

AMENDMENT 7

to the REVISED RULES of the

TOURISM, HOSPITALITY AND CATERING PENSION FUND (thacsa)

The BOARD OF TRUSTEES resolved through a round robin meeting completed on 20 July 2020 that the **Revised RULES** are amended with effect from 1 June 2020 as follows:

1. The **CONTRIBUTIONS** section of the **SCHEDULE** is replaced by the following:

CONTRIBUTIONS

Total CONTRIBUTIONS	1 of the following contribution categories as elected by the EMPLOYER for its EMPLOYEES, as set out in the PARTICIPATION CERTIFICATE:
	(i) 10% (with a 5% MEMBER CONTRIBUTION); or
	(ii) 12% (with a 6% MEMBER CONTRIBUTION); or
	(iii) 14% (with a 6.5% MEMBER CONTRIBUTION); or
	(iv) 14% (with a 7% MEMBER CONTRIBUTION); or
	(v) 15% (with a 7.5% MEMBER CONTRIBUTION); or
	(vi) 15.5% (with a 8% MEMBER CONTRIBUTION)

of each MEMBER'S monthly PENSIONABLE REMUNERATION or such other percentages of said remuneration as may be agreed from time to time between the BOARD OF TRUSTEES and the EMPLOYER.

An EMPLOYER may apply to the BOARD OF TRUSTEES to pay a contribution rate of 4% (with a 4% MEMBER CONTRIBUTION) for a maximum of 12 months from the PARTICIPATION DATE.

Thereafter the EMPLOYER will automatically pay a contribution rate of 5% (with a 5% MEMBER CONTRIBUTION) unless the EMPLOYER indicates in writing to the BOARD OF TRUSTEES that the EMPLOYER will be contributing at any of the other even higher contribution rates listed above.

MEMBER'S CONTRIBUTIONS

Depending on the contribution category elected by the EMPLOYER for its EMPLOYEES, as set out in the PARTICIPATION CERTIFICATE, either:

- (i) 5%; or
- (ii) 6%; or
- (iii) 6.5%; or
- (iv) 7%; or
- (v) 7.5%; or
- (vi) 8%

of the MEMBER'S monthly PENSIONABLE REMUNERATION, or such lower portion of the total CONTRIBUTION as may be agreed from time to time by the BOARD OF TRUSTEES.

An EMPLOYER may apply to the BOARD OF TRUSTEES to pay a contribution rate of 4% (with a 4% MEMBER CONTRIBUTION) for a maximum of 12 months from the PARTICIPATION DATE. Thereafter the EMPLOYER will automatically pay a contribution rate of 5% (with a 5% MEMBER CONTRIBUTION) unless the EMPLOYER indicates in writing to the BOARD OF TRUSTEES that the EMPLOYER will be contributing at any of the other even higher contribution rates listed above.

EMPLOYER'S CONTRIBUTION The total CONTRIBUTIONS less the MEMBERS' CONTRIBUTIONS

NET EMPLOYER CONTRIBUTIONS The EMPLOYER'S CONTRIBUTIONS minus the following:

- (i) the administration charges;
- (ii) any commission due as approved by the BOARD OF TRUSTEES;
- (iii) the premiums in respect of the GROUP INSURANCE BENEFITS;
- (iv) the premiums payable in respect of the separate insurance scheme(s) operated by the EMPLOYER for the benefit of the MEMBERS.

2. The following new Rule is added to Rule A 2, CONTRIBUTIONS:

A 2.8 Shortfall in costs relating to the GROUP INSURANCE BENEFIT

Where the PARTICIPATING EMPLOYER is unable to pay the contributions required in terms of Rules A 2.6 and A 2.7 in order for a MEMBER to remain covered for the GROUP INSURANCE BENEFIT, then any shortfall of all or part of the GROUP INSURANCE BENEFIT premiums, and/or any FUND related expenses, as determined by the

BOARD OF TRUSTEES in consultation with the VALUATOR, will be recovered from the MEMBER'S SHARE and credited to the COST ACCOUNT.

3. 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;
- B 2.7.5 any credit taken from the MEMBER'S SHARE to pay the FUND's expenses and any shortfall in the costs associated with the GROUP INSURANCE BENEFIT;
- B 2.7.6 any amounts transferred from the DORMANT MEMBER CONTINGENCY RESERVE ACCOUNT in terms of Rule B 2.6.2.3.

The following shall be debited to this account:

- B 2.7.7 the actual cost of expenses defined in the definition of NET EMPLOYER CONTRIBUTIONS;
- B 2.7.8 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
- (viii) any cost associated with the DORMANT MEMBERS (provided that this cost will be calculated and expressed 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.

The reasons for the amendment are to:

- ***provide for an extra, lower contribution category of 4% for new employers who are initially unable to pay one of the higher rates due to the employer and its members joining a pension fund for the first time, and***
- ***allow any shortfall in risk benefit costs to be deducted from the Member's Share.***

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



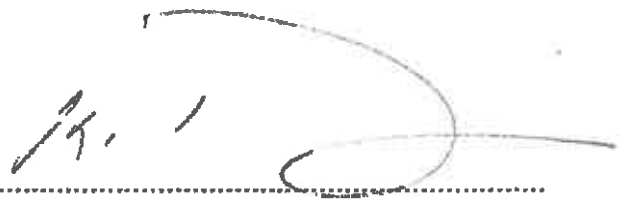
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CHAIRPERSON: BOARD OF TRUSTEES

17 July 2020
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DATE



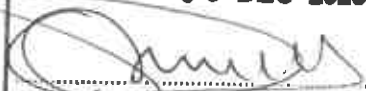
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TRUSTEE

18 July 2020
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DATE



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PRINCIPAL OFFICER

20 July 2020
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DATE

**REGISTERED in terms of
Pension Fund Act, No. 24 of 1956**
03 DEC 2020

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FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY