

# MOTOR INDUSTRY PENSION FUND

(Registered in terms of the Pension Funds ACT No. 12816669)

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**AUTOWORKERS' PENSION FUND  
RULES**

## **RULE 1 - ESTABLISHMENT AND OBJECTS OF THE FUND**

- (1) There was established as from 28 July 1980 the MOTOR INDUSTRY PENSION FUND hereinafter referred to as the "Fund", whose object shall be to provide the benefits described in Rule 6 hereof. With effect from 31 March 2005 the Fund became known as the Motor Industry Pension Fund.
- (2) The registered office of the Fund shall be situated in 275 Kent Avenue, Ferndale, Randburg, 2125.
- (3) The Fund shall consist of –
  - (a) contributions paid to it in terms of the AGREEMENT, as described in Rule 2;
  - (b) interest and capital gains derived from the investment of its moneys;
  - (c) money or other assets transferred to it from any other pension or provident fund;
  - (d) any moneys or other assets lawfully acquired from any other source whatsoever.
- (4) The Fund in its own name shall be capable of suing and being sued and or purchasing or otherwise acquiring, holding and alienating property, movable or immovable, or any interest therein.
- (5) For all purposes, including any legal proceedings for or against the Fund, the Fund shall be represented by the BOARD.
- (6) The BOARD shall appoint a Principal Officer for the Fund and, if necessary, a secretary and other staff on such terms and conditions as it may determine.
- (7) If the Principal Officer is absent from the Republic for more than 30 days, or is for any reason unable to perform his duties, the BOARD shall appoint another person to act as Principal Officer for a period of such absence or disability, and shall advise the Registrar of Pension Funds of the name of the person so appointed.

## **RULE 2 – DEFINITIONS**

In the interpretation of these RULES unless inconsistent with the context all words and expressions imparting the masculine gender shall include the feminine, the following words shall have the following meanings:

"ACT" shall mean the Pension Funds ACT, 1956 (ACT No. 24 of 1956) as amended, and the regulations framed thereunder.

"THE ACTUARY" shall mean such qualified actuary or actuaries as the BOARD shall from time to time appoint to advise it.

"AGREEMENT" shall mean the current Industrial Agreement (including any amendments of it) relating specifically to the Fund, or in the absence of such an AGREEMENT, the last Industrial Agreement (including any amendments to it) in force relating specifically to the Fund, entered into between the parties to the Motor Industry Bargaining Council and approved by the Minister of Labour in terms of the Labour Relations Act.

"APPRENTICE" shall mean an employee serving under a written contract of apprenticeship registered, or deemed to have been registered, under the Manpower Training Act, 1981, and includes a minor employed on probation in terms of the Labour Relations Act.

"AUDITOR" shall mean an AUDITOR registered under the Public Accountants' and Auditors' Act, 1991 (as amended).

"BOARD" shall mean the BOARD of Management which is responsible for the operation of the Fund in terms of these RULES.

"COUNCIL" shall mean the Motor Industry Bargaining Council registered in terms of the Labour Relations Act.

"CONTRIBUTORY SERVICE" shall mean continuous employment of a MEMBER by any EMPLOYER/s during the period in which the MEMBER and the EMPLOYER/s contribute to the Fund in terms of these RULES. Years of CONTRIBUTORY SERVICE shall be established by dividing the total number of contributions paid in terms of the AGREEMENT by 52.

"DEFERRED PENSIONER" shall mean a MEMBER who has elected in terms of Rule 6 clause 9 (d) (i) to receive deferred pension benefits, including a MEMBER who so elected in terms of the applicable rules of the Motor Industry Pension Fund and the MISA Pension Fund and who transferred into the Fund as at 31 December 2004 in terms of clause (6) of Rule 4.

"DEPENDANT" shall mean

- (a) a person in respect of whom the MEMBER is legally liable for maintenance;
- (b) a person in respect of whom the MEMBER is not legally liable for maintenance, if such a person –

(i) was, in the opinion of the BOARD, upon the death of the MEMBER in fact dependent on the MEMBER for maintenance;

(ii) was the SPOUSE of the MEMBER, including a party to a customary union according to Black law and custom, or to a union recognised as a marriage under the tenets of any Asiatic religion;

(iii) was a child of the member, including a posthumous child, an adopted child and an illegitimate child;

(c) a person in respect of whom the MEMBER would have become legally liable for maintenance, had the MEMBER not died.

"EARLY PENSION AGE" subject to the provisions of Rule 6(5), shall mean any age between 55 years and 65 years.

However, in respect of MEMBERS who are entitled to benefits in terms of "ANNEXURE 2" to these RULES, the term shall mean at any age between 60 years and 65 years, at which age the MEMBER elects to make an application for the Fund for the pension benefits which have accrued to such a MEMBER as at the date of such an application.

"EMPLOYER" shall mean the EMPLOYER of a MEMBER of the Fund.

"EXEMPTION" shall mean an EXEMPTION granted by the COUNCIL.

"JOURNEYMAN" shall mean an employee who is validly in possession of either a Grade CA or Grade CAE membership card issued to him on or after 1 January 1984 by either the Motor Industry Combined Workers' Union or the National Union of Metal Workers of South Africa.

"MEMBER" shall mean any employee contributing to the Fund in terms of the AGREEMENT; provided however that the BOARD, may, in its discretion, extend the membership of a MEMBER during periods of temporary unemployment, or during employment in the MOTOR INDUSTRY in respect of which a MEMBER may be obliged in terms of the membership provisions of the AGREEMENT to contribute to another pension scheme.

"MOTOR INDUSTRY" shall mean the "MOTOR INDUSTRY" as defined in the Main AGREEMENT from time to time.

"PENSION AGE" shall mean 65 years.

"PENSIONER" shall mean either :

(a) a MEMBER who has retired under sub-rule (2) or (5) of Rule 6 or in terms of sub-rule (1), (5), (6) or (7) of

“Annexure 2” to these RULES and who is in receipt of a pension; or

(b) a PENSIONER who was a pensioner of the Motor Industry Pension Fund or the MISA Pension Fund and who transferred into the Fund as at 31 December 2004 in terms of clause (6) of Rule 4.

"REMUNERATION" shall mean a MEMBER's pensionable REMUNERATION in terms of the AGREEMENT and where contributions are paid on a lesser amount, then the benefits payable will be calculated on such lesser amount. Notwithstanding anything to the contrary contained in these RULES, if a MEMBER'S REMUNERATION increases during the ten year period preceding the payment of a benefit in respect of such MEMBER, by percentage amounts which exceed limits which may be specified by the BOARD from time to time in its sole and absolute discretion, then the annual REMUNERATION or the average annual REMUNERATION as the case may be, on which such benefit is based, shall be the average annual REMUNERATION over the ten year period in question and not the annual REMUNERATION or the average annual REMUNERATION which is specified in the applicable RULE. The decision of the BOARD as to the applicable amount shall be final.

“RULES” shall mean the RULES of the Fund for the time being and where there is a divergence between the English and the Afrikaans text, the English text will prevail.

“SPOUSE” shall mean a person who, in respect of a deceased MEMBER or PENSIONER

(a) renders proof to the satisfaction of the TRUSTEES that, on the date of such MEMBER'S or PENSIONER'S death such person was married to the deceased by way of a civil or religious ceremony or a customary union according to indigenous law and custom or a union recognised as a marriage under the tenets of any Asiatic religion;

or

(b) renders proof to the satisfaction of the TRUSTEES that, on the date of such MEMBER'S or PENSIONER'S death, such person was in an intimate relationship, of a heterosexual or homosexual nature, with the deceased MEMBER or PENSIONER of at least one year in duration

during which time they undertook reciprocal duties of support towards each other and shared a common household as if being married.

### **RULE 3 – ADMINISTRATION**

## **Membership of BOARD**

(1) The membership of the BOARD shall consist of seven persons. One member each shall be appointed by the National Executive Committees of the Motor Industry Employees Union, the Motor Industry Staff Association, and the National Union of Metal Workers of South Africa. One member each shall be appointed by the National Executive Committees of the South African Motor Industry EMPLOYERS' Association and the South African Vehicle Body Repairers' Association. In addition the president of the Motor Industry Bargaining Council shall ex-officio be a member of the BOARD. The seventh MEMBER, who shall be the Chairman of the BOARD, shall be elected by the six appointed members of the BOARD.

## **Alternates**

(2) Each of the Unions and each of the EMPLOYER Associations referred to in Clause (1) above shall appoint an alternate to its representative on the BOARD. The alternate to the President of the Motor Industry Bargaining Council shall be the general secretary of the COUNCIL.

The Chairman shall have no alternate and in the absence of the Chairman from any meeting the members of the BOARD who are present shall elect one of their number to act as Chairman for that meeting.

## **Meetings of the BOARD**

(3) Meetings of the BOARD shall take place as and when required by the members of the BOARD, but not less frequently than once every two months.

## **Quorum**

(4) The quorum at any meeting of the BOARD shall be four members of the BOARD, including the alternates of any members who are not present at the meeting. No resolution by the BOARD at such meeting shall be effective unless unanimously agreed upon by all members present at the meeting, including the alternates of

any members who are not present at the meeting.

**Resolutions in writing**

(5) A Resolution in writing signed by all the members of the BOARD who may at the time be present in the town where the registered office of the Fund is situated, being not less than are sufficient to form a quorum, shall be as valid and effectual as if it had been passed at a meeting of the BOARD duly called and constituted, provided that where any such member is not so present but has an alternate who is so present, then such Resolution must also be signed by such alternate.

**Control of BOARD**

(6) The control of the assets, management and administration of the Fund shall be vested in the BOARD provided that the BOARD shall have the power to appoint external managers to manage any of the assets of the Fund on its behalf on such terms and conditions not inconsistent with the RULES as the BOARD may determine in its discretion and whose appointment the BOARD may from time to time revoke or renew in its discretion.

<b>BOARD as Trustee</b>	(7) The BOARD shall act as Trustee for the Fund.
<b>No security required from BOARD</b>	(8) The BOARD shall not be required to furnish any security in respect of its administration and any Master of the Supreme Court having jurisdiction is directed to dispense with such security whether under the Trust Moneys Protection Act of 1934 or under any other law in force.
<b>Management and Administration</b>	(9) The BOARD shall manage and administer the Fund in accordance with these RULES, and may make by laws for its administration not inconsistent with the RULES. To this end the BOARD may appoint such administration organisation to administer the Fund as the BOARD in its discretion deems fit. In its discretion the BOARD may from time to time revoke or review the appointment of such organisation.

<b>Indemnification</b>	<p>(10) (a) The Fund hereby indemnifies the BOARD and/or each of the members of the BOARD from and holds them harmless against all claims, costs, damages and expenses which are claimed from or incurred by the BOARD and/or any such member relating directly or indirectly to the administration and/or management of the Fund, provided that such claims, costs, damages and/or expenses do not arise from any gross negligence or fraud on the part of the member against whom such claim is made.</p>
<b>Insurance</b>	<p>(b) The BOARD shall insure the Fund against loss resulting from fraud and/or dishonesty in respect of the receipt and control of moneys of the Fund for such amounts as the BOARD, in its discretion, may from time to time determine.</p>
<b>Annual audited accounts</b>	<p>(11) The BOARD shall cause full and true accounts of the Fund to be kept and such accounts shall be made up annually on the 31<sup>st</sup> March, and shall be audited by the AUDITOR/s of the Fund appointed by the BOARD. A copy of the annual accounts and balance sheet shall be available for inspection by EMPLOYERS and MEMBERS.</p> <p>Any appointment in terms of this sub rule may be terminated by either party by giving to the other party three calendar months notice to that effect.</p>
<b>Banking and/or other accounts</b>	<p>(12) (a) All moneys received on account of the Fund shall be paid into a banking account or other account in the name of the Fund with such a Bank and/or other institution as the BOARD may determine; and all operations on such accounts shall be by means of cheques or other written instruments signed by such person/s as are duly authorised thereto by the BOARD.</p>

**Investments and registration of assets**

(b) Moneys of the Fund, not immediately required, may from time to time be lent, invested, placed on deposit or otherwise dealt with by the BOARD alone upon such security and in such a manner as it, in its discretion, may determine, and may in particular be advanced on the security of first mortgage bonds over immovable property provided that any advance on first mortgage shall not exceed 90% (ninety percent) of the value of immovable property concerned as assessed on the date of the advance.

The BOARD may realise, vary, re invest or otherwise deal with such moneys, securities and investments as it may from time to time, in its discretion, decide. All Title Deeds, securities and other assets shall be registered in the name of the Fund or in the name of such nominee companies as the BOARD may appoint.

**Actuarial valuation**

(13) (a) The BOARD shall cause the financial position of the Fund to be investigated and reported upon by THE ACTUARY at intervals not exceeding three years. THE ACTUARY shall embody the results of each such actuarial investigation in a written report to the BOARD, in which he shall make such recommendations as he may deem fit, relating, inter alia, to the steps he considers desirable to enable the Fund to continue the benefits provided under these RULES, and to the disposal of any surplus which may be available.

**Increase/decrease of contributions/ benefits/ bonus**

(b) The BOARD, after considering each actuarial report, may, in its discretion, increase or decrease the contributions and/or benefits under the RULES and/or may increase benefits by way of a bonus or otherwise; provided that any change in contributions shall be subject to the prior approval of the COUNCIL.

<b>Incidental expenses</b>	(14) The expenses in connection with, or incidental to, the management of the Fund, including the cost of audit and of actuarial investigations in terms of sub RULES (11) and (13) hereof and the payment of bonuses and/or gratuities to staff, shall be borne by the Fund.
<b>Contracts and other documents</b>	(15) Contracts and other documents binding on the Fund shall be executed in such a manner as the BOARD may determine.
<b>Safekeeping</b>	(16) The Fund's securities, books, documents and other effects shall be kept at the registered office of the Fund or at such other place as the BOARD may determine.

## RULE 4 – MEMBERSHIP

<b>Conditions of membership</b>	(1) The conditions of membership of the Fund shall be those contained in the AGREEMENT together with those set out in sub rule (2) below.
<b>Limitation of Disability Benefits</b>	(2) All benefits shall be payable in full from the outset of membership, save that, in the event of a claim for benefits in terms of Rule 6(7), such benefits, except for those in terms of 6(7)(a)(ii) , shall subject to the discretion of the Trustees be limited to nil in the first year of membership; 20% of the full benefits in the second year; 40% in the third year; 60% in the fourth year; 80% in the fifth year; and 100% of the full benefits once the MEMBER has completed five years of membership. Provided that, if the condition giving rise to the claim has arisen from an accident which occurred after the commencement of membership of the Fund and which in the sole and absolute discretion of the Company was a bona fide accident and in addition was not caused by a medical condition from which the MEMBER was suffering, then the above limitations shall fall away.

<p><b>State of health concealed information</b></p>	<p>(3) If any MEMBER has knowingly withheld or concealed any information regarding his state of health or has given incorrect information, then he and his DEPENDANT/s shall forfeit all rights to benefits under the Fund and he and his DEPENDANT/s shall be paid only such benefits, if any, as the BOARD, in its discretion, may decide.</p>
<p><b>MEMBER ceased paying contributions</b></p>	<p>(4) If a MEMBER has ceased paying contributions to the Fund following termination of his employment, as advised by the EMPLOYER in terms of the AGREEMENT, which termination shall not be attributable to ill-health or accident, then he and his dependants shall not be entitled to the disability benefit in terms of Rule 6(7)(a)(i) or the death benefit in terms of Rule 6(8)(a)(i).</p>
<p><b>Closure to new Employees</b></p>	<p>(5) No new employee who enters service on or after 1 August 2004 shall become a MEMBER of the Fund.</p>
<p><b>Transfer in of PENSIONERS and DEFERRED PENSIONERS</b></p>	<p>(6) With effect from 31 December 2004 PENSIONERS and DEFERRED PENSIONERS of the Motor Industry Pension Fund and the MISA Pension Fund shall be transferred into the Fund. Such PENSIONERS who transfer into the Fund shall be treated in the same manner as PENSIONERS who have retired under sub-rule (2) or (5) of Rule 6 or in terms of sub-rule (1), (5), (6) or (7) of “ANNEXURE 2” to these RULES. Such DEFERRED PENSIONERS who transfer into the Fund shall be treated as if they had elected in terms of Rule 6 clause (9) (d) (i) to receive deferred pension benefits from this Fund.</p>

<p><b>RULE 5 – CONTRIBUTIONS</b></p>	

<b>Conditions</b>	(1) The conditions governing the payment of contributions to the Fund shall be those contained in the AGREEMENT.
<b>Additional contributions</b>	(2) In addition to the contributions prescribed in the AGREEMENT, the BOARD may, in its discretion, accept moneys in respect of any MEMBER for the purpose of purchasing increased benefits for such a MEMBER. The BOARD shall determine the benefit purchased by any sum so accepted having regard to the advice of THE ACTUARY.
<b>Contributions – cease at PENSION AGE</b>	(3) The payment of contributions to the Fund shall cease when the MEMBER attains PENSION AGE, or, where a MEMBER chooses to receive an early or reduced pension in terms of Rule 6 (5), as from the date notified to the EMPLOYER by the Fund.

**RULE 6 – BENEFITS**

<b>Reference to "Annexure 2"</b>	<p>(1) (a) The benefits in respect of MEMBERS who, after 3 July 1995, contribute flat amounts which are not expressed as a percentage of REMUNERATION shall be determined in accordance with the RULES in force on 2 July 1995. Rule 6 of those RULES, which sets out such benefits, is attached as "Annexure 2" to these RULES. The benefits in question shall be subject to any amendments relative to the amount of each contribution as may be incorporated in the AGREEMENT from time to time.</p> <p style="text-align: center;">It is also specifically provided that the pension benefits of MEMBERS who retired from the Fund before 3<sup>rd</sup> July 1995 shall be paid in accordance with the provisions of "Annexure 2". The remaining sub-rules of this Rule 6 shall not apply to any of the MEMBERS to whom this sub-rule (1) applies.</p>
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(b) If by virtue of a change in employment or for any other reason a MEMBER who has been contributing flat amounts in terms of paragraph (a) above commences paying contributions which are expressed as a percentage of REMUNERATION then his benefits in respect of service from the date on which the change in contributions took place shall be determined in accordance with Rule 6 sub RULES (2) to (9) plus Annexure 1 (if applicable). In respect of the period prior to the change in contributions he shall continue to be entitled to the B and C Benefits already purchased and the benefits which these, together with any future bonuses that may be declared, would provide in terms of "Annexure 2."

**Contribution rate  
pension entitlement**

(2) Subject to the provisions of sub rule (5) hereof, a MEMBER shall retire on the last day of the month in which he attains PENSION AGE and shall, subject to the provisions of sub rule 2 (b) hereof, be entitled to a pension, payable monthly, equal to two and one quarter per cent (2,25%) of his highest annual REMUNERATION over any three years in the last fifteen years of CONTRIBUTORY SERVICE (or in his total period of CONTRIBUTORY SERVICE, if this is less than three years) for each year of CONTRIBUTORY SERVICE after 3 July 1995. If any such MEMBER has CONTRIBUTORY SERVICE prior to 3 July 1995 he shall, in addition, be entitled to a pension in respect of his CONTRIBUTORY SERVICE prior to 3 July 1995, the amount of which shall be determined by the BOARD having regard to the advice of THE ACTUARY, provided that such amount shall not be less than the amount which has accrued in respect of the MEMBER in respect of such service up to 3 July 1995 in terms of the RULES in force on 2 July 1995.

For the purposes of this Rule, fractions of a year's CONTRIBUTORY SERVICE, to the nearest complete month, shall be taken into account pro rata.

**Retirement commutation**

(3) The BOARD shall, at the MEMBER's request, commute at the date of his retirement for a cash payment to the MEMBER not more than one third of any pension payable in terms of sub RULES (2) or (5) hereof, provided that, if the pension payable does not exceed the amount set out in the Income Tax Act, the whole pension may be commuted for a cash payment at the date of retirement. The amount of any cash payment effected in terms hereof shall be that computed by THE ACTUARY.

**Monthly pension payments and guaranteed period**

(4) The first pension payment shall be made on the last day of the month following that in which the MEMBER retires and shall be paid monthly thereafter on the last day of each month during the lifetime of the PENSIONER. The last pension payment shall be made on the last day of the month in which the MEMBER dies; provided always that the pension shall be payable for ten years irrespective of the PENSIONER's survival. In the event of the PENSIONER's death occurring within ten years of the date of his retirement, his DEPENDANT/s (as determined solely in the discretion of the BOARD) shall be paid the pension which such a PENSIONER, if he had not died, would have received during the unexpired portion of the period of ten years aforesaid.

It is specifically provided that pension increases shall be granted to PENSIONERS and DEFERRED PENSIONERS in accordance with the pension increase policy adopted by the BOARD in consultation with THE ACTUARY from time to time and communicated to the PENSIONERS and DEFERRED PENSIONERS. Increases in pensions and deferred pension amounts shall be payable from the date set out in the pension increase policy, having regard to the minimum pension increase in terms of the ACT. Differential pension increases may be declared for different classes of PENSIONERS and DEFERRED PENSIONERS, in particular those PENSIONERS and DEFERRED PENSIONERS who transferred from the Motor Industry Pension Fund, and those who transferred from the MISA Pension Fund.

**Early retirement within 10 years of PENSION AGE**

(5) Notwithstanding the provisions of sub rule (2) hereof, a MEMBER who has attained an age within ten years of PENSION AGE may elect to retire from his employment, in which event his contributions shall cease and he shall be granted a pension equal to the following percentage (set out in the table below) of the pension calculated in terms of sub rule (2) hereof in respect of his CONTRIBUTORY SERVICE up to the actual date of retirement.

Number of years prior to Pension Age	Percentage %
10	70
9	73
8	76
7	79
6	82
5	85
4	88
3	91
2	94
1	97
0	100

Where the number of years prior to PENSION AGE is fractional, allowance shall be made, by interpolation, for completed months of the period.

Notwithstanding anything to the contrary contained in sub rule (7) hereof, if a MEMBER is leaving the service for the reasons covered by sub rule (7) and has attained the age of 55 years, then he shall be paid the benefits in accordance with this sub rule (5) and no other. In such a case the percentage in terms of the table above shall be 100% irrespective of the number of years prior to PENSION AGE.

Notwithstanding anything to the contrary contained in sub rule (9) hereof, if a MEMBER is leaving the service for reasons other than those specified in sub rule (7) hereof and has attained an age within ten years of PENSION AGE and has completed ten years of service, then he shall be paid the benefits in accordance with this sub rule (5) and no other; provided that, if he has attained an age within five years of PENSION AGE, the service qualification shall not apply.

Where a MEMBER elects to retire after the age of 65 he will receive 100% of his full benefits.

**Pension to surviving SPOUSE**

(6) If a PENSIONER dies leaving a SPOUSE, the SPOUSE shall be entitled to receive a pension payable until such a SPOUSE's death equal to one-half of the pension which the PENSIONER was receiving at the time of death, if no part of such a pension was commuted in terms of sub-rule (3) hereof; or, if part of such a pension was so commuted, the SPOUSE shall be entitled to receive a pension equal to one-half of the pension which the PENSIONER would have been receiving at the time of death had the PENSIONER not commuted part of the pension in terms of sub-rule (3) hereof.

The SPOUSE's pension shall commence at the end of the month following that in which the PENSIONER died, or at the end of the month following the tenth yearly anniversary of the date of retirement of the PENSIONER, whichever is the later.

<p><b>Disability benefit</b></p>	<p>(7) (a) If any MEMBER becomes, in the opinion of the BOARD, through accident or ill health continuously and permanently unable to perform his normal work in the MOTOR INDUSTRY, and he is not required to receive a benefit in terms of Rule 6(5), if he is under the age of 55 years, then he shall be entitled to:</p>
	<p>(i) a disability benefit which subject to provisions of Rule 4(2), shall be equal to twice his annual REMUNERATION at the date of disability; plus</p> <p>(ii) the MEMBER's total contributions in terms of Rule 5(1), plus any additional contributions paid by him in terms of Rule 5(2), plus one twenty fifth of such total for each completed 12 months period that the MEMBER has contributed to the Fund;</p> <p>Provided that a MEMBER'S disability shall not be permanent or continuous if it can be substantially removed by surgery or any other medical treatment which the MEMBER, with due allowance for the risk and prognosis of success of such treatment, can reasonably be expected to undergo.</p> <p>If any MEMBER has attained the age of 55 years he shall receive the benefits described in sub rule (5) hereof, subject to the provisions of Rule 4(2).</p>
<p><b>Disability benefit payment in form of annuity</b></p>	<p>(b) If it is so wished, the benefit in terms of clause (a) (i) and (ii) of this sub rule shall be paid in the form of an annuity, the conditions of payment of which shall be determined by the BOARD having regard to the wishes of the MEMBER. The actual amount of any such annuity shall then be determined by the BOARD having regard to the advice of THE ACTUARY.</p>

<p><b>Death benefit</b></p>	<p>(8) (a) In the event of the death of a MEMBER there shall be payable</p> <p>(i) a death benefit which shall be equal to twice the annual REMUNERATION of the deceased MEMBER at the time of death;</p> <p>plus</p> <p>(ii) the deceased MEMBER's total contributions in terms of Rule 5(1), plus any additional contributions paid by him in terms of Rule 5(2), plus one twenty fifth of such a total for each completed 12 month period that the MEMBER has contributed to the Fund.</p>
<p><b>Death benefit payment to DEPENDANT/s</b></p>	<p>(b) (i) If the Fund, within twelve months of the death of a MEMBER, becomes aware of or traces any DEPENDANT/s of the MEMBER, then, subject to the provisions of sub clause (iii) below, the benefit in terms of clause (a) hereof, or in terms of Rule 6(9)(d)(iii), shall be paid to such DEPENDANT/s, or in such proportions as may be deemed equitable by the BOARD to such DEPENDANT/s.</p>
<p><b>Death benefit payment to nominee/s</b></p>	<p>(ii) If the Fund does not become aware of or cannot trace any DEPENDANT within twelve months of the death of a MEMBER and the MEMBER has designated in writing to the Fund any nominee/s who is/are not DEPENDANT/s of the MEMBER to receive the benefit in terms of clause (a) hereof, or in terms of Rule 6(9)(d)(iii), the benefit shall be paid to such nominee/s; provided that where the aggregate amount of the debts in the estate of the MEMBER exceeds the aggregate amount of the assets in the estate, so much of the benefit as is equal to the difference between the two aggregates shall be paid into the estate and the balance of such a benefit shall be paid to the nominee/s.</p>

**Death benefit payment to DEPENDANT/s and/or nominee/s**

(iii) If the Fund within twelve months of the death of a MEMBER becomes aware of or traces any DEPENDANT/s of the MEMBER, and the MEMBER has designated in writing to the Fund any nominee/s, who is/are not DEPENDANT/s of the MEMBER, to receive the benefit in terms of clause (a) above or in terms of Rule 6(9)(d)(iii), so much of the benefit as is, in the opinion of the BOARD, required for the maintenance of the DEPENDANT/s shall be paid to such DEPENDANT/s, and the balance of the benefit shall, subject to the proviso regarding assets and debts to sub clause (ii) above, be paid to the nominee/s.

**Death benefit payment in absence of DEPENDANT or nominee**

(iv) If the Fund does not become aware of or cannot trace any DEPENDANT within twelve months of the death of a MEMBER, and if the MEMBER has not designated or any nominee, the benefit shall be paid into the estate of the MEMBER; or, if no inventory in respect of the estate has been received by the Master of the Supreme Court in terms of the Administration of Estates Act, 1965 or any amendments thereof, the benefit shall be paid into the Guardians' Fund.

**Death benefit payment to Trustee**

(v) For the purpose of this Rule 6(8)(b), a payment by the Fund to a DEPENDANT/s and/or nominee/s shall be deemed to include a payment by the Fund to a Trustee contemplated in the Trust Property Control Act, 1988 or any amendments thereof, for the benefit of a DEPENDANT and/or nominee contemplated in this Rule.

**Changing EMPLOYERS  
continued membership**

(9) (a) If a MEMBER leaves the service of one EMPLOYER to enter immediately the service of another EMPLOYER as an employee, his membership of the Fund shall continue without break.

**Retrenchment benefit**

(b) If a MEMBER who has not attained the PENSION AGE is retired from the service by his EMPLOYER owing to a general scheme for the reduction or re-organisation of staff, or to retrenchment generally, or to the abolition of his office or post, as determined by the BOARD in consultation with the EMPLOYER, and he is not required to receive a benefit in terms of Rule 6(5), he shall be entitled to a benefit equal to the greater of

(i) his actuarial reserve, as determined by THE ACTUARY;

and

(ii) the total of

(a) (i) twice his total contributions in terms of Rule 5(1);

and

(ii) any additional contributions paid by him in terms of Rule 5(2);

and

(iii) one twenty-fifth of the sum of (a)(i) and (a)(ii) for each completed 12 month period that he has contributed to the Fund.

The benefit shall be paid as soon as administratively practicable.

