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THE PRINCIPAL OFFICER
THE ELECTRICAL CONTRACTING INDUSTRY PENSION FUND
c/o NBC FUND ADMINISTRATION SERVICES (PTY) LTD
PO BOX 32528
BRAAMFONTEIN

2017P

CASE NUMBER: 598853

Dear Sir/Madam

PENSION FUNDS ACT, 24 OF 1956 & INCOME TAX ACT, 58 OF 1962: AMENDMENT 1
(Effective 01 March 2021) - THE ELECTRICAL CONTRACTING INDUSTRY PENSION FUND

Your application of 23 July 2024 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

GLORIA SELETELA
MANAGER: RETIREMENT FUNDS SUPERVISION: REVIEWS & AUTHORISATIONS
for THE FINANCIAL SECTOR CONDUCT AUTHORITY

Enclosure

Executive Committee:
Commissioner: U. Kamlana I **Deputy Commissioners:** A. Ludin I K. Gibson I F. Badat

THE ELECTRICAL CONTRACTING INDUSTRY PENSION FUND

Amendment No. 1 to the Revised Rules

Signed on a round-robin basis by the authorised signatories of the ELECTRICAL CONTRACTING INDUSTRY PENSION FUND to be ratified at the FUND'S next TRUSTEE meeting.

Resolved that with effect from 01 March 2021 the RULES of the ELECTRICAL CONTRACTING INDUSTRY PENSION FUND, shall be amended as follows:

1. The following definitions shall be added to RULE 2:

   NON-VESTED BENEFIT, as it pertains to a retirement benefit payable in terms of RULE 5, shall mean:

   (a) any contribution made by or on behalf of the MEMBER in terms of RULE 4.1 or RULE 4.2; and

   (b) that part of any benefit attributed to a MEMBER which is transferred into the FUND in terms of the RULES, that is classified as a non-vested benefit in terms of the rules of a PREVIOUS FUND; and

   (c) any distribution in terms of RULE 11.1.1(c) or RULE 11.1.3(d);

   adjusted by the appropriate FUND RETURN required to be allocated to that NON-VESTED BENEFIT.

VESTED BENEFIT, as it pertains to a retirement benefit payable in terms of RULE 5, shall mean that part of any benefit attributed to a MEMBER which is transferred into the FUND in terms of the RULES, that is classified as a vested benefit in terms of the rules of a PREVIOUS FUND, adjusted by the appropriate FUND RETURN required to be allocated to that VESTED BENEFIT.

2. The following proviso shall be added to the definition **FUND RETURN** in RULE 2:

Provided that, where applicable, a MEMBER'S FUND RETURN shall be subject to the provisions of the Taxation Laws Amendment Act 23 of 2020, as these pertain to NON-VESTED BENEFITS and VESTED BENEFITS.

3. RULE 5.8 shall be added to RULE 5 as follows:

5.8 TAXATION LAWS AMENDMENT ACT 23 of 2020

Any amount payable to a MEMBER on retirement in terms of the RULES shall be subject to the provisions of the Taxation Laws Amendment Act 23 of 2020, as these pertain to the treatment of NON-VESTED BENEFITS and VESTED BENEFITS, in that:

5.8.1 a NON-VESTED BENEFIT shall be dealt with in accordance with RULES 5.4 and 5.5 above; and

5.8.2 a MEMBER may elect to commute part or the whole of his VESTED BENEFIT for a lump sum cash benefit. That part of his VESTED BENEFIT which is not commuted may be used to purchase an annuity, in terms of RULE 5.5.

4. RULE 11.1.5 shall be added to RULE 11.1 as follows:

11.1.5 Where applicable, a MEMBER'S INDIVIDUAL MEMBER ACCOUNT and a DORMANT MEMBER'S INDIVIDUAL MEMBER ACCOUNT shall be subject to the provisions of the Taxation Laws Amendment Act 23 of 2020, as these pertain to NON-VESTED BENEFITS and VESTED BENEFITS.

5. RULE 12.3.3 shall be added to RULE 12.3 as follows:

12.3.3 Where applicable, any transfer of benefits into or out of the FUND shall be subject to the requirements of the REVENUE AUTHORITIES and the provisions of the Taxation Laws Amendment Act 23 of 2020, as these pertain to NON-VESTED BENEFITS and VESTED BENEFITS.

6. RULE 12.11.6 shall be added to RULE 12.11 as follows:

12.11.6 Any amount recovered from a MEMBER'S benefit shall be deducted proportionately from the MEMBER'S NON-VESTED BENEFIT and the MEMBER'S VESTED BENEFIT, if any, subject to any requirements of the REVENUE AUTHORITIES, and the Taxation Laws Amendment Act 23 of 2020, as may be amended from time to time.

The reasons for the amendment are:

(a) to add definitions to provide for vested and non-vested benefits in terms of the Taxation Laws Amendment Act 23 of 2020;

(b) to allow for the appropriate allocation of fund return on any vested and non-vested benefits;

(c) to ensure that the conditions for the payment of retirement benefits, are aligned to the requirements of the Taxation Laws Amendment Act 23 of 2020;

(d) to provide for both vested and non-vested benefits within the individual member accounts;

(e) to enable the transfer in or out of vested benefits which accrued to members who were previously members of a provident fund and who were entitled to retain specific cash withdrawal rights upon retirement; and

(f) to clarify that deductions, in terms of section 37D of the Pension Funds Act 24 of 1956, are to be applied in terms of these new arrangements.

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

Chairperson of TRUSTEES

12 July 2024

Date

PRINCIPAL OFFICER

12 July 2024

Date

TRUSTEE

12 July 2024

Date

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

24 AUG 2024

FOR THE FINANCIAL SECTOR CONDUCT AUTHORITY

Certified, in terms of Section 12(3) of the Pension Funds Act, 1956, that the above amendments are financially sound.

2024-07-14

Date

In my capacity as VALUATOR of the FUND

TB/June 2024