

**ALEXANDER FORBES RETIREMENT FUND
(PENSION SECTION)**

Amendment No. 1

The Trustees of the Alexander Forbes Retirement Fund (Pension Section) resolved at Sandton on^{09/11/22}..... that the Rules of the Alexander Forbes Retirement Fund (Pension Section) shall be amended with effect from 1 October 2022 for the reason set out below:

To reflect the Trustees' decision that living annuities shall cease to be paid from the Fund, and accordingly to:

- (a) provide that all Annuitants shall have their living annuities purchased from an Insurer or such other authorised party which provides annuities;*

- (b) provide that the default shall be for the Trustees to select the Insurer or other authorised party which provides annuities but to allow an Annuitant to elect an Insurer or such other authorised party which provides annuities of their own choice, subject to the approval of the Trustees;*

and accordingly to remove the provisions in the Rules which allow for a retiring Member or beneficiary to elect a living annuity paid from the Fund, together with the conditions applicable to payment of a living annuity;

by:

- (i) *replacing the definition "Annuitant" in Rule 2 with the following;*

"Annuitant" shall mean a person who was in receipt of a living annuity paid from the Fund immediately prior to 1 October 2022; provided that this may be either a retired Member, a Deferred Retiree, a beneficiary or a Nominated Beneficiary who elected in terms of the Rules as they applied prior to 1 October 2022 that all or part of the balance of the Individual Living Annuity Sub-Account was to be paid to such person as a living annuity from the Fund.

- (ii) *replacing the definition "Deferred Retiree" in Rule 2 with the following:*

"Deferred Retiree" shall mean a Member who has retired from Service in terms of Rule 5.2 and elected that his retirement benefit be retained in the Fund until the Election Date, subject to the provisions of Rule 5.1.3. The provisions of Rule 5.4 shall apply to a Deferred Retiree.

- (iii) *replacing the definition "Individual Living Annuity Sub-Account" in Rule 2 with the following;*

"Individual Living Annuity Sub-Account" shall mean the Rand value of the amount available as at 1 October 2022 to purchase an annuity or annuities from an Insurer in accordance with the provisions of Rule 19. The Rand value of the Individual Living Annuity Sub-Account as at 1 October 2022 shall be determined in accordance with the Rules as they applied immediately prior to that date.

- (iv) *deleting the definition "Living Annuity" in Rule 2;*

- (v) *deleting the definition "Living Annuity Conditions" in Rule 2;*

(vi) *replacing the definition "Nominated Beneficiary" in Rule 2 with the following;*

"Nominated Beneficiary" shall mean the person or persons who were nominated prior to 1 October 2022 by a retired Member or a Deferred Retiree to receive all or part of the balance of such Member's Individual Living Annuity Sub-Account on such Member's death.

(vii) *deleting the definition "Qualifying Criteria" in Rule 2;*

(viii) *deleting clause (f) in Rule 4.10.3;*

(ix) *replacing Rule 5.1 with the following:*

5.1 Benefit

5.1.1 On the Election Date, a Member who has retired from Service in terms of Rule 5.2, shall, as elected by the Member, become entitled to a pension of such amount as can be purchased in terms of Rule 5.1.2 by his Fund Credit and, if applicable, the benefit referred to in Rule 6.2.1 or Rule 6.3.1, at the Election Date, after the exercise of any option in terms of Rule 5.3, from an Insurer or such other authorised party which provides annuities.

5.1.2 The pension which becomes payable in terms of Rule 5.1.1 shall be purchased as an annuity or annuities in the Member's name from an Insurer, or such other authorised party which provides annuities.

The terms and conditions applicable to such annuity or annuities, including options elected by the Member and the determination of any benefits arising on his death, shall be agreed between the Member and the Insurer, or such other authorised party which provides annuities, and shall be set out in writing by such insurer or authorised party, as the case may be; provided that:

- (a) the annuity or annuities so purchased shall be subject to the provisions of the Income Tax Act, 1962, and any other applicable legislation from time to time; and
- (b) on purchase of the annuity or annuities in terms of this Rule, the Fund shall have no further liability in respect of the Member, such liability resting with the Insurer, or such other authorised party which provides annuities, from whom such annuity or annuities are purchased.

5.1.3 Notwithstanding the provisions of Rule 5.1.1, a Member who has retired from Service in terms of Rule 5.2 may at any time prior to the Election Date, elect to transfer his Fund Credit and, if applicable, the benefit referred to in Rule 6.2.1 or Rule 6.3.1 to an Approved Retirement Annuity Fund or an Approved Preservation Fund.

(x) *replacing Rule 5.3 with the following:*

5.3 Commutation of Pension

On the Election Date, prior to the purchase of his pension in terms of Rule 5.1.2, a Member may elect to commute for a lump sum:

(a) all or part of his Vested Portion, if applicable;

plus

(b) (i) 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

(ii) if the Non-Vested Portion exceeds the limit referred to in (i) above, not more than one-third of the Non-Vested Portion.

(xi) *replacing Rule 5.4(c)(iii) with the following:*

(iii) earlier, if the Deferred Retiree elects that the benefit be transferred to an Approved Retirement Annuity Fund or an Approved Preservation Fund in terms of Rule 5.1.3.

(xii) *deleting Rule 6.1.1.3;*

(xiii) *replacing Rule 7.2.1(c) with the following:*

(c) part of the benefit be paid to him as a lump sum and the balance be transferred to another Approved Pension Fund, an Approved Provident Fund, an Approved Retirement Annuity Fund or an Approved Preservation Fund;

(xiv) replacing Rule 10.1.2(c) with the following:

- (c) the amount available for a Member under (b) above shall, as directed by the liquidator, either:
 - (i) be transferred for his benefit to another Approved Pension Fund, an Approved Provident Fund, an Approved Retirement Annuity Fund or an Approved Preservation Fund; or
 - (ii) if the Member so requests, be paid to the Member as a lump sum benefit;

(xv) replacing Rule 11.4 with the following:

11.4 If a Member is retiring in terms of Rule 5 or dies, the Trustees shall have the right, prior to the purchase of an annuity or annuities in terms of Rule 5.1.2, to commute for a lump sum the amount required to enable the Trustees to deduct from the Member's benefit any amount permissible in terms of this Rule.

(xvi) replacing Rule 12.4.2 with the following:

12.4.2 A Management Committee shall comprise one or more persons (hereinafter referred to as "Management Committee Members"). The Members, other than Deferred Retirees, Transferred Deferred Members, Transferred Deferred Retirees and Preserved Members, shall have the right to elect at least 50% of the Management Committee Members.

(xvii) replacing Rule 13.3 with the following:

13.3 Housing Loan Guarantees

The Trustees shall have the power to furnish a guarantee in respect of a loan by some other person to a Member, other than a Deferred Retiree, a Transferred Deferred Member, a Transferred Deferred Retiree and a Preserved Member, for a purpose referred to in Section 19(5)(a) of the Act. Such guarantee shall be subject to the provisions of the Act, the requirements of the Authority and such conditions as the Trustees may prescribe from time to time.

(xviii) replacing Rule 13.6(a) with the following:

- (a) The Investment Return shall be allocated to all Members' Fund Credits, the Data Reserve Account, the Employer Surplus Account, the Member Surplus Account, the Unclaimed Benefits Account, the Deferred Retiree Account, the Preserved Member Account, the Cost Contingency Reserve Account and the Fund Expense Reserve Account on such equitable basis as the Trustees, in consultation with the Actuary, may determine from time to time.

(xix) replacing Rule 19 with the following:

19. SPECIAL PROVISIONS APPLICABLE TO THE PURCHASE OF ANNUITIES FOR PERSONS IN RECEIPT OF A LIVING ANNUITY PAID FROM THE FUND

Notwithstanding anything to the contrary in the Rules, each Annuitant in the Fund as at 1 October 2022, shall have an annuity purchased in his own name from an Insurer or such other authorised party which provides annuities, selected by the Trustees; provided that on application to the Trustees and subject to the approval of the Trustees, an Annuitant may elect that such annuity shall be purchased from an Insurer or such other authorised party which provides annuities of his own choice. The following shall apply:

- (i) the annuity so purchased shall be subject to the provisions of the Income Tax Act, 1962, and any other applicable legislation from time to time;
- (ii) the Trustees shall arrange for the capital value of the Individual Living Annuity Sub-Account as at 1 October 2022 adjusted for subsequent Fund expenses, pension payments and Investment Return, to be transferred to an Insurer or such other authorised party which provides annuities, selected by the Trustees, or if applicable, elected by the Annuitant, in order to purchase an annuity in the Annuitant's own name;
- (iii) on the purchase of an annuity in terms of this Rule, the Fund shall have no further liability in respect of the Annuitant, such liability resting with the Insurer, or such other authorised party which provides annuities, as the case may be, from which the annuity is purchased.

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

Signed by: John Leon Lackman
Signed at: 2022-11-09 16:29:07 +02:00
Reason: I approve this document



.....
Chairman of Trustees

Signed by: KEVIN BRIAN PRINSLOO
Signed at: 2022-11-09 12:36:04 +02:00
Reason: I approve this document

KEVIN BRIAN PRINSLOO

.....
Trustee

Signed by: Nomonde Zwane
Signed at: 2022-11-09 12:06:19 +02:00
Reason: I approve this document



.....
Principal Officer

Certified that the above amendment is financially sound.

.....
Actuary to the Fund

Signed by: Gerda Grobler
Signed at: 2022-11-09 16:36:02 +02:00
Reason: I approve this document



.....
Signature

.....
Qualifications