	<p>Provided that a MEMBER who may be so retired :-</p>
<p><b>Retrenchment – within 10 years from PENSION AGE</b></p>	<p>(i) after he has attained an age within 10 years from his PENSION AGE shall, at his option, be permitted instead to retire in terms of Rule 6(5);</p>
<p><b>Retrenchment 15 years of CONTRIBUTORY SERVICE within 15 years of PENSION AGE</b></p>	<p>(ii) after he has completed 15 years of CONTRIBUTORY SERVICE shall, at his option and provided he is within 15 years of PENSION AGE, be permitted instead to elect a deferred pension in terms of Rule 6(9)(d).</p>
<p><b>Refund of employee contributions</b></p>	<p>(c) If a MEMBER leaves the employment of an EMPLOYER in circumstances not otherwise dealt with in these RULES, and in respect of which no benefit is otherwise provided for in these RULES, he shall be granted a benefit equal to the total of :</p> <p style="padding-left: 40px;">(a) i) his total contributions in terms of Rule 5(1);</p> <p style="padding-left: 40px;">and</p> <p style="padding-left: 40px;">(ii) any additional contributions paid by him in terms of Rule 5(2);</p> <p style="padding-left: 40px;">and</p> <p style="padding-left: 40px;">(iii) one twenty-fifth of the sum of (a)(i) and (a) (ii) for each completed 12 month period that he has contributed to the Fund.</p> <p style="padding-left: 40px;">plus</p>

(b) the following percentage of the amount which remains of the EMPLOYER'S contributions attributed by THE ACTUARY to him after provision, as determined by THE ACTUARY, has been made for death and disability benefits and administration costs :

Completed years of CONTRIBUTORY SERVICE	Percentage
less than 6	Nil
	6
	10
	7
	20
	8
	30
	9
	40
	10
	50
	11
	60
	12
	70
	13
	80
	14
	90
15 or more	100

plus interest calculated in the same way as on the MEMBER'S contributions.

Such benefit shall be paid as soon as administratively practicable.

**Deferred pension 15 years of CONTRIBUTORY SERVICE within 15 years of PENSION AGE**

- (d) (i) If a MEMBER either
- (aa) leaves the service of an EMPLOYER in circumstances which entitle him to a benefit in terms of Rule 6 (9) (b) or Rule 6 (9) (c); or
  - (bb) transfers to another approved pension or provident fund, while remaining in the service of the EMPLOYER;

and provided he has completed not less than 15 years of CONTRIBUTORY SERVICE, and is within 15 years of PENSION AGE, then, in lieu of the benefits provided under the said RULES, he shall, at his option, be entitled to a deferred pension commencing at PENSION AGE calculated in terms of Rule 6 (2) in respect of his CONTRIBUTORY SERVICE up to the date of leaving service.

**Deferred pension retirement within 10 years of PENSION AGE**

- (ii) A MEMBER who has elected a deferred pension in terms of this Rule may elect to retire at any time within 10 years of the PENSION AGE, in which event the deferred pension referred to in sub clause (i) above shall fall away and he shall become entitled to an actuarially reduced pension.

**Deferred pension death benefit payment**

- (iii) In the event of a MEMBER, who has elected a deferred pension in terms of this clause (d), dying before commencement of his pension, an amount equal to the capitalised value of the deferred pension, as calculated by the actuary, shall be applied to provide a benefit for his DEPENDANT/s. Such an amount shall not, however, be less than the benefit calculated at the date of leaving in terms of Rule 6(9) (b) or 6(9)(c), as the case may be, plus 8% per annum compound interest from the date of leaving service up to the date of death.



**Continuation membership  
– death**

- (a) the death of such a MEMBER occurring
- (i) after he has attained an age within ten years of PENSION AGE, he shall be regarded as having retired on the day before his death, or
- (ii) before he has attained an age within ten years of PENSION AGE, he shall be regarded as having withdrawn from the MOTOR INDUSTRY in terms of the provisions of Rule 6(9)(c);

**DEFERRED PENSION –  
withdrawal from  
service**

(12) A DEFERRED PENSIONER, other than a DEFERRED PENSIONER referred to in Rule 6 (9) (d) (i) (aa), who withdraws from service before commencement of his pension, shall be granted a benefit equal to the capitalised value of the deferred pension, as calculated by THE ACTUARY.

**RULE 7 GENERAL**

**Guarantees for loans**

(1) The BOARD shall have the power to furnish a guarantee in respect of a loan to a Member by a Financial Institution approved by the BOARD for a purpose referred to in Section 19(5)(a) of the ACT and, if so required for such purpose, may make a deposit in pledge with such Institution as collateral security. Such guarantee shall be subject to the requirements of the Registrar and shall further be subject to such conditions as may be determined by the BOARD from time to time in respect of a minimum loan amount and a maximum level of collateral as a percentage of the cash benefit payable if the MEMBER were to leave the Fund.

**Rights of termination of**

(2) Nothing in these RULES shall prejudice the right of an

<p><b>service no claim for damages</b></p>	<p>EMPLOYER to dispense with the services of, or to dismiss, any employee; nor the right of any employee to leave the service of his EMPLOYER on complying with the conditions of his employment. Any benefits, contingent or absolute, to which a MEMBER may claim to be entitled under these RULES shall not, on his dismissal, be a ground for any claim for damages or any increase in a claim for damages in any action brought against the Fund or the BOARD or his EMPLOYER in respect of such a dismissal.</p>
<p><b>Claim - only in terms of RULES</b></p>	<p>(3) No person, whether a MEMBER or otherwise, shall have any claim, right or interest upon the Fund, or any contributions thereto, any interest therein or any claim upon or against the BOARD, except under, and in accordance with, the provisions of these RULES.</p>
<p><b>Rights of any person under these RULES purely personal</b></p>	<p>(4) (a) Unless otherwise expressly provided for in these RULES, the rights, benefits or interest in the Fund conferred on any person under these RULES shall not be capable of being exercised or claimed in any way by anybody other than such a person and shall be purely personal to him; they shall not be capable of being ceded, assigned, transferred, pledged or hypothecated or in any way alienated by him other than to the BOARD, or of being attached by any creditor, or of vesting in any other person whomsoever in any capacity.</p>
<p><b>Suspension of rights</b></p>	<p>(b) Unless otherwise expressly provided for in these RULES, the above mentioned rights shall be suspended or withheld on the happening of any of the following events:</p> <ul style="list-style-type: none"> <li>(i) The person concerned purports to transfer, cede, pledge, or hypothecate such rights.</li> <li>(ii) A creditor of the person concerned attempts to attach under any writ of execution all or any rights under these RULES other than in terms of the ACT.</li> </ul>

<p><b>Suspended rights payment of benefits</b></p>	<p>(c) Unless otherwise expressly provided for in these RULES, should any person's rights be suspended or payment of benefits be withheld, the BOARD may, from time to time, pay out of the Fund (and accordingly without notice cease to pay)</p>
	<p>(i) to such a person such amount/s as the BOARD may consider necessary for the support of such a person; and/or</p>
	<p>(ii) to the DEPENDANT/s of such a person such amount/s as the BOARD may consider necessary for the support of such DEPENDANT/s;</p>
	<p>provided that the total payment to any such person (and/or DEPENDANT/s) under this clause shall not exceed the amount which would have been payable in respect of his rights if such rights had not been suspended or withheld as aforesaid.</p>
<p><b>Suspension of rights not applicable if payment of benefits is due</b></p>	<p>(d) Nothing in clauses (a) and (b) hereof shall apply in respect of rights if the actual payment of benefits had already become due out of the Fund at the date of the happening of any of the events in clause (b) hereof.</p>
<p><b>Determining date</b></p>	<p>(e) The date of the happening of any of the said events for the purpose of clause (b) and (d) hereof shall be deemed to be</p> <p>(i) in the event of attachment, the date of the writ;</p> <p>(ii) in any of the other events aforesaid, the date of the instrument or other AGREEMENT;</p>

	<p>provided that if there shall be more than one date purporting to be the date upon which any such instrument or other agreement was signed or entered into, the date for the purposes of this sub rule shall be deemed to be the earlier/earliest of such dates.</p>
<b>Rights not an asset in deceased estate</b>	<p>(f) No rights under these RULES shall be or become an asset in the deceased estate of any person, unless expressly provided for in these RULES.</p>
<b>Discretion of BOARD – payment of benefit</b>	<p>(5) (a) If the BOARD, in its absolute discretion, decides that for some good and sufficient reason it is not desirable to make payment of a benefit in the manner elsewhere provided for in these RULES, the BOARD may, in its discretion, pay the benefit –</p> <p>(i) to the said MEMBER in instalments; and/or</p> <p>(ii) wholly or partly to his DEPENDANT/S; and/or</p> <p>(iii) to Trustees either for the benefit of the MEMBER and/or of his DEPENDANT/S; and/or</p> <p>(iv) in such a manner for the benefit of such a MEMBER and/or his DEPENDANT’S as the BOARD may determine.</p>
<b>Minors</b>	<p>(b) If the MEMBER or DEPENDANT is a minor, the BOARD may pay the benefit to any person it may deem fit on behalf of such a minor.</p>
<b>BOARD decision may be varied</b>	<p>(b) Any decision of the BOARD in terms of this Rule may be varied by the BOARD from time to time in its sole and absolute discretion.</p>

<b>Lien on benefit payable</b>	(6) (a) Subject to the provisions of section 37D of the ACT, the Fund shall have a general lien on any benefit payable to any MEMBER or DEPENDANT or legal representative or other beneficiary in respect of any money due by such a MEMBER to the Fund.
<b>MEMBER's indebtedness to Fund deduction from benefit</b>	(b) Subject to the provisions of section 37D of the ACT, the BOARD shall have the right, and is hereby empowered to deduct from any benefit payable to, or in respect of, any MEMBER or any person who was a MEMBER, any amount due or owing by such MEMBER or ex MEMBER, to the Fund and to pay such an amount over to the Fund whose receipt therefor shall constitute a good and valid receipt and discharge for the same.
<b>Restriction of deduction</b>	(c) In those cases where MEMBERS retire on, or after, reaching the retirement age, the provisions of clauses (a) and (b) hereof are restricted to pension benefits.
<b>Evidence of age</b>	(7) (a) Each MEMBER shall supply such evidence of age and also such other information as the BOARD may require from time to time.
<b>Incorrect age power of BOARD to make adjustments</b>	(b) If at any time it is proved to the satisfaction of the BOARD that the age of the MEMBER has been incorrectly given, then the BOARD shall have the power to make such adjustments or alterations to any benefits as, in its absolute discretion, it deems fit.
<b>BOARD decision is conclusive</b>	(8) Any question which may arise with regard to a claim by a MEMBER or ex MEMBER or his DEPENDANT/S or legal representative shall be referred to the BOARD, whose decision thereon, if not contrary to these RULES, shall be final and conclusive.

<b>Judgement by BOARD on evidence</b>	(9) In deciding any question of fact, the BOARD may, save as is otherwise provided for in these RULES, act upon such evidence as it shall deem adequate, whether amounting to legal proof or not.
<b>BOARD interpretation of RULES is final</b>	(10) In the interpretation of the meaning of these RULES the decision and discretion of the BOARD shall be final.
<b>Amendments to RULES</b>	(11) (a) Subject to the prior approval of the COUNCIL, the BOARD may
<b>shall not be to the general disadvantage of MEMBERS and PENSIONERS</b>	(i) make such new RULES and regulations or alter or repeal any existing rule as it may deem fit; provided that any such new RULES, alterations or repeals shall not be to the general disadvantage of MEMBERS and PENSIONERS;
<b>- where Fund no longer capable of meeting benefits provided</b>	(ii) notwithstanding the provisions of the preceding paragraph, if, as a result of any valuation by THE ACTUARY in terms of Rule 3(13)(a), it considers that the Fund is no longer capable of meeting the benefits provided for in these RULES, make such new RULES or regulations or alter or repeal any existing rule which it may deem necessary in the circumstances.
<b>Procedure for amendments</b>	(b) Any proposed amendment to these RULES affecting the financial basis of the Fund shall first be submitted to and reported upon by THE ACTUARY, and shall be submitted to the Registrar for approval in accordance with the ACT.
<b>Commissioner for Inland Revenue to be notified</b>	(c) The Commissioner for Inland Revenue for the Republic of South Africa shall be notified forthwith of any alterations and amendments to these RULES.

<b>Amendments not permitted if affecting main purpose of the Fund</b>	(d) No amendments whatsoever may be made to these RULES which have the effect of altering the main purpose of the Fund, namely the provision of pensions for MEMBERS at PENSION AGE.
<b>Effective date</b>	(e) Subject to the approval of the relevant authorities, an amendment to the RULES may be effective from a date preceding its date of registration, provided the BOARD so directs.
<b>BOARD incorporation and registration of Fund in conformity with requirements of Commissioner for Inland Revenue</b>	(12) The BOARD shall be empowered to do such acts and to execute such documents as may be necessary to incorporate and register the Fund and, if the Commissioner for Inland Revenue shall at any time refuse to approve the Fund or any part thereof for the purpose of enabling the EMPLOYERS or the MEMBERS to obtain the benefit of EXEMPTION or allowance in respect of Income or other tax, or if the BOARD shall consider it expedient, having regard to any ruling of such Commissioner with regard to Income or other tax, the BOARD may, subject to the prior approval of the COUNCIL, make such alterations to the RULES as may be necessary to enable such approval to be obtained or to conform with such a ruling.
<b>Expiry of AGREEMENT reasons for, and necessary actions by BOARD</b>	(13) (a) In the event of the expiry of the AGREEMENT by effluxion of time or cessation for any other cause, the BOARD shall continue to administer the Fund and may make such arrangements or enter into such AGREEMENT/S as it, in its discretion, deems fit for continuing the Fund under modified conditions, or disposing of the assets for the benefit of MEMBERS having regard to the advice of THE ACTUARY; provided that in no case shall any part of the assets be refunded to the EMPLOYERS. Pensions then being paid in terms of these RULES shall be continued in full.
<b>Winding up appointment of liquidator</b>	(b) In the event of the discontinuation, termination or winding up of the Fund, the BOARD shall appoint a liquidator for the purpose, and such appointment shall be subject to the approval of the Registrar of Pension Funds.

<p><b>Winding up liquidator's obligations</b></p>	<p>(b) The liquidator shall realise the assets of the Fund and shall apportion the proceeds amongst the MEMBERS, PENSIONERS and other beneficiaries on a basis recommended by THE ACTUARY and approved by the BOARD. The liquidator shall use the amount available for each MEMBER to purchase an annuity for each such MEMBER from a life assurance company where an annuity of at least R1 800 can be purchased from PENSION AGE, and shall pay to such MEMBER his portion of the assets, if insufficient, to purchase an annuity of R1 800.</p>
<p><b>Borrowings</b></p>	<p>(14) The BOARD may borrow money at interest or otherwise, provided that borrowings are limited strictly to temporary loans for bridging unforeseen cash shortages or taking advantage of attractive investments, and with that object in mind it may pledge or otherwise hypothecate any or all of the assets of the Fund.</p>
<p><b>Re-insurance of benefits</b></p>	<p>(15) The Fund may re-insure with a third party all or such portions of the benefits granted by the Fund as the BOARD may determine from time to time on such terms and conditions as may be agreed upon by the BOARD.</p>
<p><b>BOARD actions to be for the benefit and protection of MEMBERS and PENSIONERS only</b></p>	<p>(16) The BOARD shall be entitled, in its absolute discretion, to make arrangements and to do anything not inconsistent with the provisions of these RULES or any amendments thereof, which, in its opinion, is for the benefit and protection of MEMBERS and/or other persons in receipt of benefits.</p>
<p><b>Unexpected contingency</b></p>	<p>(17) In the event of a contingency arising which has not been provided for in these RULES, the decision of the BOARD thereon, if not inconsistent with the provisions of these RULES, shall be final and conclusive.</p>

**RULE 8**

**SPECIAL PROVISIONS RELATING TO THE TRANSFER OF MEMBERS  
TO THE AUTO WORKERS' PROVIDENT FUND**

- (1) The definition "EMPLOYEE CONTRIBUTIONS" shall apply for the purpose of this Rule :
- "EMPLOYEE CONTRIBUTIONS" shall mean the amount referred to in Rule 6 clauses 9 (c)(a)(i); (ii) and (iii).
- (2) The definition "DEFERRED PENSIONER" in Rule 2 – "Definitions" shall be varied for the purposes of this Rule :
- "DEFERRED PENSIONER" shall mean either :
- (a) a MEMBER who has elected in terms of Rule 6 clause 9 (d)(i) to receive deferred pension benefits, including a member who so elected in terms of the applicable rules of the Motor Industry Pension Fund and the MISA Pension Fund and who transferred into the Fund as at 31 December 2004 in terms of clause (6) of Rule 4; or
  - (b) a MEMBER referred to in Rule 8(3).
- (3) With effect from 31 March 2005 each MEMBER who has not reached PENSION AGE shall transfer to the Auto Workers' Provident Fund; provided that a MEMBER who has completed not less than 15 years of CONTRIBUTORY SERVICE, and is within 10 years of PENSION AGE, may elect to become a DEFERRED PENSIONER of the Fund as provided for in terms of clause (9)(d)(i) of Rule 6. If the BOARD does not receive notice that a MEMBER wishes to become a DEFERRED PENSIONER of the Fund by such date as the BOARD may determine, the benefit of such MEMBER shall be transferred to the Auto Workers' Provident Fund in terms of clause (4).

(4)

The following provisions shall apply to the transfer of benefits to the Auto Workers' Provident Fund :

(a) each MEMBER who transfers to the Auto Workers' Provident Fund shall become entitled to a lump sum benefit equal to his EMPLOYEE CONTRIBUTIONS. Such benefit shall be transferred after the payment of any income tax, to the Auto Workers' Provident Fund; and

(b) in the case of each MEMBER who transfers to the Auto Workers' provident Fund there shall also be transferred an amount equal to the difference (if any) between his actuarial reserve as determined by THE ACTUARY and the amount in (a) to be applied under the Auto workers' Provident Fund in terms of the rules of that fund.

**ANNEXURE 1**

**SPECIAL PROVISIONS RELATING TO MEMBERS WHO CONTRIBUTE  
AT THE RATE OF 3,5 % OF REMUNERATION**

**Provisions of main  
RULES shall apply except  
for**

The provisions of the main RULES, and in particular those of Rule 6, shall apply to a MEMBER who contributes at the rate of 3,5 per cent of REMUNERATION, except in the following respects:

**pension entitlement**

(1) The pension fraction in main Rule 6(2) shall be equal to two and one-quarter per cent (2,25%) for any period of CONTRIBUTORY SERVICE after the 3<sup>rd</sup> July 1995 during which the MEMBER contributed at the rate of six or seven percent of his REMUNERATION; and to one and one-eighth per cent (1,125%) for any period of CONTRIBUTORY SERVICE after the 3<sup>rd</sup> July 1995 during which the MEMBER contributed at the rate of three or three and a half per cent of his REMUNERATION.

<b>disability benefit</b>	(2) The disability benefit in terms of main Rule 6(7)(a)(i) shall be equal to the MEMBER's annual REMUNERATION at the date of disability.
<b>death benefit</b>	(3) The death benefit in terms of main Rule 6 (8)(a)(i) shall be equal to the annual REMUNERATION of the deceased MEMBER at the time of death.

## ANNEXURE 2

[Relates to membership in force prior to 3 July 1995]

## RULE 2 – DEFINITIONS

### Definitions

"GROUP A EMPLOYEE" shall mean an employee whose normal weekly REMUNERATION is R35 or less. "GROUP B EMPLOYEE" shall mean an employee whose normal weekly REMUNERATION is more than R35 but does not exceed R50. "GROUP C EMPLOYEE" shall mean an employee whose normal weekly REMUNERATION is more than R50.

## RULE 6 – BENEFITS

<p><b>Pension entitlement</b></p>	<p>(1) Unless he is already in receipt of a pension in terms of sub rule (5) of this Rule, every MEMBER shall, on the attainment of pension age, be entitled to a pension payable monthly, amounting to the sum of the MEMBER's purchased B and C benefits, described in sub rule (2) of this Rule, in accordance with the rates of pensions prescribed by the BOARD from time to time.</p>
<p><b>Contributions by employee</b></p>	<p>(2) (a) (i) Of each R1, R2, R3 or R7 weekly contribution paid respectively by a Group A, B, C or APPRENTICE MEMBER, 5c, 10c, 15c or 30c respectively shall be allocated to a death benefit fund and the balance of 95c, R1,90, R2,85 or R6,70 respectively shall be applied to purchasing B (pension) benefits in accordance with tables prescribed by the BOARD from time to time.</p> <p>(ii) Of each R15 weekly contribution paid under EXEMPTION by a JOURNEYMAN, R1,30 shall be allocated to a death benefit fund, and the balance of R13,70 shall be applied to purchasing B (pension) benefits in accordance with tables prescribed by the BOARD from time to time.</p>
<p><b>Contributions by EMPLOYER</b></p>	<p>(b) (i) Of each R1, R2, R3 or R7 weekly contribution paid respectively on behalf of a Group A,B,C or APPRENTICE MEMBER, 5c, 10c, 15c or 30c respectively shall be allocated to a death benefit fund, and the balance of 95c, R1,90, R2,85 or R6,70 respectively shall be applied to purchasing C (pension) benefits in accordance with tables prescribed by the BOARD from time to time.</p> <p>(ii) Of each R15 weekly contribution paid under EXEMPTION by an EMPLOYER on behalf of a JOURNEYMAN, 70c shall be allocated to a death benefit fund, R14,20 shall be applied to purchasing C (pension) benefits in accordance with tables prescribed by the BOARD from time to time, and</p>

	<p>10c shall be allocated to a widow's death benefit fund for the purpose of subsidising the pensions of widows of deceased journeymen.</p>
<p><b>Retirement pension</b></p>	<p>(3) Except as otherwise provided for in these RULES, every MEMBER shall retire on pension on the attainment of PENSION AGE, and shall be entitled to a pension payable monthly, amounting to the total number of B and C benefits, as described in sub rule (2) above, purchased by the MEMBER, in accordance with the rates of pension prescribed by the BOARD from time to time.</p>
<p><b>Retirement commutation</b></p>	<p>(4) The BOARD shall, at the MEMBER's request, at the date of retirement commute for a cash payment to the MEMBER, not more than one third of any pension payable in terms of sub rule (3) or (6) hereof; provided that if the pension payable does not exceed the amount set out in the ACT, in which case the whole pension may be commuted for a cash payment at the date of retirement. The amount of any cash payment effected in terms hereof shall be that computed by THE ACTUARY.</p>
<p><b>Monthly pension payments and period</b></p>	<p>(5) (a) The first pension payment shall be made with effect from the last business day of the month following that in which a MEMBER retires, and shall be paid monthly thereafter on the last business day of each month during the lifetime of the PENSIONER.</p> <p>(b) The last pension payment in respect of any PENSIONER shall, subject to the provisions of clause (c) below, be made on the last business day of the month in which the PENSIONER dies.</p>

