terms of the PFA and this RULE, in respect of a CATEGORY D MEMBER for a period longer than three months and such a CATEGORY D MEMBER dies or becomes DISABLED,

*the FUND will not be liable to pay the applicable FLEXIBLE RISK BENEFIT;*

- 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 of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.1.3:*
- 4.3.5.3 *In respect of CATEGORY D MEMBERS referred to in both Rules 4.3.5.1 and 4.3.5.2, an amount (which may be expressed as a percentage of PENSIONABLE EARNINGS) required to meet the FUND'S expenses (other than investment related costs and TAXES) as determined by the VALUATOR from time to time subject to the proviso that such amount may not exceed 1% (one percent) of PENSIONABLE EARNINGS;*
- 4.3.5.4 *Any balance of the CONTRIBUTION remaining after the deductions in terms of Rules 4.3.5.1, 4.3.5.2 and/or 4.3.5.3 have been effected, must be credited to Supplementary Account 1 of the MEMBER SHARE ACCOUNT."*

7. By the deletion in their entirety of Rules 4.3.7 and 4.3.8 and the insertion of the following new Rules 4.3.7 and 4.3.8, respectively (with the key changes being made by the insertion of a new Rule 4.3.8.1.1 and to the first line of Rule 4.3.8.1.2):

***"CATEGORY C MEMBERS***

- 4.3.7 *In respect of a CATEGORY C MEMBER, the EMPLOYER shall on a monthly basis contribute the maximum Rand amount tax deductible contribution specified in the INCOME TAX ACT applicable to such CATEGORY C MEMBER from time to time, divided by 12 (twelve), rounded down to the nearest R100.00 (one hundred Rand).*
- 4.3.8 *The CONTRIBUTION received in terms of Rule 4.3.7 shall be allocated as follows:*
- 4.3.8.1 *Subject to the provisions of Rules 4.3.8.4 and 4.3.8.5;*
- 4.3.8.1.1 *where the EMPLOYER elects 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, then such CATEGORY C MEMBER shall be treated as an ALTERNATIVE RISK MEMBER contemplated in Rule 4.4, in which case no portion of such CONTRIBUTION shall be allocated towards the provision of risk benefits; or*
- 4.3.8.1.2 *where Rule 4.3.8.1.1 does not apply, then at the election of the CATEGORY C MEMBER, either 2% (two percent) or 4% (four*

*percent) of PENSIONABLE EARNINGS will paid as the INSURER risk benefit premium, with 2% (two percent) being the default if no election is made. In these circumstances, the provisions of Rules 4.3.3.1.1 to 4.3.3.1.3 shall apply mutatis mutandis;"*

8. By the insertion of the following new Rule 4.4:

**“4.4 NORMAL EMPLOYER CONTRIBUTIONS IN RESPECT OF ALTERNATIVE RISK MEMBERS**

4.4.1 *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 subject to Rule 4.6, each EMPLOYER must pay a CONTRIBUTION to the FUND each month in respect of each ALTERNATIVE RISK MEMBER in its SERVICE who has not yet reached his or her NORMAL RETIREMENT DATE in an amount equal to 16% (sixteen percent) of his or her PENSIONABLE EARNINGS, subject to Rule 4.7.1.*

4.4.2 *The following further provisions shall apply in respect of ALTERNATIVE RISK MEMBERS contemplated in Rule 4.4.1:*

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 13.2.1.3;*

4.4.2.2 *a portion of such CONTRIBUTION comprising 4% (four percent) of PENSIONABLE EARNINGS will be Supplementary Account 1 of the MEMBER SHARE ACCOUNT in terms of Rule 13.2.2.3;*

4.4.2.3 *an amount (which may be expressed as a percentage of PENSIONABLE EARNINGS) required to meet the FUND'S expenses (other than investment related costs and TAXES) as determined by the VALUATOR from time to time subject to the proviso that such amount may not exceed 1% (one percent) of PENSIONABLE EARNINGS; and*

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 13.2.2.3.*

*provided that any change to the share of costs as referred to in Rule 4.3.3.3 will take effect from the first DAY of the month following the date on which the BOARD makes its determination.*

4.4.3 *For the avoidance of doubt, in addition to the ALTERNATIVE RISK MEMBERS referred to in Rule 4.4.2, the following MEMBERS shall be treated as ALTERNATIVE RISK MEMBERS of the FUND:*

4.4.3.1 *all CATEGORY C MEMBERS to whom Rule 4.3.8.1.1 applies, in which case the CONTRIBUTIONS in respect of such a CATEGORY C MEMBER shall be allocated in accordance with Rule 4.3.8.1.1; and*

4.4.3.2 *all CATEGORY D MEMBERS to whom Rule 4.3.5.2 applies, in which case the CONTRIBUTIONS in respect of such a CATEGORY D MEMBER shall be allocated in accordance with Rule 4.3.5.2.*

4.4.4 *An EMPLOYER who has previously elected for all employees who are MEMBERS of the FUND to become ALTERNATIVE RISK MEMBERS as contemplated by this Rule 4.4, may, following consultation with the FUND, elect that such employees shall be covered for risk benefits provided by the FUND on a future date. Where applicable, such election shall be made by the EMPLOYER by written notification to the FUND, in which case the relevant ALTERNATIVE RISK MEMBERS shall be treated as FLEXIBLE RISK MEMBERS with effect from the applicable effective date agreed with the FUND and the relevant rules applicable to FLEXIBLE RISK MEMBERS shall apply accordingly."*

9. By the insertion of a new sub-rule after the existing sub-rule 7.1.6:

*"7.1.7 For the avoidance of doubt, this Rule 7 shall not apply to ALTERNATIVE RISK MEMBERS."*

10. By the insertion of the following new Rule 8.1.3:

**"8.1.3 BENEFIT in respect of an ALTERNATIVE RISK MEMBER**

*On the death of an ALTERNATIVE RISK MEMBER while in SERVICE a lump sum benefit comprising the MEMBER SHARE of the ALTERNATIVE RISK MEMBER shall be payable in accordance with section 37C of the PFA, provided that such benefit will be reduced by any amounts deducted in terms of these RULES and the PFA."*

11. By the deletion of the existing Rule 8.2 and the insertion of the following new Rule 8.2 (with the main changes relating to the use of the new defined term "GUARANTEE PERIOD" and the elections provided for in the new Rule 9.1.1.1.4.1 and Rule 9.1.1.1.4.2):

**"8.2 BENEFITS PAYABLE ON DEATH OF A PENSIONER**

8.2.1 *On the death of a PENSIONER who was previously an ACTIVE MEMBER, who retired in terms of Rules 9.1 (including a PAID-UP MEMBER deemed to be subject to Rule 9.1), 9.2, 9.3 or 9.4, or who was previously a FIXED RISK MEMBER contemplated in Rule 7.1.2, and whose PENSION at the time of his or her death (i) had been paid for a period of less than the applicable GUARANTEE PERIOD; or (ii) who qualified for a benefit in terms of this Rule 7.1.2 but had not yet received a PENSION payment, payment of the PENSION will continue to be paid to the SPOUSE of such PENSIONER until the expiry of the GUARANTEE PERIOD, or if there is no SPOUSE, then the aggregate balance in respect of the GUARANTEE PERIOD which remains outstanding will form part of the balance of MEMBER SHARE which shall be applied to provide the benefits referred to in Rule 8.2.2.3.*

8.2.2 *In addition there will also be payable:*

8.2.2.1 *a lump sum as determined by the BOARD in consultation with the VALUATOR from time to time;*

8.2.2.2 *a PENSION to the deceased PENSIONER'S SPOUSE commencing on the PENSIONER'S death, or on the expiry of the GUARANTEE PERIOD, whichever occurs last, unless the deceased PENSIONER had made an election in terms of RULE 9.1.1.1.4.2 in which case no PENSION shall be payable to the SPOUSE. Subject to Rule 8.2.4.2, the PENSION to the SPOUSE will be equal to 75% (seventy five percent) of the PENSION payable immediately prior to the commencement of the PENSION to the SPOUSE;*

