

AMENDMENT 7

to the RULES of the

SARPBAC RETIREMENT FUND (PROVIDENT)

The BOARD OF TRUSTEES resolved at a meeting held on 22 November 2018 at Grand West, Cape Town, that the RULES are amended with effect from 1 March 2019 as follows:

1. The following definition is added to the DEFINITIONS:

PAID-UP MEMBER

A MEMBER whose benefit remains paid up in the FUND following termination of service for reasons other than retirement.

2. Rule A 3.2, Payment of withdrawal benefit, is replaced by the following:

A 3.2 Payment of withdrawal benefit

A 3.2.1 The withdrawal benefit will be retained in the FUND and the MEMBER will become a PAID-UP MEMBER.

A 3.2.2 The PAID-UP MEMBER may, at any time and subject to receiving retirement benefits counselling as defined in the ACT, elect to:

- (a) take his entire withdrawal benefit in cash; or
- (b) transfer his entire withdrawal benefit to an APPROVED PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND, APPROVED RETIREMENT ANNUITY FUND or a combination of such funds as may be permitted in terms of the Income Tax Act; or
- (c) transfer a part of his withdrawal benefit and take the remainder in a single cash amount.

- A 3.2.3 Once any portion of the PAID-UP MEMBER'S withdrawal benefit has been paid in cash or transferred as described in Rule A 3.2.2 above, the PAID-UP MEMBER shall have no further claim against the FUND in respect of the amount paid or transferred.
- A 3.2.4 No contributions are payable to the FUND by or in respect of a PAID-UP MEMBER.
- A 3.2.5 The GROUP INSURANCE BENEFITS in respect of the PAID-UP MEMBER will cease.
- A 3.2.6 The FUND'S expenses in respect of a PAID-UP MEMBER will be deducted from his MEMBER'S SHARE.
- A 3.2.7 If a PAID-UP MEMBER dies his withdrawal benefit will become payable and the provisions of Section 37C of the ACT will apply.
- A 3.2.8 A PAID-UP MEMBER will be entitled to retire once he reaches the age of 55 years. The provisions of Rules A 4.2 and A 4.3 will apply *mutatis mutandis*. The retiring PAID-UP MEMBER'S retirement benefit will become payable on his elected retirement date.
- A 3.2.9 A PAID-UP MEMBER may retire prior to attaining the age of 55 years if he becomes permanently Incapable of carrying on his occupation due to sickness, accident, injury, or incapacity through infirmity of mind or body. The provisions of Rules A 4.2 and A 4.3 will apply *mutatis mutandis*. The retiring PAID-MEMBER'S retirement benefit will become payable on his elected retirement date.

3. **Rule A 4.3.2 of Rule A 4.3, Payment of the retirement benefit, is replaced by the following:**

A 4.3.2 After the MEMBER receives retirement benefit counselling as defined in the ACT, an annuity which becomes payable in terms of Rule A 4.3.1 shall be purchased by the FUND in the MEMBER'S name from an INSURER of the MEMBER'S choice. Thereafter the FUND shall have no further liability in respect of the MEMBER, such liability resting with the INSURER from whom the pension is purchased. The annuity so purchased shall be a compulsory, non-commutable, non-assignable annuity, payable for at least the life of the MEMBER and may but need not form part of the FUND's annuity strategy adopted by the BOARD OF TRUSTEES in accordance with Regulation 39 of the ACT. The other features of the annuity may be selected by the MEMBER.

The reasons for the amendment are to

- ***provide for paid-up members as the default option on withdrawal and***
- ***ensure members receive retirement benefit counselling before receiving a benefit.***

Certified that the aforementioned resolution has been adopted in accordance with the provisions of the RULES of the FUND


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CHAIRPERSON: BOARD OF TRUSTEES


22 November 2018
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DATE


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TRUSTEE

22 November 2018
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DATE


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PRINCIPAL OFFICER

21 November 2018
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DATE

REGISTERED in terms of
Pension Funds Act No. 24 of 1956
25 APR 2019

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FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY