



P.O. Box 96555
Marina Park
0102
Tel: +27 12 428 8000
Toll free: 0800 20 3722
Fax: +27 12 346 6941
Email: info@fscs.co.za
Website: www.fscs.co.za

ENQUIRIES: Mr Edwin Tshabalala
OUR REF: 12/8/20517
DATE: 05 June 2019
D. DIALING NO: 012 428 8154
FAX: 012 346 6915
E-MAIL: edwin.tshabalala@fscs.co.za

THE PRINCIPAL OFFICER
TOURISM, HOSPITALITY AND CATERING PENSION FUND (THACSA)
c/o MMI GROUP LTD
P O BOX 7400
CENTURION

0046

CASE NUMBER: 483851

Dear Sir/Madam

PENSION FUNDS ACT, 24 OF 1956 & INCOME TAX ACT, 58 OF 1962: AMENDMENT 5 (Effective 01 March 2019) - TOURISM, HOSPITALITY AND CATERING PENSION FUND (THACSA)

Your application of 15 February 2019 refers. I have enclosed a copy of the Amendment duly approved and registered in terms of section 12(4) of the Pension Funds Act.

The fund continues to be recognized as a Pension Fund in terms of the Income Tax Act.

Yours faithfully

FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY

Enclosure

Transitional Management Committee:
AM Sithole (Commissioner) DP Tshidi CD da Silva JA Boyd MM du Toit LP Kekana K Gibson OB Makhubela P Mogase

FILE NAME: Amendment Approval Letter

The retirement benefits counselling as envisaged in Regulations 36 and 39 to the ACT;

**RETIREMENT BENEFITS
COUNSELLING**

A MEMBER whose benefit remains paid up in the FUND following termination of service for reasons other than retirement;

PAID-UP MEMBER

The policy adopted by the BOARD OF TRUSTEES in accordance with the provisions of Regulations 37 to the ACT, in which the investment objectives and strategy of the FUND are recorded;

**INVESTMENT POLICY
STATEMENT**

A MEMBER who retired from the service of the EMPLOYER whose retirement benefit will be retained in the FUND until his ELECTION DATE;

DEFERRED RETIREE

The annuity strategy adopted by the BOARD OF TRUSTEES in accordance with the provisions of Regulation 39 to the ACT;

ANNUITY STRATEGY

1. The following new definitions are added to the DEFINITIONS:

The BOARD OF TRUSTEES resolved at the meeting of the TRUSTEES held at CAPE TOWN on 6 FEBRUARY 2019 that the REVISED RULES are amended with effect from 1 March 2019 as follows:

TOURISM, HOSPITALITY AND CATERING PENSION FUND (theca)

to the REVISED RULES of the

AMENDMENT 5

A 2.3.2 These contributions shall be kept in a separate account, namely, the MEMBER'S ADDITIONAL CONTRIBUTIONS ACCOUNT held in respect of the MEMBER.

The paid-up membership certificate in respect of such lump sum must be provided to the FUND before or at the time of transfer.

(ii) regular amounts not otherwise recognised for the purpose of calculating his benefits under the FUND.

(i) a lump sum to which he has become entitled on his withdrawal from another APPROVED PENSION FUND or APPROVED PROVIDENT FUND; or

to the FUND by way of:

A 2.3.1 A MEMBER, excluding a DEFERRED RETIREE, a DORMANT MEMBER and a PAID-UP MEMBER, may make contributions

A 2.3 Transfers and voluntary contributions in respect of a MEMBER

3. Rule A 2.3, Transfers and voluntary contributions in respect of a MEMBER, is replaced by the following:

A person who is a member of the FUND in terms of Rule A 1 including, unless otherwise indicated, a DEFERRED RETIREE, a DORMANT MEMBER, a PAID-UP MEMBER and a person in receipt of a benefit from the INCOME CONTINUATION BENEFIT SCHEME;

2. The definition of "MEMBER" in the DEFINITIONS is replaced by the following:

MEMBER

4. Rule A 3.2, Payment of withdrawal benefit, is replaced by the following:

A 3.2 Payment of withdrawal benefit

A 3.2.1 The withdrawal benefit will be retained in the FUND and the MEMBER will become a PAID-UP MEMBER.

A 3.2.2 The PAID-UP MEMBER may, at any time prior to the MEMBER'S NORMAL RETIREMENT AGE, elect to:

- (a) take the MEMBER'S entire withdrawal benefit as a cash amount; or
- (b) transfer the MEMBER'S entire withdrawal benefit to an

APPROVED PENSION FUND, an APPROVED PROVIDENT FUND or an APPROVED PRESERVATION PENSION FUND or a combination of such funds as may be permitted in terms of the Income Tax Act.

