

PETROSA RETIREMENT FUND

Amendment No. 3

The Board of the PetroSA Retirement Fund resolved at a Virtual Board of Trustee meeting on 23 November 2021 that the Rules of the PetroSA Retirement Fund shall be amended as follows:

A. With effect from 1 March 2021 for the reasons set out below

- (1) *To replace the definition of “Registered Insurer” with a revised definition of “Insurer” and remove reference to the Long-term Insurance Act, following changes in legislation;*
- (2) *To remove reference to the Registrar following the establishment of the Financial Sector Conduct Authority;*
- (3) *To give effect to changes in tax legislation by providing for the annuitisation of retirement benefits and the protection of existing vested rights;*

by:

(i) *replacing Rule 1.4.36 with the following:*

1.4.36. “INSURER” means a registered and/or licensed insurer in terms of the applicable legislation.

(ii) *replacing each reference in the Rules to “REGISTERED INSURER” with “INSURER”;*

(iii) *replacing Rule 1.4.37 with the following:*

1.4.37. “AUTHORITY” means the Financial Sector Conduct Authority established in terms of Section 56 of the Financial Sector Regulation Act, 2017.

(iv) *replacing each reference in the Rules to “Registrar of Pension Funds” and “Registrar” with “AUTHORITY”;*

(v) *adding the following Rule 1.4.50 to Rule 1.4:*

1.4.50. “NON-VESTED PORTION” means the amount, if any, by which the amount standing to the credit of the MEMBER’S:

1.4.50.1. DEFERRED PENSION ACCOUNT, in the case of a DEFERRED MEMBER or DEFERRED RETIREE; or

1.4.50.2. MEMBER INDIVIDUAL ACCOUNT (which must not be less than the MINIMUM INDIVIDUAL RESERVE of that MEMBER), in the case of any other MEMBER;

exceeds the VESTED PORTION.

(vi) *adding the following Rule 1.4.51 to Rule 1.4:*

1.4.51. “VESTED PORTION” means:

1.4.51.1. in the case of a MEMBER who on 1 March 2021 was a MEMBER of the FUND and was 55 years of age or older on such date, and remained a MEMBER of the FUND until RETIREMENT FROM THE FUND, the amount standing to the credit of the MEMBER’S:

1.4.51.1.1. DEFERRED PENSION ACCOUNT, in the case of a DEFERRED MEMBER or DEFERRED RETIREE; or

1.4.51.1.2. MEMBER INDIVIDUAL ACCOUNT (which must not be less than the MINIMUM INDIVIDUAL RESERVE of that MEMBER), in the case of any other MEMBER;

or

1.4.51.2. in the case of a MEMBER who on 1 March 2021 was a MEMBER of the FUND, other than a MEMBER referred to in RULE 1.4.51.1, the accumulated value of:

1.4.51.2.1. the amount standing to the credit of the MEMBER'S:

1.4.51.2.1.1. DEFERRED PENSION ACCOUNT, in the case of a DEFERRED MEMBER or DEFERRED RETIREE; or

1.4.51.2.1.2. MEMBER INDIVIDUAL ACCOUNT (which must not be less than the MINIMUM INDIVIDUAL RESERVE of that MEMBER), in the case of any other MEMBER;

as at 1 March 2021;

and

1.4.51.2.2. that part of any amount transferred to the FUND after 1 March 2021 from another APPROVED FUND, other than a retirement annuity fund as defined in the Income Tax Act, 1962, of which such MEMBER was a member that is not subject to annuitisation;

increased or decreased by the INVESTMENT RETURN earned on the amount in RULE 1.4.51.2.1 and RULE 1.4.51.2.2, as applicable, and less any amounts permitted in terms of any law to be deducted from the amount in RULE 1.4.51.2.1 and RULE 1.4.51.2.2, as applicable;

or

1.4.51.3. in the case of a MEMBER who became a MEMBER of the FUND after 1 March 2021, that part of any amount transferred to the FUND after 1 March 2021 from another APPROVED FUND, other than a retirement annuity fund as defined in the Income Tax Act, 1962, of which such MEMBER was a member that is not subject to annuitisation, increased or decreased by the INVESTMENT RETURN earned on such amount, and less any amounts permitted in terms of any law to be deducted from such amount.

(vii) replacing Rule 6.3.1.1 with the following:

6.3.1.1. an annuity so purchased shall be subject to the provisions of the Income Tax Act, 1962, and any requirements specified by the REVENUE AUTHORITY from time to time;

(viii) replacing Rule 6.3.3 with the following:

6.3.3. Commutation

On RETIREMENT FROM THE FUND, prior to the purchase of an annuity in terms of RULE 6.2.1 or the commencement of payment of a PENSION from the FUND in terms of RULE 6.2.2, a MEMBER may elect to commute for a lump sum:

6.3.3.1. all or part of his or her VESTED PORTION, if applicable;

plus

6.3.3.2. (a) if the NON-VESTED PORTION does not exceed the limit set by the relevant legislation from time to time, all or part of the NON-VESTED PORTION; or

(b) if the NON-VESTED PORTION exceeds the limit referred to in (a) above, not more than one-third of the NON-VESTED PORTION.

B. With effect from 1 September 2021 for the reasons set out below

(1) *Due to the financial difficulty that Members and Employers are still experiencing as a result of the impact of the COVID-19 pandemic being more far reaching and lengthy than initially anticipated, to provide increased flexibility for Members with regards to arranging their finances by introducing two new Contribution Categories;*

(2) *Following the withdrawal of GN18, to allow a retiring Member to elect a combination of a Pension paid from the Fund and an annuity or annuities purchased from an Insurer;*

by:

(i) replacing Rule 5.2.2 with the following:

5.2.2. An EMPLOYER must contribute to the FUND at a rate determined according to the CONTRIBUTION CATEGORY selected by the MEMBER with the agreement of the EMPLOYER in accordance with the provisions of RULE 5.2.5. This rate is a percentage of 1/12th (one-twelfth) of each MEMBER'S PENSIONABLE EARNINGS determined in accordance with the table below:

CONTRIBUTION CATEGORY	Percentage of MEMBER'S PENSIONABLE EARNINGS
A	2.5
B	5.0
C	7.5
D	10.0
E	12.5
F	15.0
G	17.5
H	20.0
I	22.5
J	25.0
K	27.5

provided that the CONTRIBUTION CATEGORIES A and B will only be opened to MEMBERS under such conditions as the BOARD may decide on and is subject to the BOARD'S discretion.

Out of the amount contributed by the EMPLOYER in terms of the table above:

5.2.2.1. such amount as may be agreed by the BOARD from time to time on the advice of the ACTUARY, but not exceeding 0.75% of the MEMBER'S PENSIONABLE EARNINGS, shall be allocated to the Expense Reserve Account to meet the expenses of the FUND referred to in RULE 44; and

5.2.2.2. the balance shall be allocated towards retirement funding under the MEMBER INDIVIDUAL ACCOUNT.

(ii) *replacing Rule 5.2.5(b) with the following:*

(b) each MEMBER who enters SERVICE shall be required to select a CONTRIBUTION CATEGORY from the table in RULE 5.2.2; provided that if the MEMBER fails to select a CONTRIBUTION CATEGORY, he or she shall be regarded as falling under CONTRIBUTION CATEGORY F and the EMPLOYER shall contribute in respect of such MEMBER at the rate of 15% of PENSIONABLE EARNINGS.

(iii) *replacing Rule 6.2 with the following:*

6.2. Amount of benefit

On RETIREMENT FROM THE FUND, a MEMBER who has retired from SERVICE in terms of RULE 6.1, including a DEFERRED RETIREE, or a DEFERRED MEMBER who has attained normal retirement age as defined in section 1 of the Income Tax Act, 1962, shall as elected by the MEMBER, become entitled to –

6.2.1. an annuity or annuities of such amount as can be purchased in his or her own name from an INSURER in accordance with the provisions of RULE 6.3.1 by the amount standing to the credit of his or her –

6.2.1.1. DEFERRED PENSION ACCOUNT, in the case of a DEFERRED MEMBER or a DEFERRED RETIREE; or

6.2.1.2. MEMBER INDIVIDUAL ACCOUNT (which must not be less than the MINIMUM INDIVIDUAL RESERVE of that MEMBER), in the case of any other MEMBER;

after the exercise of any option in terms of RULE 6.3.3;

or

6.2.2. subject to the provisions of any applicable legislation and such conditions as the BOARD may determine, a PENSION in the form of a flexible annuity paid from the FUND in accordance with the provisions of RULE 6.3.2 of such amount as can be provided by the amount standing to the credit of his or her –

6.2.2.1. DEFERRED PENSION ACCOUNT, in the case of a DEFERRED MEMBER or DEFERRED RETIREE; or

6.2.2.2. MEMBER INDIVIDUAL ACCOUNT (which must not be less than the MINIMUM INDIVIDUAL RESERVE of that MEMBER), in the case of any other MEMBER;

after the exercise of any option in terms of RULE 6.3.3;

or

6.2.3. subject to the provisions of any applicable legislation and such conditions as the BOARD may determine, a combination of both the benefits referred to in RULE 6.2.1 and RULE 6.2.2, in which case part of the amount standing to the credit of his or her –

6.2.3.1. DEFERRED PENSION ACCOUNT, in the case of a DEFERRED MEMBER or DEFERRED RETIREE; or

6.2.3.2. MEMBER INDIVIDUAL ACCOUNT (which must not be less than the MINIMUM INDIVIDUAL RESERVE of that MEMBER), in the case of any other MEMBER;

as elected by the MEMBER after the exercise of any option in terms of RULE 6.3.3, shall be applied to provide a PENSION in the form of a flexible annuity paid from the FUND in accordance with the provisions of RULE 6.3.2 and the balance shall be applied to purchase an annuity or annuities in his or her own name from an INSURER in accordance with the provisions of RULE 6.3.1.

(iv) *replacing the opening paragraph of Rule 6.3.1 with the following:*

If a retiring MEMBER elects to purchase an annuity or annuities from an INSURER or INSURERS in terms of RULE 6.2.1 or RULE 6.2.3 the following shall apply to such annuity or annuities –

(v) *replacing the opening paragraph of Rule 6.3.2 with the following:*

If a retiring MEMBER elects the option in RULE 6.2.2 or RULE 6.2.3 to take a flexible annuity payable from the FUND, the following shall apply to such flexible annuity –

(vi) *replacing Rule 6.3.2.2 with the following:*

6.3.2.2. a PENSION ACCOUNT in the FUND shall be opened in respect of each PENSIONER who has elected a flexible annuity from the FUND, in which the opening credit to this account shall be the full value of his or her MEMBER INDIVIDUAL ACCOUNT or DEFERRED PENSION ACCOUNT, as applicable, on RETIREMENT FROM THE FUND, less:

- (a) any amount commuted in terms of RULE 6.3.3; and
- (b) any amount applied in terms of RULE 6.2.3 to purchase an annuity or annuities in his or her own name from an INSURER or INSURERS;

(vii) *replacing the opening paragraph of Rule 6.3.3 with the following:*

On RETIREMENT FROM THE FUND, prior to the purchase of an annuity or annuities in terms of RULE 6.2.1 or the commencement of payment of a PENSION from the FUND in terms of RULE 6.2.2, or a combination of these in terms of RULE 6.2.3, a MEMBER may elect to commute for a lump sum:

(viii) replacing Rule 34.2.8 with the following:

34.2.8. transfers to the PENSION ACCOUNT of an amount in respect of a retiring MEMBER who elects the option to take a flexible annuity payable from the FUND in terms of RULE 6.2.2 or RULE 6.2.3;

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



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**Chairperson
of the Board**



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**Member of
the Board**



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Principal Officer