

REPUBLIC
OF
SOUTH AFRICA



REPUBLIEK
VAN
SUID-AFRIKA

Government Gazette Staatskoerant

Selling price • Verkoopprys
(GST excluded • AVB uitgesluit)

Local **80c** Plaaslik

Registered at the Post Office as a Newspaper Other countries **R1,10** Buitelands As 'n Nuusblad by die Poskantoor Geregistreer
Post free • Posvry

Vol. 315

PRETORIA, 27 SEPTEMBER 1991

No. 13544

GOVERNMENT NOTICE

DEPARTMENT OF POSTS AND TELECOMMUNICATIONS

No. 2382

27 September 1991

STATUTES OF THE POST OFFICE PENSION FUND

I, Dawid Jacobus de Villiers, Minister for Economic Co-ordination and Public Enterprises, acting in terms of section 10 of the Post Office Act, No. 44 of 1958, as amended, hereby promulgate the Statutes of the Post Office Pension Fund.

D. J. DE VILLIERS,

Minister for Economic Co-ordination and Public Enterprises.

CONTENTS

1. DEFINITIONS

- 1.1 General provisions
- 1.2 Definition clause

2. INTRODUCTION

- 2.1 Name
- 2.2 Objectives
- 2.3 Legal Capacity
- 2.4 Registered Office

3. MEMBERSHIP

- 3.1 Acceptability and Entry
- 3.2 Termination
- 3.3 Temporary Absence

4. BENEFITS AND CONTRIBUTIONS: A-MEMBERS

- 4.1 Benefits on retirement on reaching the statutory retirement age
- 4.2 Benefits on retirement after reaching the statutory retirement age
- 4.3 Benefits on retirement before reaching the statutory retirement age
- 4.4 Benefits on disability

- 4.5 Benefits on death of member
- 4.6 Benefits on death of pensioner
- 4.7 Benefits on reorganisation/abolition of post
- 4.8 Benefits on resignation/discharge
- 4.9 Contributions by A-members
- 4.10 Purchase of pensionable service by A-members

5. BENEFITS AND CONTRIBUTIONS: B-MEMBERS

- 5.1 Benefits on retirement on reaching the statutory retirement age
- 5.2 Benefits on retirement after reaching the statutory retirement age
- 5.3 Benefits on retirement before reaching the statutory retirement age
- 5.4 Benefits on disability
- 5.5 Benefits on death of member
- 5.6 Benefits on death of pensioner
- 5.7 Benefits on reorganisation/abolition of post
- 5.8 Benefits on resignation/discharge
- 5.9 Contributions by B-members
- 5.10 Purchase of pensionable service by B-members

6. BENEFITS AND CONTRIBUTIONS: C-MEMBERS

- 6.1 Benefits on retirement on reaching the statutory retirement age
- 6.2 Benefits on retirement after reaching the statutory retirement age
- 6.3 Benefits on retirement before reaching the statutory retirement age
- 6.4 Benefits on disability
- 6.5 Benefits on death of member
- 6.6 Benefits on death of pensioner
- 6.7 Benefits on reorganisation/abolition of post
- 6.8 Benefits on resignation/discharge
- 6.9 Contributions by C-members
- 6.10 Purchase of pensionable service by C-members

7. SUNDRY PROVISIONS ON BENEFITS AND CONTRIBUTIONS

- 7.1 Payment of benefits
- 7.2 Payment of annuities to qualifying widows, qualifying spouses and qualifying children
- 7.3 Commutation of annuities
- 7.4 Payment otherwise than prescribed
- 7.5 Limitation
- 7.6 Unclaimed moneys
- 7.7 Larger benefits and increase in benefits
- 7.8 Transfers between funds
 - 7.8 (1) Transfers from previous government funds
 - 7.8 (2) Transfers to or from recognised funds
 - 7.8 (3) Transfers to or from other funds
- 7.9 Employer's contributions
- 7.10 Payment of contributions
- 7.11 Moneys will not revert to the employer

- 7.12 Adjustment of emoluments
- 7.13 Change in work status
- 7.14 Recovery of tax
- 7.15 Currency
- 7.16 Right of retention on benefits

8. MANAGEMENT OF THE FUND

- 8.1 Board of Trustees
- 8.2 Disqualification and term of office
- 8.3 Board Meetings
- 8.4 Powers of the Board
- 8.5 Chief Officer
- 8.6 Auditor
- 8.7 Accounts
- 8.8 Actuary
- 8.9 Actuarial evaluation
- 8.10 Bank account
- 8.11 Records and safekeeping of securities
- 8.12 Signature of documents
- 8.13 Indemnity
- 8.14 Fidelity insurance
- 8.15 Costs

9. GENERAL

- 9.1 Proof of age and particulars
- 9.2 Members are deferred creditors
- 9.3 Conditions of service unchanged
- 9.4 Registration and approval
- 9.5 Amendments to the Statutes
- 9.6 Members may obtain copies of documents
- 9.7 Binding force of the Statutes
- 9.8 Disputes
- 9.9 Entry of additional employers
- 9.10 Dissolution of the Fund
- 9.11 Withdrawal of an employer
- 9.12 Transfer or merger
- 9.13 New fund or scheme

SCHEDULE A

SCHEDULE B

1. DEFINITIONS

GENERAL PROVISIONS

- 1.1 In these Statutes, unless the context otherwise indicates—
 - words and expressions referring to one sex also pertain to the other;
 - words and expressions in the singular also refer to the plural and vice versa;
 - headings are intended for reference purposes only and are not taken into account in interpretation of the Statutes; and
 - words and expressions in clause 1.2 hereafter have the meanings assigned to them.

DEFINITION CLAUSE

1.2 **Actuary:** the actuary of the Fund appointed in terms of clause 8.8 (2);

additional annuity amount: an annual amount equal to—

- (i) R360 in the case of an A-member;
- (ii) R300 in the case of a B-member;

or such other amount as the Board may determine from time to time;

A-member: an officer or an employee who became an A-member in terms of clause 3.1 (1) or (2);

anniversary of the Fund: 31 March 1992 and thereafter annually on the 31st day of March;

annuity: an annual benefit amount payable in terms of the Statutes;

approved pension fund: a fund registered as a pension fund in terms of the Pensions Act and approved as such in terms of the Income Tax Act, as well as a pension fund established by an Act of Parliament;

average terminal salary: the average of the member's pensionable emoluments over the last—

- (i) thirty-six months of his period of pensionable service in the case of an A or B-member; and
- (ii) twenty-four months of his period of pensionable service in the case of a C-member;

provided that, should the period of pensionable service be shorter than thirty-six and twenty-four months respectively, "average terminal salary" shall be the average annual pensionable emoluments during such shorter period;

beneficiary: any person including a nominee who is entitled to benefits in terms of the Statutes;

B-member: an employee who became a B-member in terms of clause 3.1 (2);

Board: the Board of Trustees elected or appointed in terms of clause 8 to control and manage the Fund;

C-member: a staff member who became a C-member in terms of clause 3.1 (3);

contract employee: a B-member of the Fund who is employed only for a specific period in terms of his service contract;

dependant: a person for whom the member or pensioner at the time of the said member's or pensioner's death—

- (i) was legally liable for maintenance;
- (ii) was not legally liable for maintenance if such person—
 - (a) in the opinion of the Board, was in fact dependent upon the member or pensioner for maintenance;
 - (b) was a party to a recognised marriage with the member or pensioner;
- (iii) would have become legally liable for maintenance had the member or pensioner not died;

disability: disability of a member resulting from an accident, illness or disorder not occasioned by the member's own doing and preventing the member totally and permanently from following his own profession or any other profession for which he is reasonably qualified in terms of his education, training and experience, and "disabled" has a corresponding meaning. The Board decides in its own discretion whether a member is disabled for purposes of the Statutes; provided that in the case of a C-member, disability for such purposes, be subject to the following further conditions:

- (i) That the member undergo regular medical treatment by a physician, or other treatment by a competent person, where there are reasonable prospects that such treatment may improve the member's condition.
- (ii) That the member furnish proof to the satisfaction of the Board that he is experiencing an actual loss of income from own activities.

- (iii) That the member furnish proof to the satisfaction of the Board of his disability and regularly thereafter of the continuance of his disability up to and including his statutory retirement age;

employee: a person who was an employee as defined in section 1 of the Post Office Service Act, No. 66 of 1974, as amended, immediately prior to 1 October 1991.

employer: the principal employer or a subsidiary company as contemplated in section 4 (9) of the Post Office Act, or related companies or organisations by whom a member is employed and who participate in the Fund in terms of clause 9.9; provided that any employer who withdraws from the Fund in terms of clause 9.11, shall simultaneously cease to be an employer for purposes of the Statutes; with regard to any member "employer" shall mean the employer in whose service he is;

Fund: the Post Office Pension Fund established in terms of section 9 (1) of the Post Office Act;

gratuity: a nonrecurrent benefit amount payable in terms of the Statutes;

Income Tax Act: the Income Tax Act, No. 58 of 1962, as amended;

interest: compound interest at a rate as determined by the Board from time to time; provided that different interest rates may be determined in respect of different clauses of the Statutes;

member: an A-member, a B-member or a C-member;

Minister: the Minister of Transport and of Posts and Telecommunications;

nominee: a person other than a dependant, who has been nominated in writing by a member or pensioner to become entitled to the death benefit or a portion thereof as defined in the Statutes;

officer: a person who was an officer as defined in section 1 of the Post Office Service Act, No. 66 of 1974, as amended, immediately prior to 1 October 1991;

pensionable emoluments: the member's basic annual emoluments as well as any other amounts of a regular nature that may be regarded by the Board, at the request of the employer and after consultation with the actuary, as pensionable subject to the provisions of clauses 3.3 (1), (2) and (3), 7.12 and 7.13;

pensionable service: the period of uninterrupted service of a member as well as any other period regarded by the Board to be pensionable and in respect of which contributions have been made in terms of the Statutes; provided that the period of pensionable service shall be expressed in years and portions of a year. Portions of a year shall be calculated according to proportion in which the number of days in the said portion of a year stands to three hundred and sixty-five days, rounded off to the nearest third decimal;

pension benefit: a gratuity and/or an annuity, as the case may be;

pensioner: a member whose services have been terminated and who receives an annuity as a result thereof;

Pensions Act: the Pension Funds Act, No. 24 of 1956, as amended, and the regulations promulgated in terms thereof;

Post Office Act: the Post Office Act, No. 44 of 1958, as amended;

previous state fund: The Government Service Pension Fund established in terms of the Government Service Pension Fund Act, No. 57 of 1973, as amended, or the Temporary Employees Pension Fund in terms of the Temporary Employees Pension Fund Act, No. 75 of 1979, as amended, as the case may be;

principal employer: South African Post Office Limited;

prospective annuity: the annuity that would have been payable to a member on his statutory retirement date if his pensionable emoluments would have remained unchanged from the date of his actual retirement or death up to and including his statutory retirement date;

qualifying child: in the case of a deceased C-member or a pensioner who was a C-member —

- (i) a child under the age of 18 years and unmarried, as well as an illegitimate or legally adopted child

or

- (ii) a stepchild under the age of 18 years and unmarried, who, in the opinion of the Board, was substantially dependent on the member or the pensioner at the time of his death

including —

- (a) a child as defined in subclauses (i) and (ii) above, but who is older than 18 years and younger than 25 years where such child is studying full-time or is physically or mentally handicapped; provided that if such child is called up for compulsory military service, he shall not be regarded as a qualifying child during the period of such military service, but that he be regarded as a qualifying child while he is a full-time student after reaching the age of 25 for a period not exceeding the period of compulsory military service performed by him before the age of 25;
- (b) a child born after the death of the member or pensioner who would have been a qualifying child in terms of subclauses (i) or (ii) above, but for such death;

but shall exclude a child as defined in subclauses (i) or (ii) above who has been adopted or became a stepchild after the member's statutory retirement date or his actual retirement date, whichever is the earlier; provided that where doubt exists, the Board shall, at its sole discretion, decide whether or not such child is a qualifying child; provided further that the Board may, in a particular case, extend the said maximum age of 25 years, on condition that the employer contribute to the Fund such additional amounts as the actuary may deem necessary to make provision for the said benefit;

qualifying service: the period of uninterrupted service rendered up to and including the member's statutory retirement date, excluding other service recognised as pensionable service in terms of the Statutes;

qualifying spouse: the surviving spouse of a C-member or a pensioner who was a C-member and a party to a recognised marital union existing at the time of the death of the member or the pensioner; provided that in the event of the death of a pensioner, such recognised marital union must have existed either at the earlier of the member's statutory retirement date or his actual retirement date;

qualifying widow: the surviving spouse of a male A or B-member, or of a male pensioner who was an A or a B-member and a party to a recognised marital union which existed at the time of death of the member or pensioner;

recognised marital union: a lawful marriage or a customary union by indigenous law and custom or a union recognised as a marriage by the teachings of any Asiatic religion, or a cohabitation or any other union between a member or pensioner and another person that is deemed by the Board in its sole discretion to be a recognised marital union; provided that a recognised marital union, at the discretion of the Board, may include a recognised marital union that has been dissolved but where the other person is still to some or other extent financially dependent on the member or pensioner;

recognised trade association: an organisation recognised as a trade association by the principal employer in terms of an official agreement concluded between the principal employer and such organisation; provided that such organisation represent persons who are members of the Fund;

staff member: a person, excluding an official or an employee, who enters into the service of the employer on or after 1 October 1991, including a full-time executive director who receives emoluments as well as director's fees, but excluding any person whose services are incidental or only for a limited period; provided that the employer may request that the said exclusion be waived in a particular case;

staff regulations: the applicable conditions of service approved by the principal employer to regulate staff matters between the employer and persons in his service;

Statutes: these Statutes as amended from time to time;

statutory retirement age: the age of sixty years in the case of a B-member and sixty-five years in the case of an A and a C-member;

statutory retirement date: the last day of the month in which a member reaches his statutory retirement age; or in the case of a member who reaches his statutory retirement age on the first day of a month, that day;

uninterrupted service: continuous service as a member of the Fund or a previous state fund from which a transfer was made to the Fund in terms of clause 7.8 (1); provided that the following periods also be regarded as uninterrupted service:

- (i) A period of temporary absence in terms of clause 3.3.
- (ii) Transfer of a member from one employer to another.

2. INTRODUCTION

NAME

- 2.1 The name of the Fund is the Post Office Pension Fund established in terms of section 9 (1) of the Post Office Act.

OBJECTIVES

- 2.2 The objectives of the Fund shall be to provide for benefits to members and former members of the Fund and their dependants from 1 October 1991 as set out in the Statutes.

LEGAL CAPACITY

- 2.3 The Fund is an independent juristic person in terms of section 9 (2) of the Post Office Act.

REGISTERED OFFICE

- 2.4 The registered office of the Fund shall be the Head Office Building, 152 Proes Street, Pretoria, or at such other address as the Board may determine from time to time.

3. MEMBERSHIP

ACCEPTABILITY AND ENTRY

- 3.1
- (1) An officer who prior to 1 October 1992 exercises the option of entering into the service of the employer shall become an A-member of the Fund.
 - (2) An employee who prior to 1 October 1992 exercises the option of entering into the service of the employer shall become a B-member of the Fund; provided that an employee who is younger than 65 years and enters permanently into the service of the employer prior to 1 October 1992, shall have a nonrecurrent, irrevocable option to become an A-member of the Fund within ninety days of becoming a member.
 - (3) A staff member shall become a C-member of the Fund on the day he enters into the service of the employer.
 - (4) If the health of a C-member upon entry is, in the opinion of the Board, not satisfactory he shall be entitled to benefits in terms of the Statutes; provided that if he dies or becomes disabled (unless such death or disability is directly due to unnatural causes) before completion of ten years' qualifying service and while he is in the service of the employer, he shall only be entitled to benefits as though his services with the employer were terminated of his own accord.
 - (5) Should a C-member whose benefits are limited in terms of subclause (4), before expiry of ten years' qualifying service, at his own cost prove to the satisfaction of the Board that his health is satisfactory, the Board may amend or lift said limitation.

TERMINATION

- 3.2 No member may terminate his membership of the Fund while he is in the service of the employer, and his membership shall terminate upon termination of his service, unless otherwise provided in the Statutes.

TEMPORARY ABSENCE

3.3 (1) **Up to and including 120 days**

When a member is absent from duty up to a maximum of 120 consecutive calendar days, his membership of the Fund shall not be affected in any way. During such period of absence, the member shall remain entitled to benefits in terms of the Statutes and contributions shall be made to the Fund, based on his pensionable emoluments from time to time.

(2) **In excess of 120 days**

(i) When a member is absent from duty for more than 120 consecutive calendar days with full or reduced emoluments, the provisions of subclause (1) above shall apply.

(ii) When a member is absent from duty for more than 120 consecutive calendar days without emoluments, the member may elect to continue his membership of the Fund on the basis as set out in subclause (1) above. Should the member not make the said election, he shall remain a member of the Fund on the following basis:

(a) No further contributions shall be made by the member or the employer in respect of the member.

(b) The period of absence during which no contributions are made shall not constitute pensionable service for the purposes of the Statutes.

(c) The member shall remain entitled to benefits in terms of the Statutes, based on his pensionable emoluments on the last date on which he had contributed to the Fund.

(3) **Secondment by employer**

For the purposes of the Statutes, a member seconded by the employer to an institution not participating in the Fund shall not be deemed to be absent from his service. The member shall remain a member of the Fund based on his pensionable emoluments during the period of such secondment.

(4) **Condoned interruption of membership**

If a member leaves the service of the employer and rejoins as a member within twelve months of the date on which he left the service, the service interruption may be condoned on request of the member and with the approval of the Board. If such member received a gratuity as a result of such termination of service, the gratuity with interest shall be repaid to the Fund in a lump sum or instalments as determined by the Board.

4. BENEFITS AND CONTRIBUTIONS: A-MEMBERS

BENEFITS ON RETIREMENT

4.1 **Retirement on reaching the statutory retirement age**

An A-member who reaches his statutory retirement age shall retire on his statutory retirement date with the following pension benefits:

(1) A gratuity of 6,72 per cent of his pensionable emoluments on retirement multiplied by the period of his pensionable service

(2) An annuity of 1/55th of his pensionable emoluments on retirement multiplied by the period of pensionable service, **plus** the additional annuity amount

4.2 **Retirement after reaching the statutory retirement age**

If an A-member who reaches his statutory retirement age is requested by the employer to remain in his service, and the A-member agrees, he shall remain an A-member of the Fund and further contributions by and for him shall be made to the Fund. Such member shall retire upon reaching the age of seventy years at the latest, with the pension benefits calculated in terms of clause 4.1, based on his pensionable emoluments and pensionable service at the date of his actual retirement.

4.3 Retirement before reaching the statutory retirement age

An A-member who has completed qualifying service of at least ten years, may retire before reaching his statutory retirement age subject to the following provisions:

- (1) A female A-member who was appointed as an officer before 24 June 1955 and as such became a member of the Government Service Pension Fund, may—
 - (i) if she has reached the age of fifty-five years, retire with pension benefits as set out in clause 4.1;
 - (ii) if she has reached the age of fifty years, retire with pension benefits as set out in clause 4.1, but reduced by one third of one per cent for each full month between her actual retirement date and a date ten years prior to her statutory retirement date; and
 - (iii) if she has reached the age of forty-five years, retire with the approval of the employer with pension benefits as set out in subclause (ii).
- (2) A male A-member who was appointed as an officer before 24 June 1955 and as such became a member of the Government Service Pension Fund, may—
 - (i) if he has reached the age of sixty years, retire with pension benefits as set out in clause 4.1;
 - (ii) if he has reached the age of fifty-five years, retire with pension benefits as set out in clause 4.1 but reduced by one third of one per cent for each full month between his actual retirement date and a date five years prior to his statutory retirement date; and
 - (iii) if he has reached the age of fifty years, retire with the approval of the employer with pension benefits as set out in subclause (ii).
- (3) Any other A-member who has reached the age of sixty years shall be entitled to, and if he has reached the age of fifty-five years may with the approval of the employer, retire with the pension benefits as set out in clause 4.1, reduced in either case by one third of one per cent for each completed month between the date on which he retires and his statutory retirement date.
- (4) The benefits of an A-member who retires in terms of this clause shall be calculated with reference to his retirement date; provided that—
 - (i) the earliest date on which he may retire shall be the end of the month during which he reached the age entitling him thereto, or during which the employer grants him approval to retire before reaching his statutory retirement age, or if he reaches the said age on the first day of the month, with effect from that date;
 - (ii) he may otherwise only retire at the end of a month.

BENEFITS ON DISABILITY

- 4.4 (1) Subject to the provisions of subclause (2), an A-member who becomes disabled shall retire with benefits as set out in clause 4.1; provided that his pensionable service shall be increased for this purpose by the shortest of the following periods:
 - (i) One third of the member's actual period of pensionable service at the date of his retirement as a result of disability.
 - (ii) The period between the date of his retirement as a result of disability and his statutory retirement date.
 - (iii) Five years.
- (2) An A-member who becomes disabled as a result of an injury arising out of and in the course of his employment, shall retire with benefits as set out in clause 4.1; provided that the member's pensionable service be increased by the period contemplated in clause 4.4 (1) (ii); provided further that the Board is satisfied that the value of the benefits is not less than the value of the benefits that would in such a case have been applicable to the member on 30 September 1991, but based on his pensionable emoluments and pensionable service at the date of his retirement.

- (3) An A-member who retires as a result of disability shall become a pensioner for purposes of the Statutes and shall be entitled to the benefits and subject to the conditions applicable to pensioners of the Fund.

BENEFITS ON DEATH OF A MEMBER

- 4.5 (1) Subject to the provisions of subclause (2), the Fund shall pay the following benefits if an A-member dies before reaching his statutory retirement age:
- (i) A gratuity of—
 - (a) once the member's pensionable emoluments at the time of his death if he has less than ten years' pensionable service and leaves a dependant;
 - (b) the member's benefit in terms of clause 4.8 (1) if he has less than ten years' pensionable service and does not leave a dependant;
 - (c) the total of the gratuity and five times the annuity calculated in terms of clause 4.4 (1), excluding the additional annuity amount if he has at least ten years' pensionable service.
 - (ii) An annuity to a qualifying widow of half of both his prospective annuity and the additional annuity amount.
- (2) If an A-member dies as a result of an injury arising out of and in the course of his employment, the Fund shall pay the following benefits:
- (i) A gratuity of a total of the gratuity and five times the annuity calculated in terms of clause 4.4 (2), excluding the additional amount;
 - (ii) An annuity to a qualifying widow of half of both his prospective annuity and the additional annuity amount;
- provided that the Board is satisfied that the value of the benefits is not less than the value of the benefits that in such a case would have been applicable to the member on 30 September 1991, but based on his pensionable emoluments and pensionable service at the date of his death.
- (3) If an A-member dies after reaching his statutory retirement age, but before retiring in terms of clause 4.2, the benefits shall be paid as though the member had retired in terms of clause 4.2 on the day before his death.

BENEFITS ON DEATH OF PENSIONER

- 4.6 If a pensioner who was an A-member on his retirement dies, the following benefits shall be paid:
- (1) If such death occurs within sixty months after payment of his annuity commenced: A gratuity of the total of all outstanding annuity payments that would have been made until the expiry of the said sixty-month-period, based on the amount of his annuity at the date of his death.
 - (2) An annuity to a qualifying widow of one half of the annuity paid to the pensioner at the time of his death.

BENEFITS ON REORGANISATION/ABOLITION OF POST

- 4.7 (1) If the services of an A-member are terminated by the employer as a result of the abolition of his post or a reorganisation of the employer's activities, the following benefits shall be paid to the member:
- (i) If the period of pensionable service of such member is less than ten years: A gratuity calculated at 20,67 per cent in the case of a male A-member, and 15,33 per cent in the case of a female A-member, of the member's pensionable emoluments at that stage multiplied by the period of his pensionable service.
 - (ii) If the period of pensionable service of such member is ten years or longer: An annuity and gratuity calculated as in clause 4.4 (1). The member shall become a pensioner for purposes of the Statutes at the date of termination of his services, and shall become entitled to benefits and subject to the conditions applicable to pensioners of the Fund.
- (2) In the case of subclause (ii) above, the employer shall compensate the Fund as follows:
- (i) A portion of the gratuity, as determined by the actuary.
 - (ii) All annuity payments made to the member up to and including his statutory retirement date. The employer may, instead of annuity instalments, pay to the Fund their discounted value as determined by the actuary.

- (3) If the services of an A-member are terminated by the employer in terms of this clause, the Board may, with the approval of the member, arrange for the transfer of the said service termination benefits to an alternative retirement scheme, whereafter the Fund shall have no further obligation towards the member.

BENEFITS ON RESIGNATION/DISCHARGE

- 4.8 (1) If an A-member resigns or his services with his employer are terminated and he does not become entitled to benefits provided for elsewhere in the Statutes, he shall receive a gratuity which is the larger of the amounts calculated in one of the following manners:
- (i) $[R(1) \times N(1) + R(2) \times N(2)] \times Z \times D$, increased by 2,5 per cent of the said amount for each completed year of qualifying service, plus any contributions made to the Fund by the member in terms of clause 4.10, where—
- R(1) is the rate of 8 per cent in the case of a male A-member and 6 per cent in the case of a female A-member;
- R(2) is the rate of 7,5 per cent in the case of a male A-member and 6 per cent in the case of a female A-member;
- N(1) is the member's period of qualifying service in a previous state fund;
- N(2) is the member's period of qualifying service in the Fund;
- Z is the member's average terminal salary on his last day of service;
- D is determined by subtracting from 10 000 a number calculated in terms of the table below and dividing the result by 10 000:

TABLE

Completed months of qualifying service	Calculation of amount
0 to 36.....	0;
37 to 120.....	0 plus 26 for each completed month of qualifying service in excess of 36 months;
121 to 240.....	2 184 plus 17 for each completed month of such service in excess of 120 months;
241 to 360.....	4 224 plus 11 for each completed month of such service in excess of 240 months;
361 to 480.....	5 544 plus 7 for each completed month of such service in excess of 360 months;
481 and over.....	6 384 plus 5 for each completed month of such service in excess of 480 months.

- (ii) $[R(1) \times N(1) + R(2) \times N(2)] \times Z \times D$, increased by 2,5 per cent of the said amount for each completed year of pensionable service, where the said symbols have the same meanings as set out in subclause (i), save that in the case of N(1), N(2) and D, the reference to qualifying service in the table shall be a reference to pensionable service, but subject to the provisions of clause 4.10 (7).
- (2) A female A-member who has completed at least five years of qualifying service, and who resigns with a view to entering into a recognised marital union and enters into such recognised marital union within ninety days of such resignation, shall receive a gratuity which is the larger of the amounts calculated in one of the following manners:
- (i) $N \times F(N)$ plus any contributions made by the member to the Fund in terms of clause 4.10 where—
- N is the member's period of qualifying service up to the date when she enters into the recognised marital union;

F(N) is the undermentioned percentage of the member's average terminal salary:

N	F(N)
5	7,5
6	7,8
7	8,1
8	8,4
9	8,7
10 and over	9,0

- (ii) $N \times F(N)$ where the said symbols have the same meanings as set out in subclause (i), save that in the case of N the reference to qualifying service shall be a reference to pensionable service.
- (3) If a female A-member contemplated in subclause (2) above resigns after entering into a recognised marital union, she shall become entitled to benefits in terms of subclause (2) for the period of her qualifying service up to and including the date on which she entered into the recognised marital union, plus the benefits in terms of subclause (1) for the period from the day following upon the day on which she had entered into the recognised marital union up to and including the day she leaves the service of the employer.

CONTRIBUTIONS BY A-MEMBERS

- 4.9 Every male A-member shall contribute to the Fund at a rate of 7,5 per cent of his pensionable emoluments and every female A-member shall contribute to the Fund at a rate of 6,0 per cent of her pensionable emoluments.

PURCHASE OF PENSIONABLE SERVICE BY A-MEMBERS

- 4.10 (1) An A-member shall be entitled to extend the period of his pensionable service by making additional contributions to the Fund; provided that an A-member's pensionable service, after extension thereof in terms of this clause, shall not result in his period of pensionable service commencing before the age of eighteen years.
- (2) The lump sum cost involved in purchase of pensionable service in terms of subclause (1) shall be determined as follows at the date of application:

$$N \times S \times F(X)$$

where—

N is the period of pensionable service purchased;

S is the member's pensionable emoluments at the date of application;

F(X) is determined according to the table below:

Age of member on his next birthday as at the date
of application to purchase service (X)

	F(X)
years	
19 to 45	0,250
46 and 47	0,251
48 and 49	0,252
50	0,253
51	0,255
52	0,257
53	0,259
54	0,261
55	0,263
56	0,265
57	0,268
58	0,270
59	0,273
60	0,275
61	0,279
62	0,285
63	0,293
64	0,302
65	0,312

- (3) The A-member may, with the approval of the Board, pay the lump sum amount in subclause (2) in instalments over a period not extending beyond his statutory retirement date. Interest shall be added to outstanding amounts at a rate as determined from time to time by the Board after consultation with the actuary.
- (4) Any period or portion of a period of pensionable service in respect of which an A-member contributed to a previous state fund and in respect of which a benefit other than a retirement benefit was paid to him, may on written request of the member, and at the discretion of the Board, be recognised as pensionable service, on condition that the member submit to the Board such documentary proof as the Board may require of such previous pensionable service and the amount of such benefit.
- (5) A member contemplated in subclause (4) shall in respect of pensionable service thus recognised, pay to the Fund the benefit thus paid to him together with interest thereon calculated from the date on which the said benefit was paid to him up to and including the date on which the said benefit is paid to the Fund.
- (6) If an A-member purchased service in a previous state fund and he still has outstanding debt in respect of such purchased service on the date on which he becomes a member of the Fund, the terms on which such debt would have been discharged to the previous state fund shall be taken over unchanged by the Fund.
- (7) If an A-member ceases to be a member of the Fund under circumstances other than those referred to in clause 4.8 (1) (i) and (2) (i) before his debt in terms hereof has been settled in full, the outstanding amount of the debt shall be recovered from the benefits payable to or in respect of the member.

5. BENEFITS AND CONTRIBUTIONS: B-MEMBERS

BENEFITS ON RETIREMENT

5.1 Retirement on reaching the statutory retirement age

A B-member who reaches his statutory retirement age shall retire with an annuity calculated at 1/40th of his pensionable emoluments at retirement multiplied by the period of his pensionable service, *plus* the additional annuity amount.

5.2 Retirement after reaching the statutory retirement age

If a B-member who reaches his statutory retirement age requests to remain in the service of the employer, and the employer agrees, he shall remain a B-member of the Fund and further contributions by and for him shall be made to the Fund. Such member shall retire upon reaching the age of seventy-five years at the latest, with pension benefits calculated in terms of clause 5.1, based on his pensionable emoluments and pensionable service at the date of his actual retirement. If in exceptional cases the age of seventy-five years may be extended, in which case the other provisions of this clause shall apply *mutatis mutandis*.

5.3 Retirement before reaching the statutory retirement age

- (1) A B-member, excluding a B-member referred to in subclause (2), who has completed a qualifying service period of at least ten years and reached the age of fifty-five years, may retire with the approval of the employer before reaching his statutory retirement age. A B-member who retires early in this manner shall become entitled to an annuity, calculated in terms of clause 5.1, reduced by one third of one per cent for each full month between the date on which he retires and his statutory retirement date.
- (2) If the services of a contract employee are terminated as a result of—
 - (i) the expiry of his initial contract period or an extension thereof;
 - (ii) the exercising by him of a contractual right to terminate his contract during an extension thereof;
 - (iii) any other reason with the approval of the employer,he shall become entitled to an annuity in terms of clause 5.1.
- (3) The provisions of clause 4.3 (4) shall apply *mutatis mutandis* to a B-member.

BENEFITS ON DISABILITY

- 5.4 (1) Subject to the provisions of subclause (2), a B-member who becomes disabled shall retire with an annuity calculated in terms of clause 5.1; provided that the pensionable service of the member shall be increased for this purpose by the shortest of the following periods:
 - (i) One third of the member's actual period of pensionable service at the date of the member's retirement as a result of disability.

- (ii) The period between the date of his retirement as a result of disability and his statutory retirement date.
- (iii) Five years.
- (2) A B-member who becomes disabled as a result of an injury arising out of and in the course of his employment, shall retire with an annuity calculated in terms of clause 5.1; provided that the member's pensionable service be increased with the period between the date of his retirement and a date five years beyond his statutory retirement date; provided that the Board be satisfied that the value of such benefits is not less than the value of the benefits that would in such a case have been applicable to the member on 30 September 1991, but based on his pensionable emoluments and pensionable service at the date of his retirement.
- (3) A B-member who retires as a result of disability shall become a pensioner for purposes of the Statutes and shall be entitled to the benefits and subject to the conditions applicable to pensioners of the Fund.

BENEFITS ON DEATH OF MEMBER

- 5.5
- (1) Subject to the provisions of subclause (2), the Fund shall pay the following benefits if a B-member dies before reaching his statutory retirement age:
 - (i) A gratuity of—
 - (a) Once the member's pensionable emoluments at the time of his death if he has less than ten years' pensionable service and leaves a dependant;
 - (b) the member's pension benefit in terms of clause 5.8 if he has less than ten years' pensionable service and does not leave a dependant;
 - (c) Five times the annuity calculated in terms of clause 5.4 (1) if he has at least ten years' pensionable service.
 - (ii) An annuity to a qualifying widow of one half of both his prospective annuity and the additional annuity amount.
 - (2) If a B-member dies before reaching his statutory retirement age as a result of an injury arising from and in the course of his employment, the Fund shall pay the following benefits:
 - (i) A gratuity of the total of—
 - (a) five times the additional annuity amount; and
 - (b) five times the annuity contemplated in clause 5.4 (2), but excluding the additional annuity amount; provided that the member's pensionable service shall be increased by the period between the date of his death and a date five years beyond his statutory retirement date; provided further that the latter period shall be increased by the factor 1,264873;
 - (ii) An annuity to a qualifying widow of half of the annuity defined in clause 5.4 (2); provided further that the Board is satisfied that the value of the benefits in subclauses (i) and (ii) is not less than the value of the benefits that would in such a case have been applicable to the member on 30 September 1991, but based on the member's pensionable emoluments and pensionable service at the date of his death.
 - (3) The provisions of subclauses (1) and (2) shall apply *mutatis mutandis* to a B-member who dies after reaching his statutory retirement date, but before retiring in terms of clause 5.2.

BENEFITS ON DEATH OF PENSIONER

- 5.6
- If a pensioner, who was a B-member on retirement, dies, the following benefits shall be paid:
- (1) If such death occurs within sixty months after payment of his annuity commenced: A gratuity of the total of all outstanding annuity payments that would have been made until the expiry of said sixty-month period, based on the amount of the annuity at the date of his death.
 - (2) An annuity to a qualifying widow equal to half of the annuity paid to the pensioner at the time of his death. If the deceased pensioner had on his retirement elected to convert a portion of his annuity into a gratuity in terms of clause 7.3, the said half shall be applied to the annuity the pensioner would have received if a portion thereof had not been converted into a gratuity.

BENEFITS ON REORGANISATION/ABOLITION OF POST

- 5.7 (1) If the services of a B-member are terminated by the employer as a result of the abolition of his post or a reorganisation of the employer's activities, the following benefits shall be paid to the member:
- (i) If the period of pensionable service of such member is less than ten years: A gratuity calculated at 20,67 per cent of the member's pensionable emoluments at that stage multiplied by the period of his pensionable service.
 - (ii) If the period of pensionable service of such member is ten years or longer: An annuity as calculated in terms of clause 5.4 (1). The member shall become a pensioner for purposes of the Statutes at the date of termination of his services and shall become entitled to benefits and subject to the conditions applicable to pensioners of the Fund.
- (2) In the case of subclause (ii) above, the employer shall compensate the Fund as follows:
- (i) If the member elects to convert a portion of his annuity into a gratuity in terms of clause 7.3: A portion of the said gratuity, as determined by the actuary.
 - (ii) All annuity payments made to the member up to and including his statutory retirement date. The employer may, instead of the said annuity instalments, pay to the Fund their discounted value as determined by the actuary.
- (3) If the services of a B-member are terminated by the employer in terms of this clause, the Board may, with the approval of the member, arrange for the transfer of the said service termination benefits to an alternative retirement scheme, whereafter the Fund shall have no further obligation towards the member.

BENEFITS ON RESIGNATION/DISCHARGE

- 5.8 If a B-member resigns or his services with his employer are terminated and he does not become entitled to benefits provided for elsewhere in the Statutes, he shall receive a gratuity which is the larger of the amounts calculated in one of the following manners:
- (1) $R \times Z \times N \times D$ increased by 2,5 per cent of the said amount for each completed year of qualifying service, plus any contributions made by the member to the Fund in terms of clause 5.10, where—
- R is the rate at which the member contributed to the Fund at the date of termination of his services;
 - Z is the member's average terminal salary on his last day of service;
 - N is the member's period of qualifying service;
 - D is calculated as set out in clause 4.8 (1).
- (2) $R \times Z \times N \times D$, increased by 2,5 per cent of the said amount for each completed year of pensionable service, where the said symbols have the same meanings as set out in subclause (1), save that in the case of N and D, the reference to qualifying service shall be a reference to pensionable service subject to the provisions of clause 5.10 (7).

CONTRIBUTIONS BY B-MEMBERS

- 5.9 Every B-member shall contribute to the Fund at a rate of 5,0 per cent of his pensionable emoluments.

PURCHASE OF PENSIONABLE SERVICE BY B-MEMBERS

- 5.10 (1) A B-member shall be entitled to extend the period of his pensionable service by making additional contributions to the Fund; provided that a B-member's pensionable service, after extension thereof in terms of this clause, shall not result in his period of pensionable service commencing before the age of eighteen years.
- (2) The lump sum cost involved in the purchase of pensionable service in terms of subclause (1) shall be determined as follows at the date of application:

$$N \times S \times F(X)$$

where—

N is the period of pensionable service purchased;

S is the member's pensionable emoluments at the date of application;

F(X) is determined according to the table below:

Age of member on his next birthday as at date of
application to purchase service (X)

years	F(X)
19 to 45	0,234
46 and 47	0,235
48 and 49	0,236
50	0,237
51	0,239
52	0,242
53	0,247
54	0,253
55	0,259
56	0,265
57	0,270
58	0,276
59	0,281
60	0,287
61	0,295
62	0,304
63	0,312
64	0,321
65	0,330

- (3) The B-member may, with the approval of the Board, pay the lump sum cost in subclause (2) in instalments over a period not extending beyond his statutory retirement date, or the age of 65 if the member has already reached his statutory retirement age. Interest shall be added to outstanding amounts at a rate determined from time to time by the Board after consultation with the actuary.
- (4) Any period or portion of a period of pensionable service in respect of which a B-member contributed to a previous state fund and in respect of which a benefit other than a retirement benefit was paid to him, may on written request of the member, and at the discretion of the Board, be recognised as pensionable service, on condition that the member submit to the Board such documentary proof as the Board may require of such previous pensionable service and the amount of such benefit.
- (5) A member contemplated in subclause (4) shall in respect of pensionable service thus recognised, pay to the Fund the benefit thus paid to him together with interest thereon calculated from the date on which the said benefit was paid to him up to and including the date on which the said benefit is paid to the Fund.
- (6) If a B-member purchased service in a previous state fund and he still has outstanding debt in respect of such purchased service on the date on which he becomes a member of the Fund, the terms on which such debt would have been discharged to the previous state fund shall be taken over unchanged by the Fund.
- (7) If a B-member ceases to be a member of the Fund under circumstances other than those referred to in clause 5.8 (1) before his debt in terms hereof has been settled in full, the outstanding amount of the debt shall be recovered from the benefits payable to or in respect of the member.

6. BENEFITS AND CONTRIBUTIONS: C-MEMBERS

BENEFITS ON RETIREMENT

6.1 Retirement on reaching the statutory retirement age

A C-member who has reached his statutory retirement age shall retire on his statutory retirement date with an annuity calculated at 1/50th of his average terminal salary multiplied by the period of his pensionable service.

6.2 Retirement after reaching the statutory retirement age

If a C-member who reaches his statutory retirement age is requested by the employer to remain in his service, and the C-member agrees, he shall remain a C-member of the Fund and further contributions shall be made by and for him to the Fund. Such member shall retire upon reaching the age of seventy years at the latest, with an annuity as set out in clause 6.1, based on his average terminal salary and pensionable service at the date of his actual retirement.

6.3 Retirement before reaching the statutory retirement age

- (1) A C-member who has completed qualifying service of at least ten years and reached the age of sixty years shall be entitled to retire, and if he has reached the age of fifty-five years, he may retire with the consent of the employer, with the benefits as set out in clause 6.1, reduced by one third of one per cent for each full month between the date on which he retires and his statutory retirement date.
- (2) The provisions of clause 4.3 (4) shall apply *mutatis mutandis* to a C-member.

BENEFITS ON DISABILITY

- 6.4 (1) A C-member who becomes disabled shall retire with an annuity equal to his prospective annuity at that stage.
- (2) A C-member who retires as a result of disability shall become a pensioner for purposes of the Statutes and shall become entitled to the benefits and subject to the conditions applicable to pensioners of the Fund.
- (3) If a C-member has retired as a result of disability, and subsequently rejoins the service of the employer and again qualifies for membership of the Fund, he shall cease to be a pensioner and shall become a C-member of the Fund. On such rejoining, the member shall become entitled to benefits applicable to C-members; provided that any subsequent annuity be based on his full period of pensionable service in the Fund with exclusion of the period during which he was disabled. If the member had converted a portion of his annuity to a gratuity in terms of clause 7.3, the period of his pensionable service shall be reduced in consideration thereof on a basis as determined by the actuary.
- (4) If a C-member who has retired as a result of disability subsequently recovers to such an extent that he no longer qualifies for an annuity, but he does not rejoin the service of the employer, he shall become entitled to a benefit as set out in clause 6.8.

BENEFITS ON DEATH OF MEMBER

- 6.5 (1) If a C-member dies before reaching his statutory retirement age, the Fund shall pay the following benefits:
 - (i) A gratuity of twice the member's pensionable emoluments at the time of his death.
 - (ii) An annuity to a qualifying spouse of one half of the member's prospective annuity.
 - (iii) An annuity to a qualifying child of 15 per cent of the member's prospective annuity; provided that an annuity payable in terms hereof shall not be paid simultaneously to more than three qualifying children. If an annuity is not paid to a qualifying spouse, the annuity payable to a qualifying child shall double from 15 per cent to 30 per cent of the member's prospective annuity.
- (2) If a C-member dies after reaching his statutory retirement age, but before he retires in terms of clause 6.2, the benefits shall be paid as though the member had retired in terms of 6.2 on the day before his death. For this purpose, the greatest permissible portion of the C-member's annuity shall be deemed to have been converted into a gratuity in terms of clause 7.3.

BENEFITS ON DEATH OF PENSIONER

- 6.6 If a pensioner, who was a C-member on retirement, dies, the following benefits shall be paid:
 - (1) A gratuity of—
 - (i) two thousand Rand; and
 - (ii) if such death occurs within sixty months after payment of his annuity commenced, and no annuity is paid to a qualifying spouse or a qualifying child in terms of subclauses (2) or (3) below, the total of all outstanding annuity payments that would have been made and until the expiry of said sixty-month period, based on the amount of the annuity at the date of his death.
 - (2) An annuity to a qualifying spouse equal to one half of the annuity paid to the pensioner at the time of his death. If the deceased pensioner had on his retirement elected to convert a portion of his annuity into a gratuity in terms of clause 7.3, the said half shall be applied to the annuity the pensioner would have received if no portion thereof had been converted into a gratuity on his retirement.

- (3) An annuity to a qualifying child of 15 per cent of the annuity paid to the deceased pensioner at the time of his death; provided that an annuity payable in terms hereof shall not be paid simultaneously to more than three qualifying children. If an annuity is not paid to a qualifying spouse, the annuity payable to a qualifying child shall double from 15 per cent to 30 per cent of the annuity set out in subclause (2) above. If the deceased pensioner had on his retirement elected to convert a portion of his annuity into a gratuity in terms of clause 7.3, the said percentages be applied to the annuity the pensioner would have received if a portion thereof had not been converted into a gratuity.

BENEFITS ON REORGANISATION/ABOLITION OF POST

- 6.7 (1) If the services of a C-member are terminated by the employer as a result of the abolition of his post or a reorganisation of the employer's activities, the following benefits shall be paid to the member:
- (i) If the period of qualifying service of such member is less than ten years: A gratuity calculated at 10 per cent of his average terminal salary multiplied by the period of his pensionable service.
 - (ii) If such member has completed qualifying service of at least ten years, but has not reached the age of fifty-five years, the member shall have the option of a gratuity calculated in terms of subclause (i), or a deferred annuity calculated in terms of clause 6.1. The following provisions shall apply in respect of the said deferred annuity:
 - (a) It shall become payable when the C-member reaches his statutory retirement date; provided that payment thereof may commence sooner at the request of the member, in which event clause 6.3 shall apply *mutatis mutandis*.
 - (b) It shall be subject to increments in terms of clause 7.7 (2).
 - (c) As soon as it becomes payable, it shall be subject to the same conditions that would have applied had the member retired in terms of clause 6.1.
 - (d) It shall lapse if the member dies before payment thereof has commenced, in which event the discounted value of the deferred annuity, as calculated by the actuary, shall be paid in the form of a gratuity.
 - (e) It shall lapse if a C-member, who is entitled to a deferred annuity in terms of this clause is re-employed and rejoins the Fund as a C-member. In such a case the period of pensionable service rendered by the member before the date of termination of his services shall be recognised as pensionable service for purposes of the Statutes.
 - (iii) If such member has completed qualifying service of at least ten years and reached the age of fifty-five years: an annuity calculated as in clause 6.1. At the date of termination of his services the member shall become a pensioner with benefits and subject to the conditions applicable to pensioners of the Fund.
- (2) In the case of subclause (iii) above, the employer shall compensate the Fund as follows:
- (i) If the member elects to convert a portion of his annuity to a gratuity in terms of clause 7.3: A portion of said gratuity, as determined by the actuary;
 - (ii) All annuity payments made to the member up to and including his statutory retirement date. The employer may, instead of the said annuity instalments, pay to the Fund their discounted value, as determined by the actuary.
- (3) If the services of a C-member are terminated by the employer for a reason set out in this clause, the Board may, with the approval of the member, make an arrangement to transfer the said retrenchment benefits to an alternative retirement scheme, whereafter the Fund shall have no further obligation towards the member.

BENEFITS ON RESIGNATION/DISCHARGE

- 6.8 If a C-member resigns or his services with his employer are terminated and he does not become entitled to benefits provided for elsewhere in the Statutes, he shall receive a gratuity calculated at 7,5 per cent of his average terminal salary on termination of his services multiplied by the period of his pensionable service.

CONTRIBUTIONS BY C-MEMBERS

- 6.9 Every C-member shall contribute to the Fund at a rate of 7,5 per cent of his pensionable emoluments.

PURCHASE OF PENSIONABLE SERVICE BY C-MEMBERS

- 6.10 (1) A C-member shall be entitled to extend the period of his pensionable service by making additional contributions to the Fund. Such additional contributions shall be subject to a maximum of R1 800 per annum, or such other amount as determined in the Income Tax Act as the maximum permissible contribution by a member in respect of the extension of his period of service.
- (2) All additional contributions made by a C-member in terms hereof shall be accumulated with interest for the member. When benefits become payable to or in respect of a C-member in terms of the Statutes, the said accumulated contributions with interest shall be applied to extend the member's period of pensionable service in the Fund, on a basis as determined by the actuary.

7. SUNDRY PROVISIONS ON BENEFITS AND CONTRIBUTIONS**PAYMENT OF BENEFITS**

- 7.1 (1) Amounts payable to a beneficiary during his lifetime shall be paid to such beneficiary, subject to the provisions of clause 7.4.
- (2) Annuities shall be payable in equal monthly instalments.
- (3) The first annuity payment shall be due at the end of the calendar month following the month during which—
- (i) a member retires, his services are terminated or he dies; or
 - (ii) a pensioner dies; and
- the last payment shall be due at the end of the calendar month during which—
- (iii) a pensioner dies;
 - (iv) a qualifying widow dies in the event of an annuity being payable to a qualifying widow;
 - (v) a qualifying spouse dies in the event of an annuity being payable to a qualifying spouse;
 - (vi) a qualifying child ceases to be a qualifying child.
- (4) When an annuity commences, changes or is terminated, payments due at the end of the calendar month in question shall be based on the circumstances that exist at the time.
- (5) The Board shall be entitled to require proof to its satisfaction of the identity and right of any beneficiary to any benefit before payment of any benefit to such beneficiary.
- (6) When a benefit is payable to any beneficiary, payment thereof shall take place by means of a cheque or cheques by mail, addressed to the postal address of such beneficiary. The beneficiary shall inform the Board in writing of his postal address. The Board may, however, agree to payment of the benefit in a different manner.
- (7) The Board may, if in its opinion sound reason exists, withhold payment of a gratuity in terms of clauses 4.8, 5.8 and 6.8 for such a period as it may deem fit.
- (8) The benefits payable in terms of clauses 4.5, 4.6, 5.5, 5.6, 6.5 and 6.6 on the death of a member or pensioner shall be subject to the provisions of Schedule A.

PAYMENT OF ANNUITIES TO QUALIFYING WIDOWS, QUALIFYING SPOUSES AND QUALIFYING CHILDREN

- 7.2 (1) If a deceased member or pensioner leaves more than one qualifying widow or qualifying spouse, as the case may be, the Board shall decide to whom and, in the event of more than one, in what proportion the annuities shall be paid; provided that the total of the annuities payable to qualifying widows or qualifying spouses, as the case may be, shall be equal to the annuity that would have been payable had there been only one qualifying widow or spouse.
- (2) An annuity in respect of a qualifying child of a deceased C-member or a pensioner who was a C-member, shall be paid to or for the benefit of such qualifying child and, in the case of more than one qualifying child, in such proportions as the Board may decide.

COMMUTATION OF ANNUITIES

- 7.3 (1) If a B-member's services are terminated in terms of clauses 5.1 to 5.4 or 5.7 (1) (ii), or if a C-member's services are terminated in terms of clauses 6.1 to 6.4 or 6.7 (1) (ii) or (iii), the Board may, at the request of the member, convert up to one third of the annuity payable to the member into a gratuity, payable on the first day of the month immediately following the member's retirement or termination of services. The amount of the gratuity shall be determined by the Board after consultation with the actuary. The amount of the annuity payable to the member shall thereafter be reduced proportionally on a basis as determined by the actuary.
- (2) If an annuity, payable to a pensioner in terms of the Statutes before any commutation thereof in terms of subclause (1) does not exceed R600 per annum, or any such other amount determined in the Income Tax Act in this regard, the whole annuity shall be converted to a gratuity by the Board, after which the Board shall have no further obligation toward such pensioner. The terms of conversion of the annuity shall be determined by the Board, after consultation with the actuary.
- (3) The gratuity in subclauses (1) and (2) shall be payable on the first day of the month immediately following the date on which the person ceases to be a member of the Fund.

PAYMENT OTHERWISE THAN PRESCRIBED

- 7.4 (1) Notwithstanding any contrary provisions in the Statutes, the Board may, in its sole discretion, for any reason it may deem sound and adequate, decide to make payment of a pension benefit in a manner other than provided for elsewhere in these Statutes. In such event the benefit may be paid in any of the following manners:
- (i) To the beneficiary in instalments.
 - (ii) To a trustee contemplated in the Protection of Trust Moneys Act, No. 34 of 1934, for the benefit of the beneficiary.
 - (iii) Where any dependant or nominee is a minor; to the curator or guardian of such minor, or to another person appointed by the Master of the Supreme Court or by a magistrate, for the benefit of such minor.
 - (iv) In such other manner for the benefit of the beneficiary as the Board may determine, including the purchase of an annuity on the life of the beneficiary.
- (2) In the event of benefits being paid in instalments in terms of this clause, the Board may, at its discretion, add interest from time to time to the amount payable.
- (3) Any decision of the Board in terms of this clause may be amended from time to time at its discretion.
- (4) Any payment made in terms hereof shall not take place in a manner contrary to the provisions of the Post Office Act or the Income Tax Act.

LIMITATION

- 7.5 The following provisions shall apply notwithstanding the provisions of clauses 4.4, 4.5, 5.4, 5.5, 6.4 and 6.5:
- (1) The Board may, after consultation with the actuary, reinsure the benefits set out in the above clauses with an insurer registered in terms of the Insurance Act, 1943, to do life business. In such case the order and method of payment of said benefits shall be subject to the conditions laid down by the insurer concerned, and each beneficiary shall be entitled to such benefits only to the extent that the member in question had been accepted for such benefits by said insurer.
- (2) Any member whose benefits are limited in terms of subclause (1) shall be informed by the Board of the extent of such limitation.

UNCLAIMED MONEYS

- 7.6 Should a beneficiary fail to claim moneys payable to him in terms of the Statutes within three years from the date on which such moneys became payable, other than in the case of death benefits, such moneys shall accrue to the Fund and no further claim shall exist against the Fund in respect of such moneys; provided that the Board may, at its discretion, reinstate any benefit forfeited in terms hereof.

LARGER BENEFITS AND INCREASE IN BENEFITS

- 7.7 (1) At the request of the employer, the Board shall increase a benefit payable to or in respect of a beneficiary on such basis as may be determined after consultation with the actuary, and subject to such conditions as it may lay down. The costs of such larger benefits, as determined by the actuary, shall be paid to the Fund by the employer.
- (2) The Board may from time to time increase current and deferred annuities at its discretion. Such increases shall take place after consultation with the actuary, and shall be subject to the approval of the employer before implementation thereof.

TRANSFERS BETWEEN FUNDS**7.8 (1) Transfers from previous state funds**

The following provisions shall apply in respect of every officer and employee who joins the Fund in terms of sections 8 (1) (a) and 8 (3) of the Post Office Act:

- (i) A transfer value shall be transferred from the relevant previous state fund to the Fund as set out in sections 8 (5) and (6) of the Post Office Act.
- (ii) The officers and employees shall become members of the Fund as set out in clauses 3.1 (1) and 3.1 (2); provided that the principal employer accept liability for any costs occasioned by the recognition of an employee's previous period of service as pensionable service as an A-member in terms of clause 3.1 (2), as determined by the actuary.
- (iii) No proof of good health shall be required in respect of such member on joining the Fund.
- (iv) The member's period of pensionable service shall be deemed to be his period of pensionable service in a previous state fund.

(2) Transfers to or from recognised funds

- (i) The Board may, after consultation with the actuary, enter into agreements for the mutual transfer of accrued pension rights with the following pension funds, referred to in this subclause as "recognised funds":
 - (a) A previous state fund.
 - (b) The Telkom Pension Fund, established in terms of section 9 (1) of the Post Office Act.
 - (c) Any other pension fund established by an Act of Parliament or registered in terms of the Pensions Act as a "pension fund".

Where such agreements have been entered into with a recognised fund, the further provisions of this subclause shall apply.

- (ii) In respect of a person who was a member of the Fund and who becomes a member of a recognised fund within twelve months of his withdrawal from the Fund, the following provisions shall apply:
 - (a) The Fund shall pay in respect of such period of such member's pensionable service with the Fund as the recognised fund may recognise as pensionable service, to the recognised fund at the date of his re-employment, a transfer value determined by the actuary, as at the date of the termination of such member's services, together with interest thereon, calculated from the date of termination of such member's services to the date of payment.
 - (b) If a gratuity has been paid in terms of these Statutes by the Fund to such member, or if such member owes the Fund or the employer an amount that is deductible in terms of the Statutes, the transfer value shall be reduced by such amounts.
 - (c) If the recognised fund requires an amount smaller than the transfer value referred to in subclauses (a) and (b) for full recognition of a member's pensionable service with the recognised fund, the Fund shall pay such smaller amount to the recognised fund.
 - (d) If the Fund is aware of the member's intended employment by an employer participating in the recognised fund, the Fund shall withhold all benefits payable to such member.

- (iii) In respect of a person who was a member of a recognised fund and who becomes a member of the Fund within twelve months of his withdrawal from such fund, the following provisions shall apply, on condition that payment of a transfer value be made by the recognised fund to the Fund:
- (a) The member shall not be required to comply with the Fund's requirements regarding proof of good health if he had been entitled to unlimited benefits with the recognised Fund.
 - (b) The periods of service recognised by the recognised fund's statutes/regulations shall be regarded as pensionable service and qualifying service by the Fund; provided that if any portion of such service must be calculated for benefits at less than the full rate, the service which the Fund regards as pensionable shall be subject to the same conditions.
 - (c) The contributions actually paid or deemed to have been paid by the member to the recognised fund, shall be regarded as contributions paid by the member to the Fund.
 - (d) If a gratuity has been paid to such member by the recognised fund under circumstances similar to those set out in these Statutes, or if such member owes to the recognised fund or his previous employer an amount that is deductible in terms of any Act, the member shall pay to the Fund the amount by which the transfer value has been reduced as a result of payment of such gratuity and debt, with interest, calculated from the day of termination of service to the date (or dates) of repayment, in one amount or in instalments, as the Board may decide.
 - (e) If the transfer value paid by the recognised fund is less than the amount required by the Fund to give full recognition to the member's period of pensionable service in the recognised fund, the member concerned shall pay the difference to the Fund in a lump sum or in instalments, as determined by the Board, with interest, calculated from the date of termination of service to the date (or dates) of payment, and the amount thus paid shall be regarded as contributions made by the member to the Fund; provided that instead of making payment in terms of this clause, the member shall have the option of reducing his period of service regarded as pensionable service with the recognised fund, in order that the amount payable by him in terms of this subclause be reduced or extinguished.

(3) Transfers to or from other funds

In the event of transfers to or from a fund other than a recognised fund, the Board may, after consultation with the actuary and on conditions determined by them, approve special arrangements for the protection of a person's pension rights, providing *inter alia* for the following:

- (i) In respect of a person who was a member of another pension or provident fund and who becomes a member of the Fund—
 - (a) for the amendment of the conditions of the Fund pertaining to such member, with due consideration of the conditions that applied to such member at such other fund; and
 - (b) for recognition of particular periods of previous service as pensionable service and qualifying service or for an additional pension benefit in recognition of any previous service.
- (ii) In respect of a person who was a member of the Fund and who becomes a member of an approved pension or retirement annuity fund within twelve months after leaving the Fund:
 - (a) That no gratuity shall be paid by the Fund in terms of these Statutes in respect of such member.
 - (b) For payment to such other fund of an amount not less than the value of the gratuity which the member would otherwise have been entitled to in terms of the Statutes, and which does not exceed the liability of the Fund to such member, as determined by the actuary.

EMPLOYER'S CONTRIBUTIONS

- 7.9 The employer shall contribute to the Fund an amount equal to the residual cost of the benefits payable in terms of the Statutes, after allowing for the members' own contributions to the Fund. Such amount shall be determined from time to time by the Board after consultation with the actuary and the principal employer.

PAYMENT OF CONTRIBUTIONS

- 7.10 (1) The employer shall recover a member's contributions on a monthly basis from his emoluments. The first deduction takes place at the end of the calendar month in which the person becomes a member of the Fund.
- (2) The contributions of a member who joins the Fund in the course of a calendar month, or whose membership is terminated in the course of a month, shall be recovered on a *pro rata* basis.
- (3) The contributions owing by members and the employer in terms of the Statutes shall be paid by the employer to the Fund within seven days after the end of the calendar month pertaining thereto.

MONEYS WILL NOT REVERT TO THE EMPLOYER

- 7.11 The employer shall not gain any financial benefit from moneys paid to or by the Fund, and no moneys shall become the property of the employer, unless expressly so provided in the Statutes.

ADJUSTMENT OF EMOLUMENTS

- 7.12 (1) If the normal hours of service of a member or a group of members are temporarily reduced as a result of economic measures, and such reduction results in a lowering of his/their pensionable emoluments, such member or members shall continue to contribute to the Fund at the pensionable emoluments they contributed at immediately before such reduction and such pensionable emoluments shall be deemed for purposes of the Statutes to be the pensionable emoluments of the member or members.
- (2) If a member's pensionable emoluments are reduced for a reason other than that referred to in subclause (1), he may elect to continue with contributions to the Fund at his pensionable emoluments immediately before such reduction, in which case such pensionable emoluments shall be deemed for purposes of the Statutes to be the pensionable emoluments of the member or members.

CHANGE IN WORK STATUS

- 7.13 If a member's work status is changed from full-time to part-time or *vice versa*, or if the working hours of a member who is a temporary employee are changed (other than in the case of a general change of working hours), the member's period of pensionable service before such change shall be amended to a period calculated in terms of the following formula:

$$N = M \times \frac{T}{S}$$

where—

- N is the time of the member's pensionable service after such change
- M is the period of the member's pensionable service before such change
- T is the member's pensionable emoluments immediately before such change in work status
- S is the member's pensionable emoluments immediately after such change in work status.

The member's pensionable emoluments to be used in calculating the average terminal salary earned before such change shall further be adjusted by the ratio S/T.

RECOVERY OF TAX

- 7.14 Notwithstanding any other provisions of the Statutes, the Board shall recover from the benefits of a beneficiary any amount recoverable in terms of the Income Tax Act, before such is paid to the beneficiary concerned.

CURRENCY

- 7.15 Benefits and contributions shall be payable in the currency of the Republic of South Africa.

RIGHT OF RETENTION ON BENEFITS

- 7.16 (1) An amount which is payable by an A-member or a B-member to the employer or the Fund on the date on which he ceases to be a member of the Fund as a result of a cause or action which arose or an agreement which was concluded before the date on which he became an A-member or a B-member, may be deducted in a lump sum or instalments as determined by the Board, from the annuity and/or gratuity payable to such a member or any person in terms of the Statutes.
- (2) The Board shall pay any amount thus deducted to whomsoever may be entitled thereto.
- (3) In order to give effect to the provisions of this clause, the Board may, on behalf of the beneficiary concerned, exercise the right of commutation as provided in clause 7.3.

8. MANAGEMENT OF THE FUND**BOARD OF TRUSTEES**

- 8.1 (1) The control and management of the Fund shall vest in a Board of Trustees constituted as follows:
- (i) Four representatives appointed by the principal employer from persons in the employ of the employer (hereinafter called "employer's representatives"). The principal employer shall also nominate a secundus for each employer's representative.
 - (ii) Four representatives, and a secundus for each, appointed from the mutual ranks of recognised trade associations (hereinafter called "members' representatives") in terms of the provisions of clause 8.2 (8). Such representatives must be members of the Fund.
 - (iii) A representative for pensioners appointed or elected at such time and in such a manner as the Board may deem fit (hereinafter called "pensioner's representative"). A secundus for the pensioners' representative shall be elected or appointed by the Board in a similar manner.
 - (iv) Three independent persons appointed at the sole discretion of the principal employer (hereinafter called "external trustees"). Such external trustees may not be in the service of the employer or a recognised trade association and may not be members or pensioners of the Fund.
- (2) The principal employer shall appoint a Chairman and a Vice-chairman from the ranks of the Board for such a term as the principal employer may determine.

DISQUALIFICATION AND TERM OF OFFICE

- 8.2 (1) None of the following persons shall qualify to be appointed or elected as a member of the Board or his secundus:
- (i) A minor or any person who lacks contractual capacity; provided that a married woman who is subject to her husband's marital power shall duly qualify if she submits to the Chairman her husband's written consent for her appointment as member of the Board.
 - (ii) An unrehabilitated insolvent.
 - (iii) Any person convicted by a competent court for theft, fraud, forgery or any other similar offence.
 - (iv) Any person discharged by a competent court from any position of trust as a result of misconduct.
 - (v) Any person who has been sentenced to imprisonment without the option of a fine.
 - (vi) Any person employed by the Fund.
- (2) A member of the Board and his secundus shall hold their offices for a period—
- (i) as determined by the principal employer in the case of an employer's representative; and
 - (ii) of twenty-four months in the case of any other member of the Board, provided that such member may subsequently be re-elected or re-appointed.
- (3) A member of the Board or his secundus shall cease to hold his office if—
- (i) he resigns from the Board;
 - (ii) he becomes disqualified in terms of subclause (1);
 - (iii) he becomes physically or mentally unfit; or
 - (iv) his term of office is terminated in terms of subclause (2).

- (4) The first employer's representatives and their secundi shall be appointed with effect from 1 October 1991. If an employer's representative or his secundus ceases to hold his office in terms of subclause (3), the principal employer shall nominate a substitute for such representative or secundus and for such period as determined by the principal employer.
- (5) If a vacancy occurs in respect of a member of the Board, excluding an employer's representative or his secundus, for any reason other than expiry of such person's official term of office—
 - (i) in the case of a member of the Board, his secundus shall be appointed a member of the Board for the remainder of the retiring member's official term;
 - (ii) in the case of a secundus, a successor shall be appointed or elected in the same manner as the retiring secundus or the secundus who becomes a member of the Board in terms of subclause (i) had been appointed or elected, for the remainder of the term of office of such secundus.
- (6) The first external trustees shall be appointed with effect from 1 October 1991; thereafter appointments shall be made on 1 October of every second year.
- (7) The pensioners' representative and his secundus shall be appointed or elected on or after 1 October 1991, as provided in subclause 8.1 (1) (iii). The term of office of the first pensioners' representative and his secundus shall expire on the first subsequent day on which appointments are made in terms of subclause (6); Thereafter the pensioners' representative and his secundus shall be appointed or elected at times that coincide with the provisions of subclause (6).
- (8) Appointment of the members' representatives and their secundi shall take place at the times set out in subclause (6). Appointments shall be effected as follows:
 - (i) The first members' representatives and their secundi shall be the persons appointed by the principal employer with effect from 1 October 1991 out of written nominations made before 1 October 1991 by staff associations that were recognised as such by the Minister in terms of the Post Office Service Act, No. 66 of 1974, as amended, and which became recognised trade associations for the purposes of these Statutes on 1 October 1991.
 - (ii) On or before 12 August 1993, and thereafter on or before the 12th of August of every second year, the recognised trade associations shall be requested in writing by the principal officer to jointly nominate within thirty days not more than four members' representatives and their secundi. The said nominations shall be certified in writing by all the recognised trade associations.
 - (iii) If nominations are received in terms of subclause (ii), the persons thus nominated shall be appointed as members' representatives and their secundi.
 - (iv) If fewer than four nominations are received respectively for members' representatives and their secundi, or if the recognised trade associations cannot agree on the nominations in subclause (ii) above, the principal officer shall request each recognised trade association to make a nomination within seven days for a members' representative and his secundus. Such nominations shall be made on or before 30 September of the year in question. The said nominations shall be submitted to the principal employer and the principal employer, at his discretion, shall appoint the outstanding members' representatives and secundi from the ranks of the nominations contemplated herein.
 - (v) If four members' representatives and their secundi still remain unappointed after completion of the steps in subclauses (i) to (iv) above, the principal employer shall appoint the outstanding members' representatives and their secundi at his discretion.

BOARD MEETINGS

- 8.3
- (1) The principal employer shall convene the first meeting of the Board on or before 31 October 1991 and thereafter the Board shall meet at such times as the Board deems necessary to conduct the business of the Fund.
 - (2) A special meeting shall be convened at any time on the instruction of the Chairman or on a written request of any five members of the Board.
 - (3) The Chairman shall be responsible for the orderly conduct of meetings of the Board, and shall have the right to suspend or exclude from the meeting any member of the Board who deliberately disregards the authority of the Chairman or who hinders the activities of the Board.

- (4) If the Chairman is unable to attend a meeting of the Board, the Vice-chairman shall act as Chairman of the meeting. If neither the Chairman nor the Vice-chairman is able to attend a meeting of the Board, the principal employer shall nominate an acting Chairman from the ranks of the other members of the Board.
- (5) The majority of members of the Board shall constitute a quorum for a meeting. If a quorum is not present within thirty minutes after the time set for the commencement of the meeting, the meeting shall adjourn for a period of at least one week. At such adjourned meeting the members of the Board then present shall constitute a quorum.
- (6) Decisions shall be taken by the Board by a counting of hands or, if so requested by any member of the Board present at the meeting, by ballot paper. A decision by the majority of members of the Board present at a meeting shall constitute a decision of the Board. Should the votes be tied, the Chairman of the meeting shall have a casting vote in addition to his ordinary vote.
- (7) The Board shall cause minutes to be taken of all its meetings, and such minutes, signed by any person in his capacity as chairman of the meeting concerned, shall constitute *prima facie* proof of the proceedings of such meeting.

POWERS OF THE BOARD

8.4 The Board shall have the power, in terms of the Statutes, to implement the objectives of the Fund and, without in any way derogating from the generality of this provision, it shall have the following powers:

- (1) To receive, control and apply moneys of the Fund.
- (2) To enter into agreements on behalf of the Fund and for that purpose to sign contracts and other documents on behalf of the Fund, to institute, defend, conduct, settle or abandon any legal proceedings by or against the Fund.
- (3) To raise, borrow or lend money at interest or otherwise, for purposes of the Fund; provided that loans be limited to temporary loans to make up unforeseen cash deficits or to utilise favourable investment opportunities.
- (4) To acquire, own, alienate or otherwise deal with moveable and immoveable property for use by the Fund; provided that any property in excess of the Fund's requirements at any stage, may be let.
- (5) Subject to the provisions of Schedule B, to invest in immoveable property, and to otherwise invest, lend, loan at interest, place on deposit, advance or otherwise deal with moneys against such security and in such manner as it may determine from time to time; and in particular, to invest the moneys of the Fund, or a portion thereof, for such periods and on such conditions as it may determine in an investment policy issued by an insurer registered in terms of the Insurance Act, 1943; provided that the Board may delegate its powers to make investments of any nature to any one or more of its members, or to a financial institution as defined in the Financial Institutions Act, 1985 (Investment of Funds), or to a person in terms of section 4 (1) (f) of the Stock Exchanges Control Act, 1985, and costs incurred as a result of such delegation shall be defrayed from the moneys of the Fund.
- (6) To grant to any member a loan as contemplated in Schedule B; provided that any loan granted in terms hereof be repayable immediately on termination of the member's membership.
- (7) To reinsure any benefit provided by the Fund to its members with an insurer registered in terms of the Insurance Act, 1943, to do life business, and to act on behalf of the Fund and its members in all negotiations with such insurer.
- (8) To delegate any of its powers and duties to a subcommittee, management committee or any other person or body, subject to such conditions as it may determine.
- (9) To take such steps in general as may in its opinion be conducive to the realisation of the goals of the Fund.

PRINCIPAL OFFICER

- 8.5 (1) The principal employer shall appoint a principal officer and, any other staff if necessary, on such conditions as it may determine. Any such appointments may be changed by the principal employer at his sole discretion.

- (2) If the principal officer is absent from the Republic of South Africa for more than thirty days, or is otherwise unable to execute his duties, the principal employer shall appoint another person to act as principal officer during his absence or inability.

AUDITOR

- 8.6 (1) The Board shall appoint an auditor and such appointment shall remain in force for a period of twelve months, unless the auditor is discharged by the Board before expiry of said period of twelve months or the auditor himself terminates the appointment.
- (2) The auditor shall have access to all books, vouchers, accounts and other documents pertaining to the Fund, and shall certify in writing the result of each audit.

ACCOUNTS

- 8.7 (1) The Board shall see to it that such accounts, entries, registers and records as may be required for the proper management of the Fund are kept. The books of accounts shall be made up on each anniversary of the Fund and the accounts shall be audited by the auditor.
- (2) The accounts shall be approved by the Board and a copy thereof shall be available at an appropriate charge for examination by members of the Fund and any other person who has an interest in the Fund.
- (3) After each anniversary of the Fund, the Board shall submit to the principal employer the Fund's financial statements and annual report on all matters pertaining to the Fund. Emoluments paid to members of the Board of Trustees during the year under review shall be clearly reflected in the said statements. Should the auditor's report reflect that the Fund is in an unsound financial state, the Board shall inform the employer accordingly.

ACTUARY

- 8.8 (1) An actuary (hereafter referred to as "the Minister's actuary") shall be appointed by the Minister in terms of section 10A (1) of the Post Office Act for the purposes of the said section and such appointment shall remain in force until the Minister revokes it or such actuary himself terminates his appointment.
- (2) The Board shall at its discretion appoint an actuary for the purposes of the Statutes and such appointment shall remain in force until the Board shall revoke it or until the actuary himself shall terminate his appointment. The actuary thus appointed by the Board, may be the same person as the Minister's actuary.

ACTUARIAL EVALUATION

- 8.9 (1) The Board shall see to it that such registers and records are kept as may be necessary to enable the Minister's actuary and the actuary to undertake an actuarial evaluation of the Fund.
- (2) The Fund shall be evaluated by the Minister's actuary at intervals of not more than three years. The first such evaluation shall be performed not later than the third anniversary of the Fund subsequent to 1 October 1991. The Minister's actuary shall submit an evaluation report to the Minister and the Minister of Finance within twelve months after the evaluation date, which report shall in all respects comply with the provisions of section 16 of the Pension Act. A copy of the evaluation report or a summary thereof shall be furnished to the employer.
- (3) The provisions of subclause (2) shall apply *mutatis mutandis* to the actuary, except that he shall submit this report to the Board. In this report, the actuary shall also comment on the adequacy of the scale of contribution. Any inadequacy in the scale of contribution may be addressed as follows—
- (i) an increase in the scale of contribution for the employer and/or the members;
 - (ii) a reduction of benefits with regard to future service; or
 - (iii) a combination of the above,
- as determined by the Board, after consultation with the actuary, subject to the provisions of clause 9.5.
- (4) The principal employer guarantees the financial obligations of the Fund.
- (5) The Government of the Republic of South Africa guarantees the obligation of the principal employer in terms of subclause (4) above, which guarantee is limited to the extent provided in section 10A (7) of the Post Office Act.

BANK ACCOUNT

- 8.10 (1) The Board or a person or body authorised by it in terms of clause 8.4 (8), shall open accounts in the name of the Fund with any registered banking institution and may from time to time authorise that cheques, letters or other documents relating to such accounts and concerning the Fund be signed and endorsed by persons as the Board may deem fit.
- (2) All moneys received by or on behalf of the Fund shall be deposited in one of these accounts.

RECORDS AND SAFEKEEPING OF SECURITIES

- 8.11 (1) The Board shall see to it that comprehensive records are kept of all the necessary particulars of members and other beneficiaries and of all other matters necessary for the efficient management of the Fund.
- (2) All mortgage bonds, title deeds and other securities belonging to, or held by the Fund, shall be kept by the Fund for safekeeping in the safe or strongroom at the registered office of the Fund or at any registered financial institution, unless they are temporarily held in safekeeping for purposes of the Fund by others.

SIGNATURE OF DOCUMENTS

- 8.12 The Board may authorise any two members of the Board to sign any agreement or document binding the Fund or legalising any action on behalf of the Fund.

INDEMNITY

- 8.13 The Board, its members or any person or body to whom the Board has delegated its powers, shall not be liable for anything done in the execution of any duties in terms of the Statutes, except in so far as dishonesty or fraud may be involved.

FIDELITY INSURANCE

- 8.14 The Board shall indemnify the Fund against losses in one of the following manners:
- (1) By insuring the Fund against loss occasioned by dishonesty or fraud of any of the officials of the Fund (including a member of the Board) who handles or receives moneys or other assets of the Fund; or
- (2) By requesting and obtaining a written undertaking from the principal employer that he will indemnify the Fund against any loss occasioned by dishonesty or fraud of any of the officials of the Fund (including a member of the Board); or
- (3) By requesting and obtaining a written certificate from a person or a body, excepting an insurer, appointed as administrator of the Fund in terms of clause 8.4 (8), that he shall indemnify the Fund against any loss occasioned by dishonesty or fraud of any of his staff and shall satisfy the Board that adequate insurance to cover such eventuality, has been taken out and is being maintained.

COSTS

- 8.15 The costs in connection with the management, control and administration of the Fund, including the costs of audit, actuarial investigations and investments, shall be borne by the Fund.

9. GENERAL

PROOF OF AGE AND PARTICULARS

- 9.1 (1) Each member shall provide the Board with satisfactory proof of age as well as such other information as the Board may require. For purposes hereof "satisfactory proof of age" shall be—
- (i) the original or a certified copy of the person's birth certificate or a certified extract from the person's identity document; or
- (ii) any life policy indicating the date of birth and endorsed "age accepted"
- (2) If a person is unable to provide the proof in subclause (1) above, the Board may accept instead a certified copy of a baptismal certificate or such other proof as it may deem sufficient.
- (3) No benefits except benefits in terms of clauses 4.8, 5.8 or 6.8 shall be paid in respect of any member until such proof of age and such other information have been provided to the satisfaction of the Board.

MEMBERS ARE DEFERRED CREDITORS

- 9.2 The members and other beneficiaries in terms of the Statutes are deferred creditors of the Fund and their claims in their capacity as members or beneficiaries shall not be settled before the claims of ordinary creditors have been settled.

CONDITIONS OF SERVICE UNCHANGED

- 9.3 (1) Nothing contained in the Statutes shall restrict the right of the employer to discharge any person in his service, or the right of such person to resign from the service of his employer, on condition that he complies with his conditions of service.
- (2) No benefit, right or interest to which a member is or might have been entitled in terms of the Statutes shall constitute grounds for a claim for damages in any action instituted by such member against the employer or the Fund.
- (3) Nothing contained in the Statutes shall in any way affect the right of a member or his dependant to claim compensation or damages in terms of the common law or any Act relating to compensation for workmen, and the benefits payable in terms of the Statutes shall not be reduced as a result of any payment made in terms of such Act.

REGISTRATION AND APPROVAL

- 9.4 The Statutes shall be published by the Minister in the *Government Gazette* and shall come into operation on 1 October 1991.

AMENDMENTS TO THE STATUTES

- 9.5 The Board may at any time amend the Statutes by a majority of votes, subject to the following provisions—
- (1) that, if in the exclusive opinion of the actuary it will lead to an increase in the employer's contributions to the Fund, whether immediately or in time, such amendment be approved by the principal employer;
- (2) that the rights and benefits of members which vested in respect of their service before such amendment, is not prejudiced by such amendment; and
- (3) that the Minister and the Minister of Finance grant their approval for such amendment;

provided that the provisions of subclause (2) shall not apply if the actuary certifies that the amendment in question is necessary to ensure the Fund's financial soundness; provided further that any amendment to the Statutes affecting the financial condition of the Fund shall be referred to the actuary for his recommendation before it is accepted.

MEMBERS MAY OBTAIN COPIES OF DOCUMENTS

- 9.6 Upon joining the Fund, each member shall be entitled, at his request and against payment of a reasonable charge, to a copy of the Statutes or a summary thereof. Each member shall also be entitled, upon request, to peruse the latest annual reports of the Fund and the latest evaluation report of the actuary and to obtain copies thereof against payment of a reasonable charge.

BINDING FORCE OF THE STATUTES

- 9.7 The provisions of the Statutes shall bind the employer, the beneficiaries, the Fund and its officials and any person who institutes a claim against the Fund.

DISPUTES

- 9.8 Should any dispute about the interpretation of the Statutes arise between the Board and the employer or between either of them and the successors in title of the other, or between the Board and a member or his beneficiaries or the legal representative of each of them, that might affect the Fund's liability, the dispute shall be referred by the Board to the actuary and the auditor and the joint decision of the actuary and the auditor shall be final and binding.

ENTRY OF ADDITIONAL EMPLOYERS

- 9.9 Any organisation, company or body which is directly or indirectly associated with the principal employer and which applies to participate in the Fund may, for the purposes of the Statutes, be admitted as an employer subject to the approval of the principal employer and the Board on such conditions as they may determine.

DISSOLUTION OF THE FUND

- 9.10 (1) The Fund may be dissolved —
- (i) by a decision of the Board, subject to the Minister's approval; or
 - (ii) by an order of court;
- in which event the Board, subject to the Minister's approval, shall appoint a liquidator; or if the Board fails to appoint a liquidator, the Minister shall appoint a liquidator.
- (2) The liquidator shall decide how the assets of the Fund should be realised and, after consultation with the actuary, how the obligations of the Fund, including conditional obligations in respect of members and pensioners, should be met. The actuary shall take the following into account:
- (i) Annuities, including increments, being paid to pensioners, qualifying widows, qualifying spouses and qualifying children in terms of the Statutes as well as any future annuities to qualifying widows, qualifying spouses and qualifying children that may become payable at a later date as a result of the death of a pensioner.
 - (ii) Each member's accrued interest in the Fund as at the date of dissolution as well as any additional amounts transferred to the Fund by or on behalf of a member or assets brought into the Fund by a member on the date on which he was admitted as such to the Fund.
 - (iii) Any other obligations and liabilities.

Where necessary, the liquidator shall arrange for the purchase of annuities with an insurer registered in terms of the Insurance Act 1943, to do life business in respect of annuities referred to in subclause (i). The liquidator shall also invest each member's accrued interest in the Fund in a fund or scheme whose objectives are essentially similar to those of the Fund.

- (3) Any assets remaining in the Fund after the obligations referred to in subclause (2) above have been met, shall be divided fairly by the liquidator among the members and the pensioners and dealt with as set out in subclause (2); provided that all members whose services have been terminated of their own free will or as a result of reduction or reorganisation of staff, within the immediately preceding twelve months, or within such shorter period as the liquidator may determine, may be treated as though they were members at the date of dissolution for purposes of this clause; provided further, that benefits already paid to such members before the distribution of the remaining assets, shall be taken into account in calculating the amount payable to such person.
- (4) Should the Fund be dissolved in terms of subclause (1) (i), all moneys remaining unclaimed for a period of six months after the date on which payment of benefits commenced after completion of all the necessary formalities, shall be deposited by the liquidator for the benefit of the members concerned in the Guardian's Fund, whereafter there shall be no further claim against the Fund or the employer. The liquidator shall in his final liquidation account indicate the amount thus deposited, and simultaneously submit to the Minister a certificate that all reasonable steps have been taken to trace the persons entitled to the amounts. An auditor approved by the Minister, shall certify the account as correct.
- (5) If the Fund is dissolved in terms of subclause (1) (ii) and the court order does not explicitly make section 410 of the Companies Act, 1973, applicable and makes no other order in respect of unclaimed moneys, the provisions of subclause (4) above shall apply.

WITHDRAWAL OF AN EMPLOYER

- 9.11 (1) Subject to three months' notice (or such shorter period as may be accepted by the Board) by the employer in question to the Board and the members employed by said employer, the employer may withdraw from the Fund, in which event the following provisions shall apply:
- (i) If, after such withdrawal, no employer remains in terms of the Statutes, the Fund shall be dissolved in terms of clause 9.10.
 - (ii) If such employer should decide to establish a new fund or scheme or to participate in another fund or scheme with the purpose of providing retirement benefits for members who are members thereof, the provisions of clause 9.13 shall apply in respect of such employer.

- (iii) Alternatively, the members employed by such employer shall be entitled to the benefits in terms of clauses 4.8, 5.8 or 6.8 as the case may be; provided that the Board, after consultation with the actuary, may at its discretion provide for more favourable benefits than those provided for in terms of such clauses, but not exceeding in value the total net liability of the Fund in respect of such members as calculated by the actuary.
- (2) With the approval and at the request of the principal employer, the Board may request an employer to withdraw from the Fund with effect from a date mutually agreed upon, in which event the provisions of subclause (1) shall apply.
- (3) If an employer ceases to do business for any reason, such cessation shall for purposes of these clauses be regarded as a withdrawal from the Fund of such employer in which event subclauses (1)(i) or (iii) shall apply, as the case may be.

TRANSFER OR MERGER

9.12 If an employer's business is transferred to or merged with any other organisation, one of the following provisions shall apply:

- (1) If no employer is left in terms of the Statutes after such transfer or merger, such other organisation may—
 - (i) supercede such employer in the Fund, in which event the Fund shall not otherwise be affected; or
 - (ii) decide that the Fund be dissolved in terms of clause 9.10.
- (2) Alternatively, such other organisation may—
 - (i) continue to contribute to the Fund in respect of the current members at the time of such transfer or merger subject to any conditions laid down by the Board after consultation with the actuary, in which event the Fund shall not be affected except that "employer" shall then include such new organisation, and the provisions of the Statutes shall thereafter be applicable to all employees of the new employer who were members of the Fund at the time of such transfer or merger; or
 - (ii) withdraw from the Fund, in which event clause 9.11 shall apply.

NEW FUND OR SCHEME

9.13 If the employer decides to establish a new fund or scheme for the purpose of providing benefits for its employees or for some of his employees, or to join another fund or scheme for this purpose, the Board may notwithstanding anything to the contrary contained in the Statutes, utilise the assets of the Fund or the applicable portion thereof to secure benefits for the members in question in terms of the new fund or scheme in such manner as the Board, after consultation with the actuary and with the approval of the Minister, may decide, on condition that adequate measures have been taken in respect of all annuities referred to in clause 9.10.

SCHEDULE A

- (1) Notwithstanding any provisions to the contrary contained in the Statutes, no benefit payable by the Fund in respect of a deceased member or pensioner (in this clause referred to as a member) shall form part of the assets in the estate of such member, but shall be dealt with in the following manner:
 - (i) If the Fund within twelve months of the death of the member becomes aware of or traces a dependant or dependants of the member, the benefit shall be paid to such dependant, or in such proportions as may be deemed equitable by the Board, to such dependants.
 - (ii) If the Fund does not become aware of or trace any dependant of the member within twelve months of the death of the member, and the member has designated in writing to the Fund a nominee who is not a dependant of the member, to receive the benefit or such portion of the benefit as is specified by the member in writing to the Fund, the benefit or such portion of the benefit shall be paid to such nominee; provided that where the aggregate amount of the debts in the estate of the member exceeds the aggregate amount of the assets in his estate, so much of the benefit as is equal to the difference between such aggregate amount of debts and such aggregate amount of assets shall be paid into the estate and the balance of such benefit or the balance of such portion of the benefit as specified by the member in writing to the Fund shall be paid to the nominee.

- (iii) If a member has a dependant and the member has also designated in writing a nominee to the Fund to receive the benefit or such portion of the benefit as is specified by the member in writing to the Fund, the Fund shall within twelve months of the death of the member pay that benefit or portion thereof to such dependant or nominee in such proportions as the Board may deem equitable.
 - (iv) If the Fund does not become aware or trace any dependant of the member within twelve months of the death of a member or if the member has not designated a nominee or has designated a nominee to receive a portion of the benefit and has indicated so in writing to the Fund, the benefit or the remaining portion of the benefit after payment to the designated nominee, shall be paid into the estate of the member or, if no inventory has been received by the Master of the Supreme Court in respect of the member in terms of section 9 of the Estates Act, No. 66 of 1965, into the Guardian's Fund.
- (2) In the application of subclause (1) payment by the Fund to a dependant shall be deemed to include a payment made by the Fund to a trustee, contemplated in the Trust Moneys Protection Act, No. 34 of 1934 for the benefit of a dependant contemplated in this clause.

SCHEDULE B

- (1) The Fund may by way of investment of its funds grant a loan to a member to enable the member to—
- (i) redeem a loan granted to the member by a person other than the Fund, against security of immovable property which belongs to the member or his or her spouse and on which a dwelling has been or will be erected which is occupied or will be occupied by the member or a dependant of the member, as the case may be;
 - (ii) to purchase a dwelling, or to purchase land and erect a dwelling on it for occupation by the member or a dependant of the member; or
 - (iii) to make additions or alterations to a dwelling or to maintain or repair a dwelling which belongs to a member or his or her spouse and which is occupied or will be occupied by the member or a dependant of the member.
- (2) A loan contemplated in subclause (1) shall not be granted—
- (i) unless secured by—
 - (a) a first mortgage on the immovable property in respect of which it is granted; or
 - (b) a pledge of the benefits to which the member is entitled in terms of the Statutes; or
 - (c) both such mortgage and such pledge;
 - (ii) in respect of immovable property if the member in question is liable to the Fund in respect of a loan granted to him in respect of other immovable property;
 - (iii) at a lower interest rate than that prescribed by the Board from time to time;
 - (iv) unless the capital sum is redeemable over a period not exceeding 30 years in equal weekly or monthly instalments, which shall include the interest on the capital sum outstanding.
- (3) A loan contemplated in subclause (1) shall not exceed where it is secured in accordance with—
- (i) subclause (2) (i) (a), 90 per cent of the market value of the hypothecated property concerned; or
 - (ii) subclause (2) (i) (b), the amount of the benefit which the member would receive if he were to terminate his membership of the Fund voluntarily or the market value of the immovable property concerned, whichever is the lesser amount; or
 - (iii) subclause (2) (i) (c), the amount equal to the aggregate of 90 per cent of the market value of the hypothecated property concerned and the amount of the benefit which the member would receive if he were to terminate his membership of the Fund voluntarily or the market value of the property, whichever is the lesser amount.

CONTENTS

No.

Page
No. Gazette
No.

GOVERNMENT NOTICE

Posts and Telecommunications, Department of Government Notice

2382 Post Office Act (44/1958): Statutes of the Post Office Pension Fund 1 13544