

THE ELECTRICAL CONTRACTING INDUSTRY PROVIDENT FUND

Amendment No. 1 to the Revised RULES

Signed on a round-robin basis by the authorised signatories of the ELECTRICAL CONTRACTING INDUSTRY PROVIDENT 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 PROVIDENT FUND shall be amended as follows:

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

ANNUITISATION DATE shall mean 1 March 2021.

DE MINIMIS shall mean the Rand amount, prescribed in terms of the Income Tax Act from time to time, which is applied to determine the minimum level after which a retirement benefit shall be subject to compulsory annuitisation as it applies to a NON-VESTED BENEFIT.

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

- (a) in respect of a MEMBER who is under the age of 55 years on the ANNUITISATION DATE:
 - (i) any net retirement funding contribution made by or on behalf of a MEMBER in terms of RULE 4; and

(ii) that part of any benefit transferred in terms of RULE 12.3, that is classified as a non-vested benefit in terms of the rules of a PREVIOUS FUND; and

(iii) any distribution in terms of RULE 11;

which is attributable to the MEMBER post the ANNUITISATION DATE, adjusted by the appropriate FUND RETURN required to be allocated to that NON-VESTED BENEFIT; and

(b) in respect of a MEMBER who is over the age of 55 years on the ANNUITISATION DATE and who joins the FUND after the ANNUITISATION DATE:

(i) any net retirement funding contribution made by or on behalf of a MEMBER in terms of RULE 4; and

(ii) that part of any benefit transferred in terms of RULE 12.3 that is classified as a non-vested benefit in terms of the rules of a PREVIOUS FUND; and

(iii) any distribution in terms of RULE 11;

which is attributable to the MEMBER post the ANNUITISATION DATE, 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:

(a) in respect of a MEMBER who is under the age of 55 years on the ANNUITISATION DATE:

- (i) the MEMBER'S SHARE at the end of February 2021; and
- (ii) that part of any benefit transferred in terms of RULE 12.3, that is classified as a vested benefit in terms of the rules of a PREVIOUS FUND; and
- (iii) any distribution in terms of RULE 11 which is attributable to the MEMBER pre the ANNUITISATION DATE;

adjusted by the appropriate FUND RETURN required to be allocated to that VESTED BENEFIT;

(b) in respect of a MEMBER who is over the age of 55 years on the ANNUITISATION DATE and who remains in the FUND:

- (i) the MEMBER'S SHARE at the end of February 2021; and
- (ii) any net retirement funding contribution made by or on behalf of a MEMBER in terms of RULE 4; and
- (iii) that part of any benefit transferred in terms of RULE 12.3, that is classified as a vested benefit in terms of the rules of a PREVIOUS FUND; and

- (iv) any distribution in terms of RULE 11 which is attributable to the MEMBER pre or post the ANNUITISATION DATE;

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

- (c) in respect of a MEMBER who is over the age of 55 years on the ANNUITISATION DATE and who joins the FUND after the ANNUITISATION DATE, that part of any benefit transferred in terms of RULE 11 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. The following proviso shall be added to the definition “MEMBER SHARE” in RULE 2:

Provided that, where applicable, a MEMBER’S SHARE 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.

4. The following provision shall be added to RULE 5.4:

The amount payable on retirement in terms of RULE 5, 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:

- (i) a MEMBER may request a lump sum cash benefit of up to one-third of his NON-VESTED BENEFIT, or the whole thereof if it is less than the *DE MINIMIS*. The balance of the NON-VESTED BENEFIT, if any, must be used to purchase an annuity, in terms of RULE 5.5; and
- (ii) 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 shall be used to purchase a must be used to purchase an annuity, in terms of RULE 5.5.

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

12.3.3 After the ANNUITISATION DATE, any transfer in terms of RULE 12.3 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. The following shall be added to RULE 12.13 as an opening paragraph:

It is specifically provided that the requirements of the REVENUE AUTHORITIES in keeping with the Taxation Laws Amendment Act 23 of 2020, as may be amended from time to time, shall override any conflicting provisions in RULE 12.13.

7. RULE 12.15 shall be added to RULE 12 as follows:


Any amount deducted from a MEMBER'S SHARE in respect of a payment due in terms of section 37D of the ACT shall be proportionately deducted from the MEMBER'S VESTED BENEFIT and the MEMBER'S NON-VESTED BENEFIT, 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 reason for the amendment is to align all the Fund's Rules with recent changes in the Taxation Laws Amendment Act 23 of 2020, whereby provident fund members are entitled to retain specific cash withdrawal rights upon retirement, subject to the annuitisation of such amounts as may be required by the Revenue Authorities.

The amendment includes the:

- (i) definitions and effective date pertaining to these arrangements;
- (ii) ring-fencing of amounts due, prior to the implementation date of the legislation;
- (iii) revision of previous definitions to accommodate the new provisions;
- (iv) conditions for the payment of retirement benefits, aligned to the requirements;
- (v) provisions applicable to benefit transfers; and
- (vi) way in which deductions, in terms of section 37D of the Act, 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



TRUSTEE

12 July 2024

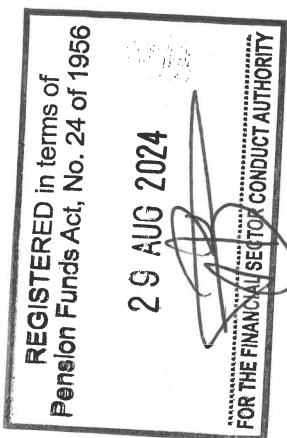
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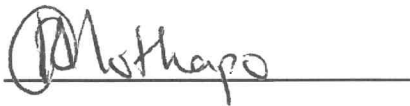
PRINCIPAL OFFICER

12 July 2024

Date



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

A handwritten signature in black ink, appearing to read 'M. Mthapo', is written over a horizontal line.

2024-07-14

In my capacity as VALUATOR of the FUND

June 2024/tb