



ELECTRICAL INDUSTRY KWA-ZULU NATAL PENSION FUND
Registration No: 12/08/14479
23 Lennox Road, Greyville, Durban, 4001

RULE AMENDMENT NUMBER 1 (2023)

**AT A PROPERLY CONSTITUTED MEETING OF THE BOARD OF TRUSTEES HELD ON 19 APRIL 2023
THE BOARD OF TRUSTEES HAS RESOLVED THAT:**

The Rules of the Electrical Industry Kwa-Zulu Natal Pension Fund are to be amended with effect from 1 August 2023 as follows:

SECTION 2 DEFINITIONS

1) *Shall be amended by the addition of the following:*

RISK RESERVE ACCOUNT

A RISK RESERVE ACCOUNT shall be established in the books of the FUND. The RISK RESERVE ACCOUNT may be utilised at the discretion of the BOARD OF TRUSTEES and on the advice of the ACTUARY to fund and pay for death benefits referred to in SECTION 8.1.1 in the event of the FUND not being insured with an INSURER.

The amounts credited and debited to the RISK RESERVE ACCOUNT shall be such amounts as determined by the BOARD OF TRUSTEES in consultation with the ACTUARY.

The RISK RESERVE ACCOUNT may be credited with the following:

- a) An opening balance of such amount may be determined by the BOARD OF TRUSTEES in consultation with the ACTUARY;
- b) The amount deducted from the CONTRIBUTIONS received by the FUND on behalf of the MEMBER in terms of SECTION (e) of the definition of EQUITABLE SHARE in respect of the period during which this account is utilised to fund and pay for death benefits referred to in SECTION 8.1.1;
- c) Amounts, if any, transferred to this account from the CONTINGENCY RESERVE ACCOUNT on recommendation of the ACTUARY and with the approval of the BOARD OF TRUSTEES;
- d) Amounts, if any, transferred to this account from another APPROVED FUND on the recommendation of the ACTUARY and with the approval of the BOARD OF TRUSTEES;
- e) INVESTMENT RETURN earned on the balance in this account.

The RISK RESERVE ACCOUNT may be debited with the following:

- a) The cost of benefits payable in terms of SECTION 8.1.1 in respect of the period during which this account is utilised to fund and pay for death benefits referred to in section 8.1.1;
- b) Amounts, if any, transferred out of this account to the CONTINGENCY RESERVE ACCOUNT on recommendation of the ACTUARY and with the approval of the BOARD OF TRUSTEES;
- c) The administration and management costs associated with any payments made from this account;
- d) Negative INVESTMENT RETURN earned on the balance in this account.

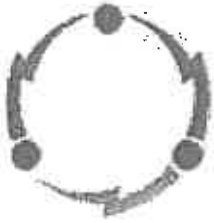
2) **SECTION 8.4.3** shall be replaced by the following:

The FUND will only incur a liability in terms of this RULE to pay any benefit insured with an INSURER in terms of SECTION 8.3 if the benefit has been admitted by the INSURER. Any benefit insured with an INSURER shall be subject to the terms and conditions of the policy issued by the INSURER, which shall provide that the cover in respect of those MEMBERS for whom CONTRIBUTIONS are due and payable, but not paid shall cease in the event of the FUND not receiving CONTRIBUTIONS from the EMPLOYER within the period specified.

3) **SECTION 8.4.4** shall be inserted as follows:

The FUND will only incur a liability in terms of this RULE to pay any benefit that is self-insured by the FUND if the benefit has been admitted by the BOARD OF TRUSTEES. Cover in respect of any benefit that is self-insured by the FUND in respect of those MEMBERS for whom CONTRIBUTIONS are due and payable but not paid shall cease in the event of the FUND not receiving CONTRIBUTIONS from the EMPLOYER within any period determined by the BOARD OF TRUSTEES.


SM. DWA LG
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The reasons for the amendments are as follows:

- 1) To establish a RISK RESERVE ACCOUNT to fund and pay for death benefits referred to in SECTION 8.1.1 in the event of the FUND not being insured with an INSURER, specifically in respect of the period immediately following the liquidation of Nestlife during which the FUND did not have cover with an INSURER.
- 2) To amend the condition of liability to pay a death benefit to cater for scenarios where all of the benefit is self-insured by the FUND.

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

D.W. Alcock

Chairperson: Board of Trustees
(Mr Dave Alcock)

27 April 2023

Date

[Signature]

Deputy Chairperson: Board of Trustees
(Mr Deon van Deventer)

29/4/2023

Date

SIPHO MICHAEL MAYISE II

Trustee
(Full Name)

[Signature]

Trustee
(Signature)

04/05/2023

Date

[Signature]

Principal Officer
(Ms Lizané van der Merwe)

24-Apr-2023

Date

I hereby certify that the amendments are financially sound.

Asim Gani

Valuator
(Mr Asim Gani)

8-May-2023

Date

REGISTERED in terms of
Pension Funds Act, No. 24 of 1956

19 JUL 2023

[Signature]
FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY