

ESKOM PENSION AND PROVIDENT FUND

Rule Amendment No. 2

The Trustees of the Eskom Pension and Provident Fund resolved at a meeting of the Board of the Fund held at EPPF Office Park, Bryanston on 6 September 2019 that with effect from 1 March 2019 the Rules of the Eskom Pension and Provident Fund shall be amended for the reasons set out below:

- i) *The amendments to the Rules are required to comply with Regulation 38 and 39 to the Pension Funds Act, 1956 as well as provisions of the Pension Funds Act.*
- ii) *The Rules are specifically being amended to comply with Regulation 38(1)(e) and Regulation 38(2).*
- iii) *The amendments to the Rules to ensure compliance with the Regulations necessitated further changes to the current Rules of the Fund.*

The Rules will be amended as follows:

- 1) *By the addition of the following definitions to the Rules:*
 - a) "APPROVED FUND" shall mean a pension, pension preservation, provident, provident preservation or a RETIREMENT ANNUITY FUND as defined in the Income Tax Act, 1962 and approved by the REVENUE AUTHORITIES.
 - b) "PAID-UP MEMBER" shall mean a MEMBER who has left the SERVICE of the EMPLOYER and has ceased to contribute to the FUND but has not been paid his benefit and such MEMBER has not yet made an election with regard to payment or transfer of the benefit that is due and payable under the RULES. A PAID-UP MEMBER is not a DEFERRED PENSIONER unless the PAID-UP MEMBER specifically elects in writing to become a DEFERRED PENSIONER in terms of these RULES.
 - c) "REGISTERED INSURER" shall mean an insurer or insurers registered in terms of the Long-Term Insurance Act, 1998, as amended.
 - d) "RETIREMENT ANNUITY FUND" shall mean a retirement annuity fund as defined in the Income Tax Act, 1962 and approved by the REVENUE AUTHORITIES.
 - e) "RETIREMENT BENEFITS COUNSELLING" shall mean Retirement Benefits Counselling, as defined in the regulations framed under the ACT.
 - f) "REVENUE AUTHORITIES" shall mean the Commissioner for the South Africa Revenue Service.
- 2) *By deleting the defined term "RETIREMENT ARRANGEMENT" from Rule 2.*
- 3) *By deleting and replacing Rule 13(2) with the following:*

- (2) A MEMBER who has left SERVICE for any reason and has received all the benefits which may be due to him in terms of these RULES shall cease to be a MEMBER.

4) *By an addition of new Rule 30A to the Rules as follows:*

PAID-UP MEMBERS

Rule 30A

- (1) A MEMBER who leaves SERVICE in terms of RULE 28, RULE 29 or RULE 30 before retirement shall automatically become a PAID-UP MEMBER.
- (2) Subject to the provisions of the RULES, the benefits referred to in RULE 28(1), RULE 29(1) and RULE 30(1) shall remain in the FUND until such time as the FUND receives a written instruction to pay, transfer or defer the benefit in terms of these RULES.
- (3) The following conditions shall apply to a PAID-UP MEMBER:
- (a) No further contributions shall be paid to the FUND by or in respect of a PAID-UP MEMBER.
 - (b) Upon becoming a PAID-UP MEMBER a defined benefit amount shall be converted to a defined contribution component.
 - (c) Upon the death of a PAID-UP MEMBER in respect of whom an instruction as contemplated in RULE 30A(2) has not been received, a lump sum death benefit shall become payable in terms of section 37C of the ACT.
 - (d) Any lawful deductions in terms of the provisions of the ACT and the RULES shall become enforceable and the relevant amounts due shall be deducted from the PAID-UP MEMBER's benefit effective on the date of his termination of SERVICE.
 - (e) Any lawful claim against the benefit of a PAID-UP MEMBER which arises after the date of termination of SERVICE and while the PAID-UP MEMBER remains a MEMBER of the FUND and which may lawfully be deducted by the FUND, shall be deducted from the benefit of such a PAID-UP MEMBER upon the FUND being furnished with satisfactory proof of such a lawful claim.
 - (f) Reasonable expenses as determined by the BOARD, including administration costs and any costs associated with tracing the PAID-UP MEMBER or his BENEFICIARY may be deducted from the benefit.
 - (g) A PAID-UP MEMBER's benefit may be increased from time to time in line with the provisions of the RULES.

- (h) A PAID-UP MEMBER may elect to defer the receipt of his benefit and become a DEFERRED PENSIONER in terms of RULE 28, RULE 29 or RULE 30, as the case may be. If so elected, then the RULES applicable to a DEFERRED PENSIONER will apply to the PAID-UP MEMBER. The election to become a DEFERRED PENSIONER must be made within three months of leaving SERVICE.
- (i) A PAID-UP MEMBER shall have access to RETIREMENT BENEFIT COUNSELLING before any benefit is paid to him or transferred to another APPROVED FUND or to a REGISTERED INSURER.

5) By replacing Rule 45(1) and 45(2) with the following:

Transfer to other APPROVED FUNDS

45(1) A MEMBER who becomes entitled to a cash benefit in terms of RULE 28(1), RULE, 29(1) or RULE 30(1), may elect instead to transfer such cash benefit to an APPROVED FUND. Provided that in making such election the MEMBER shall forgo the right to make an election in terms of RULE 28(1), RULE, 29(1) or RULE 30(1). Any transfer to an APPROVED FUND shall be subject to the conditions prescribed in the ACT, the Income Tax Act, 1962 and by the REVENUE AUTHORITIES and shall absolve the FUND of its liabilities towards the MEMBER in respect of all benefits in terms of these RULES.

Transfers into the FUND

- 45(2) 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.
- (3) Any transfer from an APPROVED FUND shall be subject to the conditions prescribed in the ACT and by the REVENUE AUTHORITIES. Any amount so transferred to the FUND shall be applied as a voluntary contribution and shall be included in the MEMBER'S MINIMUM INDIVIDUAL RESERVE.

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

JM Maisela
 JM MAISELA
 CHAIRMAN OF THE BOARD
 PENSIONERS

REGISTERED in terms of
Act, No. 24 of 1956
BOARD MEMBER
 19 OCT 2015
 FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY

[Signature]
 PRINCIPAL OFFICER



L RYAN, B.SC.

**VALUATOR TO THE FUND
FELLOW OF THE ACTUARIAL SOCIETY OF SOUTH AFRICA
WILLIS TOWERS WATSON**

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