

TOURISM, HOSPITALITY AND CATERING PENSION FUND

RULE AMENDMENT NO. 9

RESOLVED:

That in terms of a written resolution taken by the Board of the Tourism, Hospitality and Catering Pension Fund and signed on 19 October 2021 , the Rules of the above Fund be amended with effect from the date of signing the written resolution:

1. By the deletion of (i) in the definition of Dormant Member.
2. By inserting the following definitions alphabetically in the Definitions:

“PRESERVED MEMBER A MEMBER who prior to 1 October 2003 elected to preserve his MEMBER’S SHARE in the FUND after leaving the TRADE. A PRESERVED MEMBER is a type of PAID-UP MEMBER, and all the provisions applicable to a PAID-UP MEMBER apply to a PRESERVED MEMBER.

PRESERVED MEMBERS ACCOUNT The account maintained by the FUND in terms of Rule B 6.2A”

3. By the deletion of Rule A 3.1.
4. By the deletion of Rule A 4.6.
5. By replacing Rule B 2.6 with the following:

B 2.6 DORMANT MEMBER CONTINGENCY RESERVE ACCOUNT

B2.6.1 The FUND shall maintain a DORMANT MEMBER CONTINGENCY RESERVE ACCOUNT for the following purposes:-

B2.6.1.1 As a provision to meet the contingency of a lapsed claim by a DORMANT MEMBER if the BOARD OF TRUSTEES in their discretion decide to pay such a claim, which may be paid in full or in part as the BOARD OF TRUSTEES decide after consulting with the VALUATOR;

B2.6.1.2 To provide for expenses relating to DORMANT MEMBERS and the operation of the DORMANT MEMBER CONTINGENCY RESERVE ACCOUNT as more fully set out in RULE B2.6.2;

B2.6.1.3 To release and distribute as actuarial surplus so much of the amount to the credit of the DORMANT MEMBER CONTINGENCY RESERVE ACCOUNT as the BOARD OF TRUSTEES may decide is not required for the above purposes, after receiving advice from the VALUATOR.

B2.6.2 The DORMANT MEMBER CONTINGENCY RESERVE ACCOUNT is a contingency reserve account as defined in the ACT because there is no benefit liability associated with it. The contingency for which it provides is if the BOARD OF TRUSTEES decides at its discretion for the FUND to pay a claim for an unclaimed benefit that became such prior to 2003 and reverted to the FUND in terms of the rules as they were prior to 2013. Accordingly, the amount to the credit of the DORMANT MEMBER CONTINGENCY RESERVE ACCOUNT does not reflect amounts owing as unclaimed benefits to DORMANT MEMBERS, and the account cannot therefore be in deficit.

The following shall be credited to the DORMANT MEMBER CONTINGENCY RESERVE ACCOUNT:

B2.6.2.1 The balance of the amount that at 1 January 2013 had reverted to the FUND in respect of the unclaimed benefits of DORMANT MEMBERS, as certified by the VALUATOR;

B2.6.2.2 Interest, whether positive or negative, as declared by the BOARD OF TRUSTEES, in consultation with the VALUATOR;

The following shall be debited to the DORMANT MEMBER CONTINGENCY RESERVE ACCOUNT:

B2.6.2.3 An amount, calculated by the VALUATOR, representing the maximum benefit liability owed by the FUND to the PRESERVED MEMBERS, to the PRESERVED MEMBERS ACCOUNT in respect of each such PRESERVED MEMBER;

B2.6.2.4 A transfer to the COST ACCOUNT to cover any FUND expense (or portion of a FUND EXPENSE) associated with the DORMANT MEMBERS; provided that this cost may be expressed as a percentage of the amount to the credit of the DORMANT MEMBER CONTINGENCY RESERVE ACCOUNT;

B2.6.2.5 The tracing and payment of a DORMANT MEMBER of an amount that the BOARD OF TRUSTEES may at their discretion decide to pay, which amount may represent the part or whole of the lapsed benefit in respect of that DORMANT MEMBER;

B2.6.2.6 The legal, actuarial and other costs associated with the operation of the DORMANT MEMBER CONTINGENCY RESERVE ACCOUNT;

B2.6.2.7 Any amount which the BOARD OF TRUSTEES may, after the transfer in RULE B2.6.2.3, decide to release as actuarial surplus and to distribute as such in terms of section 15C of the ACT; provided that the advice of the VALUATOR has been obtained with regard to both such release and distribution.”

6. By the addition of the following Rule B 6.2A:

B 2.6A PRESERVED MEMBERS ACCOUNT

B 2.6A.1 The PRESERVED MEMBERS ACCOUNT is a benefit liability account which provides for the benefits due to PRESERVED MEMBERS. It is recorded that the identity of each PRESERVED MEMBER is not known by the FUND and that accordingly the amount retained in the PRESERVED MEMBERS ACCOUNT is a provision to meet the benefit claim of a person who the BOARD OF TRUSTEES is satisfied on the basis of evidence presented to it that he is a PRESERVED MEMBER.

B 2.6A.2 The following shall be credited to the PRESERVED MEMBERS ACCOUNT:

B 2.6A.2.1 The amount referred to in RULE 2.6.2.3;

B 2.6A.2.2 Interest, whether positive or negative, as declared by the BOARD OF TRUSTEES, in consultation with the VALUATOR.

B 2.6A.3 The following shall be debited to the PRESERVED MEMBERS ACCOUNT:

B 2.6A.3.1 Any FUND expense attributed by the BOARD OF TRUSTEES to the PRESERVED MEMBERS, to be credited to the COST ACCOUNT;

B 2.6A.3.2 Any amount paid to or in respect of a PRESERVED MEMBER.”

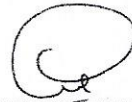
7. By replacing Rule B 2.7.2 with the following:

“B 2.7.2 The FUND’s expenses in respect of a PAID-UP MEMBER and a PRESERVED MEMBER”

The reasons for this rule amendment are:

- (a) To establish separate benefit liability accounting provisions in respect of the Preserved Members and to categorise them as a type of Paid-Up Member;*
- (b) To clarify that Dormant Members are only former Members whose benefits had prior to 2013 reverted to the Fund in terms of the Fund rules at the time;*
- (c) To transfer the Fund’s liability in respect of the Preserved Members to the Preserved Members Account from the Dormant Member Contingency Reserve Account;*
- (d) To reflect more correctly the provisions applicable to the Dormant Member Contingency Reserve Account as a contingency reserve account as defined in the Act.*

CERTIFIED THAT THIS RESOLUTION HAS BEEN ADOPTED IN ACCORDANCE WITH THE PROVISIONS OF THE RULES OF THE FUND.



.....
Chairperson



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Trustee



.....
Principal Officer

I, the Fund Actuary, hereby certify that this amendment does not affect the financial soundness of the Fund:

Signed.....



Date

19 October 2021