

**RULE AMENDMENT NO. 5**

**TO THE REVISED AND CONSOLIDATED RULES OF  
THE ESKOM PENSION AND PROVIDENT FUND**

ON THIS THE 30<sup>TH</sup> DAY OF MAY 2024, AT A MEETING OF THE BOARD OF THE ESKOM PENSION AND PROVIDENT FUND, HELD VIRTUALLY, THE BOARD BY A MAJORITY RESOLVED TO AMEND THE REVISED AND CONSOLIDATED RULES OF THE ESKOM PENSION AND PROVIDENT FUND, WITH EFFECT FROM 1 SEPTEMBER 2024, FOR THE FOLLOWING REASONS:

- i.) To insert a new definition in order to provide for the introduction of the retirement component;*
- ii.) To insert a new definition in order to provide for the introduction of the savings component;*
- iii.) To insert a new definition in order to provide for the introduction of the savings withdrawal benefit;*
- iv.) To insert a new definition in order to provide for the introduction of the vested component;*
- v.) To provide for the appropriate account of a member's interest in the savings, retirement, and vested components;*
- vi.) To provide for deductions that may be effected against a member's individual account or minimum individual reserve as contemplated in terms of the Act; and*
- vii.) Generally, to provide for compliance with the Income Tax Act, as amended by the Revenue Laws Amendment Act of 2024, and the Act, as amended by the Pension Funds Amendment Act of 2024.*

The RULES will be amended as follows:

1. By inserting the definition of "RETIREMENT COMPONENT" in RULE 2 to provide as follows:

**"RETIREMENT COMPONENT"** with effect from 1 September 2024, shall mean a component established for a MEMBER, excluding a retired MEMBER who is a

PENSIONER or a MEMBER with an UNCLAIMED BENEFIT or a MEMBER with PROVIDENT VESTED RIGHTS who has not, as prescribed by the Income Tax Act, elected to have a RETIREMENT COMPONENT established for him, in respect of which:

- (a) in relation to a MEMBER'S defined benefits:
  - (i) two-thirds of the MEMBER'S PENSIONABLE SERVICE shall be allocated to his RETIREMENT COMPONENT;
  - (ii) a MEMBER may elect to translocate any portion of his PENSIONABLE SERVICE from his SAVINGS COMPONENT or VESTED COMPONENT in the FUND, into his RETIREMENT COMPONENT;
  - (iii) any translocation of PENSIONABLE SERVICE from the SAVINGS COMPONENT or VESTED COMPONENT in the FUND, into his RETIREMENT COMPONENT, shall be irreversible; and
  - (iv) the MEMBER'S total PENSIONABLE SERVICE held in his RETIREMENT COMPONENT shall be utilised to provide the MEMBER with a pension in terms of RULE 8 upon his retirement and no portion shall be commuted for a lump sum unless the aggregate of the amount in his RETIREMENT COMPONENT and two-thirds of the amount in the MEMBER'S VESTED COMPONENT is less than the amount which may be commuted for a lump sum as prescribed in terms of the Income Tax Act.
  
- (b) in relation to a MEMBER'S separate record which holds additional voluntary contributions paid to the FUND in terms of RULE 5.2 or RULE 6.2.3 or RULE 6.5.3.7 or RULE 7.1 or RULE 13.2.1:
  - (i) two-thirds of the MEMBER'S additional voluntary contributions shall be allocated to his RETIREMENT COMPONENT;
  - (ii) payments or transfers from a similar component from an APPROVED FUND made on behalf of the MEMBER shall be allocated to his RETIREMENT COMPONENT;
  - (iii) a MEMBER may elect to translocate any portion of his additional voluntary contributions from his SAVINGS COMPONENT or VESTED COMPONENT held in a separate record in respect of additional voluntary contributions in the FUND, into his RETIREMENT COMPONENT;

- (iv) any translocation of additional voluntary contributions from the SAVINGS COMPONENT or VESTED COMPONENT held in a separate record in respect of additional voluntary contributions in the FUND, into his RETIREMENT COMPONENT, shall be irreversible; and
- (v) the total value of the MEMBER'S additional voluntary contributions held in his RETIREMENT COMPONENT shall be utilised to provide the MEMBER with a pension upon his retirement and no portion shall be commuted for a lump sum unless the aggregate of the amount in his RETIREMENT COMPONENT and two-thirds of the amount in the MEMBER'S VESTED COMPONENT is less than an amount which may be commuted for a lump sum as prescribed in terms of the Income Tax Act

2. By inserting the definition of "SAVINGS COMPONENT" in RULE 2 to provide as follows:

**"SAVINGS COMPONENT"** with effect from 1 September 2024, shall mean a component established for a MEMBER, excluding a retired MEMBER who is a PENSIONER or a MEMBER with an UNCLAIMED BENEFIT or a MEMBER with PROVIDENT VESTED RIGHTS who has not, as prescribed by the Income Tax Act, elected to have a SAVINGS COMPONENT established for him, in respect of which:

- (a) in relation to a MEMBER'S defined benefits:
  - (i) one-third of the MEMBER'S PENSIONABLE SERVICE shall be allocated to his SAVINGS COMPONENT;
  - (ii) the lower of R30 000.00 or 10% of the MEMBER'S benefit in the VESTED COMPONENT as at 31 August 2024 shall be credited to his SAVINGS COMPONENT;
  - (iii) a MEMBER may elect to translocate any portion of his PENSIONABLE SERVICE from his SAVINGS COMPONENT into his RETIREMENT COMPONENT;
  - (iv) any translocation of PENSIONABLE SERVICE from his SAVINGS COMPONENT into the RETIREMENT COMPONENT shall be irreversible;

- (v) a MEMBER may elect to be paid as a lump sum, an amount equal to or less than his SAVINGS WITHDRAWAL BENEFIT standing to his credit in his SAVINGS COMPONENT; and
  - (vi) if the MEMBER so elects, his total PENSIONABLE SERVICE held in his SAVINGS COMPONENT shall be capable of being commuted for a lump sum benefit on the conditions prescribed by the REVENUE AUTHORITIES in terms of the Income Tax Act upon his retirement.
- (b) in relation to a MEMBER'S separate record which holds additional voluntary contributions paid to the FUND in terms of RULE 5.2 or RULE 6.2.3 or RULE 6.5.3.7 or RULE 7.1 or RULE 13.2.1:
- (i) one-third of the MEMBER'S additional voluntary contributions shall be allocated to his SAVINGS COMPONENT;
  - (ii) payments or transfers from a similar component from an APPROVED FUND made on behalf of the MEMBER shall be allocated to his SAVINGS COMPONENT;
  - (iii) a MEMBER may elect to translocate any portion of his additional voluntary contributions from his SAVINGS COMPONENT into his RETIREMENT COMPONENT;
  - (iv) any translocation of additional voluntary contributions from his SAVINGS COMPONENT into his RETIREMENT COMPONENT shall be irreversible; and
  - (v) if the MEMBER so elects, his additional voluntary contributions held in his SAVINGS COMPONENT shall be capable of being commuted for a lump sum benefit on the conditions prescribed by the REVENUE AUTHORITIES in terms of the Income Tax Act upon his retirement.
3. By inserting the definition of "SAVINGS WITHDRAWAL BENEFIT" in RULE 2 to provide as follows:

**"SAVINGS WITHDRAWAL BENEFIT"** shall mean a benefit capable of withdrawal by a MEMBER at his election from their SAVINGS COMPONENT in the FUND, and:

- (a) in relation to a MEMBER'S defined benefits, shall mean a benefit in the SAVINGS COMPONENT equal to the greater of:

- (i) the MEMBER'S ACCUMULATED CONTRIBUTIONS; or
  - (ii) the MEMBER'S MINIMUM INDIVIDUAL RESERVE.
- (b) in relation to a MEMBER'S separate record which holds additional voluntary contributions paid to the FUND in terms of RULE 5.2 or RULE 6.2.3 or RULE 6.5.3.7 or RULE 7.1 or RULE 13.2.1, shall mean a benefit in the SAVINGS COMPONENT equal to:
- (i) the MEMBER'S additional voluntary contributions, after deduction of any reasonable expenses; and
  - (ii) accumulated with INVESTMENT RETURN.

Provided that:

- (aa) no MEMBER who is a retired MEMBER or a PENSIONER or a MEMBER with an UNCLAIMED BENEFIT or a MEMBER with PROVIDENT VESTED RIGHTS who has not elected to have a SAVINGS COMPONENT established for him, will have a SAVINGS WITHDRAWAL BENEFIT;
- (bb) a MEMBER can request payment of a SAVINGS WITHDRAWAL BENEFIT only once during a year of assessment as contemplated in the Income Tax Act;
- (cc) a MEMBER with more than one record in the FUND shall only be entitled to one withdrawal during a year of assessment, as contemplated in the Income Tax Act. This means one withdrawal from any record, and not one withdrawal for each record held in the FUND. In determining the amount capable of being withdrawn for a MEMBER'S first withdrawal, on or after 1 September 2024, the aggregate value of the MEMBER'S VESTED COMPONENTS will be calculated and 10% thereof, limited to a total amount of R30 000.00 across the components will be allocated to the MEMBER'S SAVINGS COMPONENT from which he elects to receive a SAVINGS WITHDRAWAL BENEFIT on a *pro rata* basis.
- (dd) no SAVINGS WITHDRAWAL BENEFIT may be paid by the FUND if the value of a MEMBER'S SAVINGS COMPONENT is less than R2 000.00, provided that where the MEMBER'S employment is terminated for any reason other than death, and the MEMBER has already received a SAVINGS WITHDRAWAL BENEFIT in that year of

assessment, as contemplated in the Income Tax Act, he may be allowed to receive a second SAVINGS WITHDRAWAL BENEFIT representing the total balance in his SAVINGS COMPONENT if the SAVINGS WITHDRAWAL BENEFIT is less than R 2 000; and

- (ee) the payment of a SAVINGS WITHDRAWAL BENEFIT to a MEMBER shall be subject to taxation as contemplated in the Income Tax Act and the rules of the REVENUE AUTHORITIES as amended from time to time.

- 4. By inserting the definition of "VESTED COMPONENT" in RULE 2 to provide as follows:

**"VESTED COMPONENT"** with effect from 1 September 2024, shall mean a component established for a MEMBER, excluding a retired MEMBER who is a PENSIONER or a MEMBER with an UNCLAIMED BENEFIT or a MEMBER with PROVIDENT VESTED RIGHTS who has not, as prescribed by the Income Tax Act, elected to have a VESTED COMPONENT established for him, in respect of which:

- (a) in relation to a MEMBER'S defined benefits:
  - (i) the MEMBER'S PENSIONABLE SERVICE up to 31 August 2024 shall be held in his VESTED COMPONENT;
  - (ii) the lower of R30 000.00 or 10% of the MEMBER'S benefit as at 31 August 2024, whichever is the lower, shall be deducted from his VESTED COMPONENT and credited to the MEMBER'S SAVINGS COMPONENT;
  - (iii) the MEMBER'S total PENSIONABLE SERVICE held in his VESTED COMPONENT shall be utilised to provide the MEMBER with a pension upon his retirement and no portion shall be commuted for a lump sum unless the aggregate of two-thirds of the amount in his VESTED COMPONENT and the total amount in the MEMBER'S RETIREMENT COMPONENT is less than an amount which may be commuted for a lump sum as prescribed in terms of the Income Tax Act;
  - (iv) a MEMBER may elect to translocate any portion of his PENSIONABLE SERVICE from his VESTED COMPONENT into his RETIREMENT COMPONENT;

- (v) any translocation of PENSIONABLE SERVICE from his VESTED COMPONENT into the RETIREMENT COMPONENT shall be irreversible;
  - (vi) the MEMBER'S PENSIONABLE SERVICE allocated to his VESTED COMPONENT shall be applied to his benefits in accordance with the RULES of the FUND as they exist immediately prior to 1 September 2024; and
  - (vii) no PENSIONABLE SERVICE may be allocated to his VESTED COMPONENT for any period on or after 1 September 2024.
- (b) in relation to a MEMBER'S separate record which holds additional voluntary contributions paid to the FUND in terms of RULE 5.2 or RULE 6.2.3 or RULE 6.5.3.7 or RULE 7.1 or RULE 13.2.1:
- (i) the MEMBER'S additional voluntary contributions up to 31 August 2024 shall be held in his VESTED COMPONENT;
  - (ii) on 1 September 2024, the lower of R30 000.00 or 10% of the MEMBER'S benefit as at 31 August 2024, will be deducted from his VESTED COMPONENT and credited to his SAVINGS COMPONENT;
  - (iii) no additional voluntary contributions may be allocated to his VESTED COMPONENT for any period on or after 1 September 2024 except for payments or transfers from a similar component from an APPROVED FUND made on behalf of the MEMBER;
  - (iv) a MEMBER may elect to translocate any portion of their additional voluntary contributions from his VESTED COMPONENT held by the FUND in a separate record in respect of their additional voluntary contributions, into their RETIREMENT COMPONENT;
  - (v) any translocation of additional voluntary contributions from his VESTED COMPONENT held in a separate record in respect of a MEMBER'S additional voluntary contributions, into the MEMBER'S RETIREMENT COMPONENT, shall be irreversible; and
  - (vi) the MEMBER'S additional voluntary contributions allocated to his VESTED COMPONENT shall be subject to and paid in accordance with the RULES of the FUND as they exist immediately prior to 1 September 2024.

5. By deleting RULE 4.2 and replacing it as follows:

4.2.1 Except for a MEMBER'S right to receive a SAVINGS WITHDRAWAL BENEFIT, a MEMBER shall not be permitted to withdraw from his membership while he remains in SERVICE.

4.2.2 On the date that a MEMBER becomes a TEMPORARY EMPLOYEE, the MEMBER shall cease to make contributions to the FUND and such a MEMBER'S ACCUMULATED CONTRIBUTIONS or MINIMUM INDIVIDUAL RESERVE (whichever is higher) determined at the date of becoming a TEMPORARY EMPLOYEE, plus INVESTMENT RETURN from that date, shall remain in the FUND in the components wherein such additional voluntary contributions are held and the RULES applicable to each component shall continue to apply in respect of the MEMBER'S benefit.

6. By deleting RULE 5.2.4 and replacing it as follows:

5.2.4 If a MEMBER exercises his right to receive a SAVINGS WITHDRAWAL BENEFIT, or if a MEMBER dies and no PENSION becomes payable in respect of him, the amount of his additional voluntary contributions accumulated with INVESTMENT RETURN in terms of RULE 5.2.2 shall be added to the lump sum benefits payable to or in respect of him.

7. By inserting a new RULE 5.5 as follows:

**5.5. ALLOCATION OF PENSIONABLE SERVICE TO THE MEMBER COMPONENTS**

With effect from 1 September 2024, the FUND shall allocate a MEMBER'S PENSIONABLE SERVICE to the RETIREMENT COMPONENT and the SAVINGS COMPONENT.

8. By inserting a new RULE 6.6, to provide as set out below; renumbering the current RULE 6.6 to 6.7, and renumbering the current RULES 6.7 and 6.8 to 6.8 and 6.9 accordingly:

**6.6 WITHDRAWAL BENEFITS WITH EFFECT FROM 1 SEPTEMBER 2024**

With effect from 1 September 2024, the above RULES 6.1 to 6.5 shall continue to apply to a MEMBER'S VESTED COMPONENT in the FUND. Any

benefit payable by the FUND in respect of a MEMBER'S RETIREMENT COMPONENT or his SAVINGS COMPONENT shall be dealt with in accordance with the RULES regulating those components and the provisions of the ACT and the Income Tax Act.

9. By inserting a new RULE 6.8.3 and 6.8.4 to provide as follows:

6.8.3 With effect from 1 September 2024, the above RULES 6.8.1 to 6.8.2 shall continue to apply to a MEMBER'S VESTED COMPONENT in the FUND. Any benefit payable by the FUND in respect of a MEMBER'S RETIREMENT COMPONENT or his SAVINGS COMPONENT shall be dealt with in accordance with the RULES regulating those components and the provisions of the ACT and the Income Tax Act.

6.8.4 With effect from 1 September 2024, the following shall apply in respect of a MEMBER'S withdrawal benefit:

6.8.4.1 A MEMBER may elect to receive a SAVINGS WITHDRAWAL BENEFIT if he qualifies.

6.8.4.2 A MEMBER may elect to transfer all his components in the FUND to another APPROVED FUND provided that:

6.8.4.2.1 all the MEMBER'S components are transferred to the same APPROVED FUND;

6.8.4.2.2 a transfer of any component held in the FUND will be transferred to a similar component in the receiving APPROVED FUND; and

6.8.4.2.3 instead of transferring the components held in the FUND into similar components in the receiving APPROVED FUND, a MEMBER may elect to transfer his SAVINGS COMPONENT or his VESTED COMPONENT, or both, into his RETIREMENT COMPONENT in the receiving APPROVED FUND.

10. By inserting a new RULE 6.8.5 to provide as follows:

When a MEMBER ceases to be a tax resident for an uninterrupted period of three years or departs from South Africa at the expiry of a work or visit visa,

as contemplated in the Income Tax Act, he shall be entitled to receive a benefit from the FUND as contemplated in the Income Tax Act. Any benefit so payable by the FUND in respect of a MEMBER'S RETIREMENT COMPONENT, SAVINGS COMPONENT or VESTED COMPONENT shall be dealt with in accordance with the RULES regulating those components and the provisions of the Income Tax Act.

11. By inserting a new RULE 7.4 to provide as follows:

**7.4 DEFERRAL OF BENEFITS WITH EFFECT FROM 1 SEPTEMBER 2024**

With effect from 1 September 2024, the above RULES 7.1 to 7.3 shall continue to apply to a MEMBER'S VESTED COMPONENT in the FUND. Any benefit payable by the FUND in respect of a MEMBER'S RETIREMENT COMPONENT or his SAVINGS COMPONENT shall be dealt with in accordance with the RULES regulating those components and the provisions of the ACT and the Income Tax Act.

12. By inserting a new RULE 8.5.4 to provide as follows:

With effect from 1 September 2024, the above RULES 8.1 to 8.5 shall continue to apply to a MEMBER'S VESTED COMPONENT in the FUND. Any benefit payable by the FUND in respect of a MEMBER'S RETIREMENT COMPONENT or his SAVINGS COMPONENT shall be dealt with in accordance with the RULES regulating those components and the provisions of the ACT and the Income Tax Act.

13. By inserting a new RULE 12.4 to provide as follows:

12.4 With effect from 1 September 2024, notwithstanding the provisions of RULES 12.2.2.1 to 12.2.2.4 and 12.3, in the event of liquidation of the FUND or a portion of the FUND attributable to the participation of an EMPLOYER whose participation in the FUND has ceased, the following shall apply:

12.4.1 Any MEMBER who forms part of the liquidation shall be entitled to receive a withdrawal benefit as contemplated in RULE 6.1 if he so elects.