	<p>(c) In the event of a PENSIONER's death occurring within ten years after the date of his retirement, his pension shall be payable for the unexpired portion of the period of 10 years. This period and the amount paid to the deceased PENSIONER's DEPENDANT/s or other such person/s shall be at the discretion of the BOARD.</p>
<b>Early retirement</b>	<p>(6) (a) Subject to the provisions of clause (b) below, a MEMBER may, on attaining the age of 60 years, elect to retire. In that event such a MEMBER shall forthwith notify the BOARD and his EMPLOYER/s of his intention to do so, and his contributions shall cease from the date of his retirement.</p>
<b>Ill health retirement</b>	<p>(b) If a MEMBER who has reached the age of 55 years becomes, in the opinion of the BOARD, through accident or ill health, continuously and permanently unable to perform his usual work in the MOTOR INDUSTRY, such a MEMBER may elect to retire.</p>
<b>Actuarially Reduced monthly pension</b>	<p>(c) The retirement pension benefits purchased by the total B and C contributions of any MEMBERS referred to in clauses (a) and (b) above shall be payable to them at an actuarially reduced rate, having regard to their ages at retirement. All the provisions of sub rule (5) above, shall, mutatis mutandis, apply to such MEMBERS.</p>
<b>Actuarially reduced monthly pension death benefits</b>	<p>(d) Within 30 days before retirement in terms of the provisions of either sub RULES (3) or (6) above, a MEMBER may elect to receive an actuarially reduced pension in order that on his death there shall be payable to either his DEPENDANT/s or his nominated widow a sum of not more than R800 if he is a Group A MEMBER; a sum of not more than R1 600 if he is a Group B MEMBER; a sum of not more than R2 400 if he is a Group C MEMBER; a sum of not more than R5 000 if he is an APPRENTICE MEMBER; or a sum of not more than R17 000 if he is a JOURNEYMAN.</p>

**Ill health withdrawal benefit**

(7) (a) If a MEMBER who has contributed to the Fund for at least 26 weeks becomes, in the opinion of the BOARD, through accident or ill health continuously and permanently unable to perform his normal work in the Motor Industry, such a MEMBER shall receive forthwith the return of his contributions which have been applied to purchase B benefits, increased by one thirtieth of the total for each completed year's contributions received. He shall also be entitled, on reaching the age of 55 years, to the pension purchased by his total C contributions; provided that the acceptance of the pension may, in accordance with the wish of the MEMBER concerned, be deferred until pension age is attained; provided further that the BOARD may, in its discretion, refund to the MEMBER concerned simultaneously with the refund of his B contributions, or at any time afterwards his total C contributions, increased by one thirtieth of the total for each completed year that the MEMBER has contributed to the Fund.

**Ill health withdrawal death benefit**

(b) In the event of the death of a MEMBER, referred to in clause (a) above, prior to the acceptance of his C benefits in accordance with the provisions of that paragraph and within 7 years after the date of his withdrawal from the MOTOR INDUSTRY, there shall be payable

if he is a Group A MEMBER the sum of R800;  
if he is a Group B MEMBER the sum of R1 600;  
if he is a Group C MEMBER the sum of R2 400;  
if he is an APPRENTICE the sum of R5 000; or  
if he is a JOURNEYMAN the sum of R17 000;

and the provisions of sub rule 8(b) shall apply, mutatis mutandis, in respect of this benefit.

**Retrenchment benefit**

(c) If a MEMBER, who has contributed for at least 26 weeks, for reasons beyond his control is retrenched and is unable to find employment in the MOTOR INDUSTRY, such a MEMBER may, in his discretion, make an application

(i) for the return of his contributions which have been applied to purchase B benefits increased by one thirtieth of the total for each completed year that the MEMBER has contributed to the Fund;  
or

(ii) to receive a deferred pension, purchased by his total B and C contributions, on reaching the age of 55 years, in which event he shall continue to be entitled to all the benefits set out in this Rule with the exception of the benefit referred to in sub rule 8(a).

**Death benefit**

(8) (a) In the event of the death of a MEMBER before retirement or withdrawal from the Motor Industry, in terms of the provisions of sub RULES (3) (6) or (9) of this Rule, there shall be payable

if he is a Group A MEMBER the sum of R800;  
if he is a Group B MEMBER the sum of R1 600;  
if he is a Group C MEMBER the sum of R2 400;  
if he is an APPRENTICE the sum of R5 000; or  
if he is a JOURNEYMAN the sum of R17 000;

in addition to that portion of the deceased MEMBER's contributions which have been applied to purchase B benefits in terms of sub rule (2)(a)(i) increased by one thirtieth of the total for each completed year that the deceased MEMBER has contributed to the Fund.

<p><b>JOURNEYMAN's widow's death benefit</b></p>	<p>(b) On the death of a JOURNEYMAN PENSIONER there shall be payable to his widow, out of the Widow's Death Benefit Fund, the sum of R925; provided that the benefit shall be actuarially reduced in the case of a JOURNEYMAN PENSIONER who retired before pension age, having regard for the age at which the deceased JOURNEYMAN retired.</p>
<p><b>Refund of employee contributions</b></p>	<p>(9) In the event of a MEMBER leaving the MOTOR INDUSTRY and thereby ceasing to be a MEMBER, he shall receive after the expiry of 12 months, or a lesser period as the BOARD may in its discretion decide</p> <p>(i) if the MEMBER has contributed for 5 years or less, the return of his total contributions applied to purchase B benefits; or</p> <p>(ii) if the MEMBER has contributed for more than 5 years the return of his total contributions applied to purchase B benefits increased by one fiftieth of the total for each completed year that the MEMBER has contributed to the Fund.</p>
<p><b>Pension subsidy</b></p>	<p>(10) The BOARD may, in its discretion, apply a portion or all of such moneys as are acquired to the payment of a pension subsidy, with regard to the advice of THE ACTUARY.</p>

**ANNEXURE 3**

**SPECIAL PROVISIONS RELATIVE TO TRANSFER OF MEMBERS TO THE AUTOWORKERS' PROVIDENT FUND**

The following special provisions shall apply with effect from 3 July 1995 as the result of the establishment with effect from that date of the Autoworkers' Provident Fund (hereinafter referred to as "the Provident Fund"):

(1) Each MEMBER who elects to join the Provident Fund shall have the choice to elect a deferred pension calculated in terms of Rule 6(2), or the Annexure applicable in his case, in respect of his CONTRIBUTORY SERVICE up to the date of his joining that fund, which deferred pensions shall be subject to the same provisions as those applicable to deferred pensions in terms of Rule 6.9(d). If the MEMBER does not so elect in writing to the BOARD by 31 July 1995 the following provisions shall apply in his case:

(a) he shall, as from the date of joining the Autoworkers' Provident Fund, be entitled to a lump sum benefit calculated in terms of Rule 6.9(c)(a) or, as the case may be, Annexure 2. Such benefit shall be required to be transferred, after payment of any income tax payable thereon, to the Provident Fund, to be applied under that fund in terms of the RULES of that fund;

(b) there shall also be transferred to the Provident Fund an amount equal to the difference (if any) between

(i) his actuarial reserve, as determined by the actuary, at the date of joining the Provident Fund; and

(ii) that part of the amount referred to in (a) which relates to his contributions in terms of the AGREEMENT, before payment of any income tax thereon;

to be applied under the Provident Fund in terms of the RULES of that fund.

(2) In the case of a MEMBER who elects the deferred pension referred to in (1), no other benefit shall apply under the Fund except such benefits as relate to that deferred pension.

(3) In the case of a MEMBER who does not elect the deferred pension referred to in (1) no further benefit shall apply

under the fund.

(4) If the Trustees, in their sole discretion and after consultation with THE ACTUARY, so decide, such additional amount or amounts as, in consultation with THE ACTUARY, they shall determine, may be transferred to the Provident Fund.