

AMENDMENT 12

to the RULES of the SARPBAC RETIREMENT FUND (PENSION)

The BOARD OF TRUSTEES resolved through a round robin procedure completed on
..... 26 July 2022 that the RULES are amended with effect
from **1 March 2022** as follows:

1. The following definition are inserted in the DEFINITIONS rule respectively:

EXPENSE RESERVE ACCOUNT The account maintained by the FUND in terms of Rule B 4;

PROCESSING RESERVE ACCOUNT The account maintained by the FUND in terms of Rule B 5;

SECTION 13A INTEREST RESERVE ACCOUNT The account maintained by the FUND in terms of Rule B 6;

2. Rule B 2.1.2 of Rule B 2.1, MEMBER CONTRIBUTIONS ACCOUNT, is replaced by the following:

B 2.1.2 Subject to Rule B 2.3, the MEMBER CONTRIBUTIONS ACCOUNT is equal to:

B 2.1.2.1 the balance in the MEMBER CONTRIBUTIONS ACCOUNT at the most recent ANNIVERSARY DATE; plus

B 2.1.2.2 NET MEMBER CONTRIBUTIONS made in terms of Rule A 2.1 since the most recent ANNIVERSARY DATE; plus

B 2.1.2.3 any amounts transferred from the PROCESSING RESERVE ACCOUNT in terms of Rule B 5.8; less

B 2.1.2.4 amounts transferred to the PROCESSING RESERVE ACCOUNT in terms of Rule B 5.3.

3. Rule B 2.2.2 of Rule B 2.2, MEMBER'S ADDITIONAL CONTRIBUTIONS ACCOUNT, is replaced by the following:

B 2.2.2 Subject to Rule B 2.3, the MEMBER'S ADDITIONAL CONTRIBUTIONS ACCOUNT is equal to:

B 2.2.2.1 the balance in the MEMBER'S ADDITIONAL CONTRIBUTIONS ACCOUNT at the most recent ANNIVERSARY DATE; plus

B 2.2.2.2 contributions made in terms of Rule A 2.3 since the most recent ANNIVERSARY DATE; plus

B 2.2.2.3 any amounts transferred from the PROCESSING RESERVE ACCOUNT in terms of Rule B 5.8; less

B 2.2.2.4 amounts transferred to the PROCESSING RESERVE ACCOUNT in terms of Rule B 5.3.

4. Rule B 2.3.1 of Rule B 2.3, Account Balances, is replaced by the following:

B 2.3.1 The sum of the balances in the:

B 2.3.1.1 MEMBER CONTRIBUTIONS ACCOUNTS; plus

B 2.3.1.2 MEMBER'S ADDITIONAL CONTRIBUTIONS ACCOUNTS;
plus

B 2.3.1.3 EXPENSE RESERVE ACCOUNT; plus

B 2.3.1.4 PROCESSING RESERVE ACCOUNT; plus

B 2.3.1.5 SECTION 13A INTEREST RESERVE ACCOUNT

shall, notwithstanding anything to the contrary contained in these RULES, not exceed the value of the assets of the FUND.

5. Rule B 2.6.3 is deleted.

6. The following rule is added to Rule B 3.2.3:

B 3.2.3.4 any balance in the EXPENSE RESERVE ACCOUNT, PROCESSING RESERVE ACCOUNT and the SECTION 13A INTEREST RESERVE ACCOUNT shall be used to adjust the amount of each MEMBER'S SHARE prior to affecting the transfers and payments mentioned earlier in Rule B 3.2.3.3.

7. Rule B 3.5, Decision to dissolve the FUND, is added to the Rules as follows:

B 3.5 DECISION TO DISSOLVE THE FUND

B 3.5.1 Notwithstanding any other provisions of these RULES, the BOARD OF TRUSTEES resolved to dissolve the FUND after the completion of the following:

- (i) Qualifying MEMBERS, PAID-UP MEMBERS and DEFERRED RETIREES, as well as their respective MEMBER'S SHARES, will be transferred on 1 March 2022 to the SARPBAC Retirement Fund (Provident) (registration number 12/8/38093) in terms of section 14 of the ACT after payment of any tax due whereafter these MEMBERS will cease to be MEMBERS of the FUND;

- (ii) unclaimed benefits will be transferred on 1 March 2022 to the SARPBAC Retirement Fund (Provident) (registration number 12/8/38093) in terms of section 14 of the ACT whereafter the FUND will have no further liability in respect of such benefits.

B 3.5.2 Once the transfers mentioned above have been affected, the BOARD OF TRUSTEES will, subject to the AUTHORITY'S approval, appoint a LIQUIDATOR who will commence with the liquidation of the FUND in terms of Rule B 3.2 and the ACT.

8. Rule B 4, EXPENSE RESERVE ACCOUNT, is added to the Rules as follows:

RULE B 4 – EXPENSE RESERVE ACCOUNT

At the request of the BOARD OF TRUSTEES, the ADMINISTRATOR will maintain an EXPENSE RESERVE ACCOUNT to account for any difference in value between the allocation towards FUND expenses and the actual expenses incurred by the FUND.

The EXPENSE RESERVE ACCOUNT shall be credited with:

- B 4.1 An opening balance as determined by the BOARD OF TRUSTEES in consultation with the VALUATOR;
- B 4.2 that portion of the MEMBERS' SHARES allocated towards FUND expenses; and
- B 4.3 such amounts transferred from the PROCESSING RESERVE ACCOUNT as determined by the BOARD OF TRUSTEES on the advice of the VALUATOR,

and shall be debited with:

B 4.4 any administrative expenses incurred by the FUND; and

B 4.5 such amounts transferred to the PROCESSING RESERVE ACCOUNT as determined by the BOARD OF TRUSTEES on the advice of the VALUATOR.

Under no circumstances will the EXPENSE RESERVE ACCOUNT have a negative balance.

9. Rule B 5, PROCESSING RESERVE ACCOUNT, is added to the Rules as follows:

RULE B 5 – PROCESSING RESERVE ACCOUNT

At the request of the BOARD OF TRUSTEES, the ADMINISTRATOR shall maintain a PROCESSING RESERVE ACCOUNT to account for any difference in value between:

(a) The sum of the balances in the:

(i) MEMBERS CONTRIBUTIONS ACCOUNTS; plus

(ii) MEMBER'S ADDITIONAL CONTRIBUTIONS ACCOUNTS; plus

(iii) EXPENSE RESERVE ACCOUNT; plus

(iv) SECTION 13A INTEREST RESERVE ACCOUNT

and

(b) the value of the net assets of the FUND.

The purpose of the PROCESSING RESERVE ACCOUNT is to allow for any mismatching and for timing differences in the actual investment or disinvestment of moneys from the times when they are deemed to have occurred in the calculation of benefit or the interest as declared by the BOARD OF TRUSTEES and other miscellaneous mismatches that occur in the normal functioning of the FUND. Net investment returns and interest earned by the FUND shall be allocated to the PROCESSING RESERVE ACCOUNT. Investment returns shall be allocated to MEMBERS' SHARES and other reserve accounts from the PROCESSING RESERVE ACCOUNT.

After completion of each financial review of the FUND, the balance of the PROCESSING RESERVE ACCOUNT shall be evaluated.

The PROCESSING RESERVE ACCOUNT shall be credited with:

- B 5.1 An opening balance as determined by the BOARD OF TRUSTEES in consultation with the VALUATOR;
- B 5.2 Net investment returns (positive or negative) and interest earned by the FUND;
- B 5.3 amounts transferred from the MEMBER CONTRIBUTIONS ACCOUNT and from the MEMBER'S ADDITIONAL CONTRIBUTIONS ACCOUNT in terms of Rule B 2.1.2 and Rule B 2.2.2 as determined by the BOARD OF TRUSTEES in consultation with the VALUATOR;
- B 5.4 such amounts transferred from the EXPENSE RESERVE ACCOUNT as determined by the BOARD OF TRUSTEES on the advice of the VALUATOR;
- B 5.5 such amounts transferred from the SECTION 13A INTEREST RESERVE ACCOUNT as determined by the BOARD OF TRUSTEES on the advice of the VALUATOR,

and to which shall be debited:

- B 5.6 such amounts transferred to the EXPENSE RESERVE ACCOUNT as determined by the BOARD OF TRUSTEES on the advice of the VALUATOR;
- B 5.7 such amounts transferred to the SECTION 13A INTEREST RESERVE ACCOUNT as determined by the BOARD OF TRUSTEES on the advice of the VALUATOR; and
- B 5.8 amounts transferred to the MEMBER CONTRIBUTIONS ACCOUNT and the MEMBER'S ADDITIONAL CONTRIBUTIONS ACCOUNTS in terms of Rule B 2.1.2 and Rule B 2.2.2 as determined by the BOARD OF TRUSTEES on the advice of the VALUATOR.

10. Rule B 6, SECTION 13A INTEREST RESERVE ACCOUNT, is added to the Rules as follows:

RULE B 6 – SECTION 13A INTEREST RESERVE ACCOUNT

At the request of the BOARD OF TRUSTEES, the ADMINISTRATOR shall maintain a SECTION 13A INTEREST RESERVE ACCOUNT to which shall be credited:

- B 6.1 an opening balance determined by the BOARD OF TRUSTEES on the advice of the VALUATOR;
- B 6.2 any amount transferred from the PROCESSING RESERVE ACCOUNT in terms of Rule B 5.7;

and to which shall be debited:

- B 6.3 any amount transferred to the PROCESSING RESERVE ACCOUNT in terms of Rule B 5.5.

The purpose of the SECTION 13A INTEREST RESERVE ACCOUNT is to maintain a contingency reserve for the potential default of EMPLOYERS for amounts due to the FUND in terms of Section 13A of the ACT.

Under no circumstances will the SECTION 13A INTEREST RESERVE ACCOUNT have a negative balance.

The reasons for the amendments are:

- *to describe the Section 14 transfer of qualifying Members, Paid-up Members, Deferred Retirees and unclaimed benefits, and once completed, the Board of Trustees will appoint a liquidator to dissolve the Fund; and*
- *to allow for an Expense Reserve Account, a Processing Reserve Account and a Section 13A Interest Reserve Account.*

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



26/07/2022

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CHAIRPERSON: BOARD OF TRUSTEES

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DATE



26/07/2022

.....
TRUSTEE

.....
DATE



26/07/2022

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PRINCIPAL OFFICER

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DATE

It is certified that the amendment is financially sound and will not negatively impact on the financial soundness of the FUND.



02/08/2022

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VALUATOR TO THE FUND

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DATE