8.2.2.3 *after (i) the last payment of a SPOUSE'S PENSION has been made, or (ii) where there is no SPOUSE, the last payment of a PENSION to the deceased PENSIONER has been made, the BOARD will deduct the total amount paid to the deceased PENSIONER or his or her SPOUSE (as applicable) including any amount, which may have been commuted for cash, from the amount of the MEMBER SHARE as at the date of the MEMBER'S retirement. Should there be any positive difference, such positive difference shall be paid (i) where there was a SPOUSE, to the deceased estate of the SPOUSE or (ii) where there was no SPOUSE, to the deceased estate of the PENSIONER."*

12. By the deletion in its entirety of Rules 9.1.1 under the heading "BENEFIT PAYABLE ON THE NORMAL RETIREMENT DATE OF A MEMBER" and the insertion of the following new Rule 9.1.1 (with the key amendments made to Rule 9.1.1.1.4, the end of Rule 9.1.1.1.5, the first two lines of Rule 9.1.1.1.6, the first two lines of Rule 9.1.1.1.7 and the hanging paragraph and the end of Rule 9.1.1):

**"9.1 BENEFIT PAYABLE ON THE NORMAL RETIREMENT DATE OF A MEMBER**

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 MEMBER SHARE comprising the VESTED RIGHTS in respect of that MEMBER; plus*

9.1.1.1.2 *up to one-third 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); 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:*

9.1.1.1.4 *to provide for a PENSION payable to the MEMBER as a PENSIONER by the FUND for the rest of his or her life. Such PENSION will be calculated based on the CONVERSION FACTOR, provided that the MEMBER shall be entitled to make the following written elections in relation to such PENSION:*

9.1.1.1.4.1 *the election that such PENSION has a GUARANTEE PERIOD of 20 (twenty) years, failing which election the PENSION shall have a default GUARANTEE PERIOD of 5 (five) years; and/or*

9.1.1.1.4.2 *subject to the FUND receiving written consent from the SPOUSE (in a form satisfactory to the FUND), the election that no PENSION shall be payable to the SPOUSE on the death of the MEMBER, failing which election the SPOUSE shall receive a 75% (seventy-five percent) PENSION on the death of the MEMBER; and/or*

9.1.1.1.5 *to provide for a LIVING ANNUITY payable to the MEMBER as an ANNUITANT by the FUND subject to such conditions as set out in the LIVING ANNUITY POLICY; and/or*

9.1.1.1.6 *to buy an annuity policy in the name of the MEMBER from an INSURER chosen by the MEMBER, which:*

9.1.1.1.6.1 *must be a compulsory annuity in terms of which the INSURER undertakes to pay an annuity to the MEMBER for the rest of his or her life;*

9.1.1.1.6.2 *in the event that the annuity does not provide for a pension to the SPOUSE on the death of the MEMBER, the MEMBER'S SPOUSE must consent to the purchase of such compulsory annuity;*

9.1.1.1.6.3 *may not be convertible to a lump sum; and*

9.1.1.1.6.4 *may not be capable of being transferred, assigned, reduced, hypothecated or attached by creditors.*

9.1.1.1.7 *Where the full balance of the MEMBER SHARE is applied to purchase an annuity policy for the MEMBER, he or she will stop being a MEMBER of the FUND and the FUND will have no further liability towards him or her or his or her BENEFICIARIES.*

*Provided that the calculation of these benefits in terms of Rule 9.1 will be reduced by any amounts deducted in terms of these RULES and the PFA and provided further that the options exercised in terms of this Rule 9.1 shall be subject to compliance with the INCOME TAX ACT and the requirements of SARS as may be applicable from time to time."*

13. By the deletion of Rule 9.3.1 and the insertion of the following new Rule 9.3.1 (with the only change being to the first line of Rule 9.3.1):

*"9.3.1 In the instance where the MEMBER (excluding an ALTERNATIVE RISK MEMBER) has not yet attained the age of 55 (fifty five) and his or her application for a disability benefit provided for in Rule 7 has been rejected, the MEMBER may apply to the BOARD to retire due to ill-health."*

14. By the deletion of Rules 9.9.7 to Rule 9.9.9 (under the heading "Living Annuities") in their entirety and the insertion of the following new Rules 9.9.7 to 9.9.9, respectively (with the remaining sub-rules being re-numbered accordingly):

*"9.9.7 If the balance of the LIVING ANNUITY CAPITAL ACCOUNT of an ANNUITANT is equal to or less than the amount prescribed under the INCOME TAX ACT, the amount may be commuted in full by the ANNUITANT.*

*9.9.8 An ANNUITANT in receipt of a LIVING ANNUITY may, subject to applicable law at any time elect to:*

*9.9.8.1 transfer the balance of the LIVING ANNUITY CAPITAL ACCOUNT to an INSURER of his or her choice, in order to purchase an annuity in his or her own name in such form as the ANNUITANT may decide, in which case the FUND shall have no further liability in respect of such LIVING ANNUITY, such liability resting with the INSURER from whom the annuity is purchased; or*

*9.9.8.2 provided that the LIVING ANNUITY POLICY so allows, apply the balance in his or her LIVING ANNUITY CAPITAL ACCOUNT to secure a PENSION from the FUND or an annuity from an INSURER, in which case the FUND shall have no further liability in respect of such LIVING ANNUITY. The conditions applicable to such a conversion will also be set out in the LIVING ANNUITY POLICY.*

*9.9.9 If the balance in the LIVING ANNUITY CAPITAL ACCOUNT of an ANNUITANT at any time becomes less than an amount stipulated in the LIVING ANNUITY POLICY, then, subject to*

*applicable law, the ANNUITANT will be required to apply the balance in his or her LIVING ANNUITY CAPITAL ACCOUNT:*

9.9.9.1 *where such ANNUITANT is also a PENSIONER, to secure an additional PENSION from the FUND calculated by the VALUATOR, based on the CONVERSION FACTOR; or*

9.9.9.2 *to purchase an annuity from an INSURER in his or her own name in such form as the ANNUITANT may decide, in which case the FUND shall have no further liability in respect of such LIVING ANNUITY, such liability resting with the INSURER from whom the annuity is purchased.”*

15. By the deletion of Rule 13.2.1.3 (relating to credits to the Main Account) in its entirety and the insertion of the following new Rule 13.2.1.3 (with the only substantive amendments relating to the new cross-references in the last two lines of such Rule):

*“13.2.1.3 Other than in respect of CATEGORY C MEMBERS, 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;”*

16. By the deletion of Rule 13.2.2.3 (relating to credits to Supplementary Account 1) in its entirety and the insertion of the following new Rule 13.2.2.3 (relating to ALTERNATIVE RISK MEMBERS):

*“13.2.2.3 In respect of FLEXIBLE RISK MEMBERS, that part of the CONTRIBUTION that is paid by the EMPLOYER and allocated in terms of Rule 4.3.3.3 or Rule 4.3.5.4 and in respect of ALTERNATIVE RISK MEMBERS, 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”*

17. By the deletion of Rule 15.17 in its entirety and the insertion of the following new Rule 15.17 (with the only changes being made to rule 15.17.5):

***“15.17 CALCULATION BASIS FOR THE CONVERSION FACTOR***

*The CONVERSION FACTOR shall be calculated based on the assumptions and benefits reviewed annually by the VALUATOR (which review forms part of the VALUATOR’S annual valuation report) on the following basis:*

15.17.1 *the MEMBER’S age at the calculation date will be taken to be his/her age;*

15.17.2 *if the MEMBER has a SPOUSE at retirement this person’s age will also be taken as his or her age;*

15.17.3 *the PENSION is assumed to be payable monthly in arrears;*

15.17.4 *the CONVERSION FACTOR will be calculated with reference to the yield on government issued nominal and inflation linked bonds, together with future pension increases consistent with the FUND’S pension increase policy adopted in accordance with the PFA;*

15.17.5 *if the MEMBER has a SPOUSE at retirement, the CONVERSION FACTOR will be calculated allowing for:*

15.17.5.1 *a 75% (seventy five percent) PENSION to be payable to such SPOUSE on the death of the MEMBER, unless the MEMBER has made an election in terms of Rule 9.1.1.4.2, in which case the CONVERSION FACTOR will allow for no PENSION to be payable to the SPOUSE on the death of the MEMBER; and*

15.17.5.2 *a GUARANTEE PERIOD of 5 (five) years, unless the MEMBER has made an election in terms of Rule 9.1.1.4.1, in which case the CONVERSION FACTOR will allow for a GUARANTEE PERIOD of 20 (twenty) years;”*

18. By the deletion of Rule 15.18 in its entirety and the insertion of the following new Rule 15.18 (with the only changes being made to the second sentence of Rule 15.18):

**“15.18 CALCULATION BASIS FOR THE CONDITIONAL RETIREMENT FACTOR**

*The CONDITIONAL RETIREMENT FACTOR is only applicable to MEMBERS who may become entitled to the CONDITIONAL RETIREMENT BENEFIT provided for in Rule 9.5.*

*The CONDITIONAL RETIREMENT FACTOR is calculated using the same assumptions as for the CONVERSION FACTOR save that future investment returns are assumed to be 6% (six percent) p.a. and a GUARANTEE PERIOD of 5 (five) years only applies.”*

19. By the amendment of the following cross-references, being consequential changes to the amendments provided for herein:

19.1 by deleting the existing cross-reference in the hanging paragraph at the end of the re-numbered Rule 2.2.24.2 (the definition of “CHILD”) and inserting a new cross-reference of “Rule 2.2.24.2.2”;

19.2 by deleting the existing cross-reference in the re-numbered Rule 2.2.40.2 (the definition of “EXITING MEMBERS”) and inserting a new cross-reference of “Rule 2.2.40.1”;

19.3 by deleting the existing cross-references in the re-numbered Rule 2.2.90.1 (the definition of “UNCLAIMED BENEFITS”) and inserting new cross-references of “Rule 2.2.90.2” and “Rule 2.2.90.6”, respectively;

19.4 by deleting the second cross-reference in Rule 3.6.1.2 and inserting a new cross-reference of “Rule 8.1.4”;

19.5 by deleting the second and fourth cross-references in Rule 4.3.6 and inserting new cross-references of “Rule 4.3.5.2” and “Rule 4.3.5.3”, respectively;

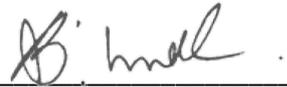
19.6 by deleting the first cross-reference in Rule 8.1.1.2 and inserting a new cross-reference of “Rule 8.1.4”;

- 19.7 by deleting the existing cross-reference in the re-numbered Rule 8.1.4.1 and inserting a new cross-reference of "Rule 8.1.4.1";
- 19.8 by deleting the existing cross-reference in the re-numbered Rule 8.1.4.1.5 and inserting a new cross-reference of "Rule 8.1.4";
- 19.9 by deleting the existing cross-reference in Rule 10.12.3.5 and inserting a new cross-reference of "Rule 8.1.5";
- 19.10 by deleting the existing third cross-reference in Rule 13.5.2 and inserting a new cross-reference of "Rule 4.3.5.3"; and
- 19.11 by deleting the existing cross-reference in Rule 13.8.2.6 and inserting a new cross-reference of "Rule 9.9.9".

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



**TE Louw**  
**ACTING CHAIRPERSON**



**P J Van der Merwe**  
**PRINCIPAL OFFICER**



**BA Stanfliet**  
**BOARD MEMBER**

**DATE:** 24 June 2022

I hereby confirm that I have studied Rule Amendment No. 1 of the Fund, and can certify that Rule Amendment No. 1 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