- 12.4.2 A MEMBER may only receive as a lump sum payment from the FUND, a benefit from his SAVINGS COMPONENT and/or his VESTED COMPONENT. No benefit from the MEMBER'S RETIREMENT COMPONENT may be paid to him as a lump sum.
- 12.4.3 A MEMBER'S benefit held in his RETIREMENT COMPONENT shall be transferred to an APPROVED FUND of his choice.
- 12.4.4 If a MEMBER fails, refuses or neglects to make an election for the transfer of his RETIREMENT COMPONENT within such reasonable time as determined by the liquidator, then the liquidator shall determine the APPROVED FUND to which the benefit is to be transferred which may include leaving the RETIREMENT COMPONENT in the FUND where there is partial liquidation, and the FUND continues to operate.

- 14. By deleting RULE 13 and replacing it as follows:

**13.1 TRANSFER TO OTHER FUNDS**

- 13.1.1 Subject to RULE 6.8.4.2, a MEMBER whose SERVICE is terminated, excluding a MEMBER who becomes a NON-CONTRIBUTING MEMBER, may opt to transfer his benefit in the FUND to another APPROVED FUND on such conditions prescribed in the ACT, the Income Tax Act and by the REVENUE AUTHORITIES and shall absolve the FUND of its liabilities towards the MEMBER in respect of all benefits in terms of the RULES.

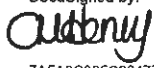
**13.2 TRANSFER FROM OTHER FUNDS**

- 13.2.1 A MEMBER may transfer to the FUND from any APPROVED FUND any amount payable in respect of his participation in such APPROVED FUND, or an amount received from an APPROVED FUND following the divorce of the MEMBER.
- 13.2.2 Any transfer from an APPROVED FUND shall be subject to the conditions prescribed in the ACT, the Income Tax Act and by the REVENUE AUTHORITIES. The amount transferred to the FUND shall be applied as a voluntary contribution in terms of RULE 5.2 and the MEMBER'S components in such other APPROVED FUND shall be transferred into similar components within the FUND.

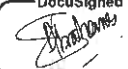
- 15. By inserting a new RULE 14.5.10 to provide as follows:

Where the BOARD agrees to make a deduction of an amount from a MEMBER'S benefit as contemplated in section 37D of the ACT, such amount to be deducted shall comprise of the aggregate value of the MEMBER'S RETIREMENT COMPONENT, SAVINGS COMPONENT, and VESTED COMPONENT on a pro rata basis, to ensure that the amount to be deducted is equitably proportioned between the components in relation to the value of each component at the time.

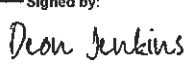
Certified that the above resolution has been adopted in accordance with the provisions of the RULES of the FUND.

DocuSigned by:  
  
 7A5A6C865C02477...

**CHAIRPERSON**

DocuSigned by:  
  
 C3EB0ABDA61F4C3...

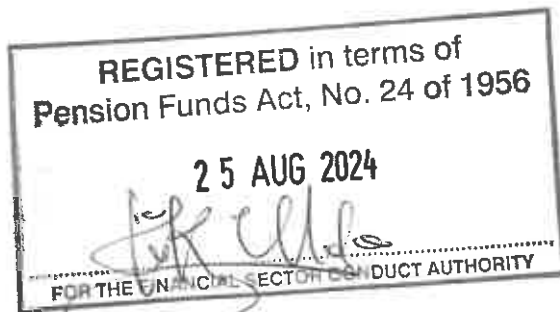
**PRINCIPAL OFFICER**

Signed by:  
  
 819585144D15425...

**BOARD MEMBER**

Signed by:  
  
 F6C3DF4B8F07474...

**BOARD MEMBER**



**VALUATOR'S CERTIFICATE:** In my capacity as the ACTUARY of the Eskom Pension and Provident Fund, I certify that in my opinion, the RULES of the Eskom Pension and Provident Fund are financially sound.


Liesel Ryan

Aug-23-2024

.....

.....

**DATE**

Signed by:  
  
3F32F07022FC4AD.....

B.Sc. FASSA

.....

**Signature**

**Qualifications**