Such an election notification must be given to the FUND in writing by PAID-UP MEMBER and must include details of the option selected. The notification will only be regarded as having been given once all the required and fully completed documents are received by the ADMINISTRATOR.

A 3.2.3 Once any portion of the PAID-UP MEMBER'S withdrawal benefit has been so paid in cash or transferred, the PAID-UP MEMBER shall have no further claim against the FUND in respect of the amount paid or transferred.

A 3.2.4 No contributions are payable to the FUND by or in respect of a PAID-UP MEMBER.

- A 3.2.6 The FUND'S expenses in respect of a PAID-UP MEMBER will be deducted from his MEMBER'S SHARE.
- A 3.2.7 The PAID-UP MEMBER'S MEMBER'S SHARE will be invested in terms of the INVESTMENT POLICY STATEMENT.
- A 3.2.8 If a PAID-UP MEMBER dies his withdrawal benefit will become payable and the provisions of Section 37C of the ACT will apply.
- A 3.2.9 The PAID-UP MEMBER will become a DEFERRED RETIREE on the attainment of NORMAL RETIREMENT AGE in terms of the provisions of Rule A 4.3; provided that a PAID-UP MEMBER:
- (a) may request payment of his withdrawal benefit in terms of Rule A 3.2.2 above at any time prior to attaining the NORMAL RETIREMENT AGE;
 - (b) may retire on the last day of any month before his NORMAL RETIREMENT AGE if he becomes permanently incapable of carrying on his occupation due to sickness, accident, injury, or incapacity through infirmity of mind or body. The provisions of Rules A 4.2 and A 4.3 will apply *mutatis mutandis*; or
 - (c) will be entitled to retire on the last day of any month prior to his NORMAL RETIREMENT AGE. The provisions of Rules A 4.2 and A 4.3 will apply *mutatis mutandis*.
- A 3.2.10 The FUND will make RETIREMENT BENEFITS COUNSELLING available to the PAID-UP MEMBER.

5. Rule A 4.3, Payment of the retirement benefit, is replaced by the following:

A 4.3 Payment of the retirement benefit

- A 4.3.1** When the MEMBER retires from the SERVICE of the EMPLOYER, he will become a DEFERRED RETIREE.
- A 4.3.2** No further contributions will be payable in respect of the DEFERRED RETIREE.
- A 4.3.3** The DEFERRED RETIREE shall remain covered by the INSURER for the GROUP INSURANCE BENEFIT for a period of 6 months after the last contribution to the FUND.
- A 4.3.4** The FUND'S expenses in respect of a DEFERRED RETIREE will be deducted from his MEMBER'S SHARE.
- A 4.3.5** The DEFERRED RETIREE'S MEMBER'S SHARE will be invested in terms of the INVESTMENT POLICY STATEMENT.
- A 4.3.6** A DEFERRED RETIREE may elect to transfer his MEMBER'S SHARE to an APPROVED RETIREMENT ANNUITY FUND at any time after he becomes a DEFERRED RETIREE and prior to his ELECTION DATE.
- Such an election notification must be given to the FUND in writing by the EMPLOYER or the DEFERRED RETIREE and must include details of the option(s) selected. The notification will only be regarded as having been given once all the required and fully completed documents are received by the ADMINISTRATOR.
- A 4.3.7** If the MEMBER dies before the ELECTION DATE, the FUND shall effect payment of the death benefit in terms of these RULES and Section 37C of the ACT.
- A 4.3.8** If the MEMBER dies on or after the ELECTION DATE but before the retirement benefit is paid, the provisions of Rule B 2.11 will apply.

accordance with the FUND'S ANNUITY STRATEGY.

The FUND will make RETIREMENT BENEFITS COUNSELLING available to the DEFERRED RETIREE in

A 4.3.11

An annuity which becomes payable in terms of Rule A 4.3.9 shall be purchased by the FUND in the DEFERRED RETIREE'S name from a registered insurer, of the DEFERRED RETIREE'S choice. Thereafter the FUND shall have no further liability in respect of the DEFERRED RETIREE, such liability resting with the registered insurer from whom the annuity is purchased. The annuity so purchased shall be a compulsory, non-commutable, non-assignable annuity, payable for at least the life of the DEFERRED RETIREE. The other features of the annuity may be selected by the DEFERRED RETIREE.

A 4.3.10

ADMINISTRATOR.

Such an election notification must be given to the FUND in writing by the EMPLOYER or the DEFERRED RETIREE and must include details of the option(s) selected. The notification will only be regarded as having been given once all the required and fully completed documents are received by the

On the ELECTION DATE, the DEFERRED RETIREE shall become entitled to an annuity of such amount as can be purchased by the amount set out in the SCHEDULE, provided that he may elect to commute up to one-third of such benefit for a lump sum.

A 4.3.9

6. Rule B 2.7, COST ACCOUNT, is replaced by the following:

B 2.7 COST ACCOUNT

At the request of the BOARD OF TRUSTEES the FUND shall maintain a

COST ACCOUNT.

The following shall be credited to this account:

B 2.7.1 the remainder of the EMPLOYER'S CONTRIBUTION after crediting the NET EMPLOYER CONTRIBUTIONS to each MEMBER'S NET EMPLOYER CONTRIBUTIONS ACCOUNT;

B 2.7.2 the FUND'S expenses in respect of a PAID-UP MEMBER;

B 2.7.3 the FUND'S expenses in respect of a DEFERRED RETIREE;

B 2.7.4 Interest, either positive or negative, as declared by the BOARD OF TRUSTEES, in consultation with the VALUATOR.

The following shall be debited to this account:

B 2.7.5 the actual cost of expenses defined in the definition of NET EMPLOYER CONTRIBUTIONS;

B 2.7.6 the following FUND'S expenses (but not limited to):

(i) actuarial fees,

(ii) fidelity cover,

(iii) TRUSTEES expenses,

(iv) PRINCIPAL OFFICER expenses,

(v) legal fees,

(vi) REGISTRAR fees,

(vii) audit fees; and

(vi) any cost associated with the DORMANT MEMBERS as a percentage of the balance in the DORMANT MEMBER CONTINGENCY RESERVE ACCOUNT),
At each ANNIVERSARY DATE the credit or debit balance (whichever is applicable) in the COST ACCOUNT, shall be offset against the balances in all the MEMBER'S CONTRIBUTIONS ACCOUNT, NET EMPLOYER CONTRIBUTIONS ACCOUNT, MEMBER'S ADDITIONAL CONTRIBUTIONS ACCOUNT and EMPLOYER'S ADDITIONAL CONTRIBUTIONS ACCOUNT in order to attain a nil balance.

FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY
 REGISTERED in terms of
 Pension Funds Act, No. 24 of 1956
 28 MAY 2019

01/03/2018
 P8259/Amend d/0

PRINCIPAL OFFICER

DATE

14 FEBRUARY 2019

[Signature]

TRUSTEE

DATE

14 February 2019

CHAIRPERSON: BOARD OF TRUSTEES

DATE

11 February 2019

[Signature]

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

- remove the Employer approval requirement before making additional lump sum contributions to the Fund;
- clarify that Paid-Up Members and Deferred Retirees may not transfer lump sums or other regular amounts to the Fund;
- provide for Paid-Up Members as the default option on withdrawal;
- to allow a Paid-Up Member to transfer part of his benefit and receive the remainder in cash;
- ensure Retirement Benefits Counselling is made available to a Member before receiving his benefit;
- indicate that a Deferred Retiree's Member's Share is invested in terms of the Investment Policy Statement; and
- allow a Deferred Retiree to transfer his Member's share to an Approved Retirement Annuity Fund.

The reasons for the amendment are to:

ENDORSEMENT NO. 1

TO THE POLICY OF

THE TOURISM, HOSPITALITY AND CATERING PENSION FUND

(THACSA)

(Policy number 19447883X0)

Sanlam Life Insurance Limited (Registration no 1986/021121/06) declares that the

Policy is amended as follows with effect from 1 November 2017:

1. Clause 2.3 is replaced by the following:

2.3 Benefit when a MEMBER ceased to be MEMBER

2.3(1) if a MEMBER who-

(a) left the service of the EMPLOYER; or

(b) reached the age of 70 years; or

(c) ceased to be a MEMBER of the FUND for any reason,

dies within six months from the date of the MEMBER'S last contribution to the FUND, the benefit in terms of clause 2.2(1) will be paid to the FUND.

2.3(3) The benefits to which a MEMBER remains covered for are determined in accordance with the Policy provisions as applicable immediately before the date on which the FUND received the last contribution in respect of the MEMBER.

2.3(4) The continuation of the benefit in terms of clause 2.3(1) is not applicable to a MEMBER who exercised the option to effect individual insurance in terms of Schedule 3."

Signed on behalf of Sanlam Life Insurance Limited at Bellville on 26 April 2018.

5006/PP25556/CS