

PHUMULA RETIREMENT FUND

12/8/390/1

Rule Amendment No. 2

Extract of the minutes of the meeting of the Board of Trustees of the Phumula Retirement Fund ("the Fund") held virtually on 28 June 2021.

The Board of Trustees of the Fund unanimously resolved in terms of Rule 40.2 (a) that the Rules be amended, with effect from 1 July 2021, as follows:

1. Deletion of the current Rule 10 and replacement with the following:

*10. Transfers into the FUND

10.1 A MEMBER may elect to transfer a portion of his CJPF benefit at his date of retirement into the FUND. The transfer amount shall be a non-vested benefit in terms of the INCOME TAX ACT

10.2 The transfer amount will be used to purchase an additional retirement PENSION and lump sum BENEFIT on such terms and conditions and in accordance with such procedures as the ACTUARY may determine from time to time.

10.3 The PENSION determined for each MEMBER will be payable in accordance with RULE 18 and RULE 19.

10.4 The PENSION determined for each MEMBER is not subject to the provisions of RULE 15 except to the extent that the MEMBER has elected to purchase a surviving SPOUSE BENEFIT with the transfer amount."

2. Deletion of the current Rule 14.2 and replacement with the following:

*14.2 A MEMBER who does not elect to receive or transfer his BENEFIT in terms of RULE 14.1 shall become a PAID-UP MEMBER. The following shall apply:

(a) Upon written notification from the MEMBER, the FUND shall pay a BENEFIT equal to the MEMBER's ACTUARIAL INTEREST in the FUND or his minimum benefit prescribed by the ACT, whichever is the greater, determined on the last day of the month preceding the date of written notification having been received by the FUND;

(b) If the MEMBER dies prior to providing written notification in terms of RULE 14.2(a), the COMMITTEE shall determine the distribution of the benefit determined in terms of RULE 14.2(a) in accordance with the requirements of Section 37(c) of the ACT."

3. Deletion of the current Rule 16.1 and replacement with the following:

"16.1 When an IN-SERVICE MEMBER dies in service and a benefit becomes due, his ACTUARIAL INTEREST in the FUND, calculated as at the date of his death, shall be paid in accordance with the provisions of Section 37C of the ACT whereupon the FUND shall have no further liability in respect of such member and his DEPENDANTS."

4. Deletion of the current Rule 16.3 and replacement with the following:

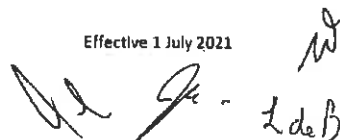
"16.3 If a PENSIONER dies and no PENSION is payable to a surviving SPOUSE or ELIGIBLE CHILD in terms of RULE 15, there shall, subject to the provisions of RULE 12.3(c), be paid to his DEPENDANTS and nominated beneficiaries, if any,

(a) If the PENSIONER retired prior to 1 July 2021, the total amount of the PENSION to which he would have been entitled during the remaining period of the first 5 (five) years of his retirement exclusive of any increase that might have been granted in terms of RULE 19 after the date of his death, or

(b) If the PENSIONER retired on or after 1 July 2021, the total amount of the PENSION to which he would have been entitled during the remaining period of the first 10 (ten) years of his retirement exclusive of any increase that might have been granted in terms of RULE 19 after the date of his death."

The purpose of this Rule Amendment is for the FUND to:

1. Confirm that all possible transfers into the Fund align with the compulsory annuitisation requirements introduced by the latest legislative changes to the Income Tax Act.
2. Correct previous incorrect numbering of the paragraphs of Rule 10.
3. Calculate a member's paid-up benefit on a defined benefit basis at date of notification given that practically the Fund is not advised of when a member exits employment but fails to provide a payment instruction. Further, the Fund does not regularly determine a Fund return given that all Fund benefits are on a defined benefit nature.



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4. Retain control of its members' benefits throughout their journey with the FUND and to not place reliance on the City of Johannesburg Pension Fund to perform the TRUSTEES' duties in terms of Section 37C of the Act ("Section 37C"). The FUND will therefore manage the Section 37C process for all MEMBERS, not only PENSIONERS.
5. Improve retirement benefits for current in-service members. Given that the benefit change will not necessarily result in a benefit enhancement for all current pensioners, the Trustees have agreed to compensate current pensioners for the benefit enhancement by granting a once-off pension increase in terms of Rule 19.4 in order to meet the requirements of Rule 19.9(b).

It is hereby confirmed that no amendments other than those above have been made to the Rules.

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



 CHAIRMAN OF THE BOARD

30 June 2021

 Date



 PRINCIPAL OFFICER

30 June 2021

 Date

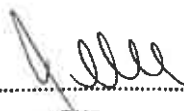


 TRUSTEE

30 June 2021

 Date

Certified that these amendments are financially sound



 JEANINE ASTRUP
 VALUATOR TO THE FUND

12/7/2021

 Date

