

ELECTRICAL CONTRACTING INDUSTRY NATIONAL PENSION FUND

Amendment No. 1

The Trustees of the Electrical Contracting Industry National Pension Fund (hereinafter referred to as “the Fund”) resolved, by Round Robin Resolution in terms of Rule 12.2.5, that:

- (a) The last date of signature of this amendment shall be deemed to be the date on which the Trustees resolved to amend the Rules of the Fund; and
- (b) The Rules of the Fund shall be amended as follows with effect from 30 January 2025:

1. The following definitions shall be inserted in Rule 2.2:

Reasons: *To include in the Rules the annuitisation provisions promulgated in terms of the Income Tax Act with effect from 1 March 2021.*

“2.2.4A ANNUITISATION DATE

The date on which annuitisation of retirement BENEFITS in an APPROVED PROVIDENT FUND and APPROVED PROVIDENT PRESERVATION FUND became compulsory, being 1 March 2021;

2.2.4B ANNUITY

An annuity purchased from an INSURER in the name of a MEMBER or BENEFICIARY, that is non-commutable, non-assignable and payable monthly in arrears for a minimum of the lifetime of the annuitant, of which the terms shall be agreed between the INSURER and the annuitant, who alone is responsible for the risks and consequences relating to that.”

2.2.15A COMMUTATION AMOUNT

The maximum amount of the retirement BENEFIT that may be paid to a MEMBER in cash in terms of RULE 7.1, which amount shall be calculated as the sum of:

- (a) the VESTED PRE-ANNUITISATION AMOUNT; and
- (b) one-third of the remaining EQUITABLE SHARE of the MEMBER,

Provided that if the total of the amounts in paragraphs (a) and (b) above are less than or equal to the *de minimis* amount determined in terms of the INCOME TAX

ACT from time to time, the full retirement BENEFIT shall constitute the COMMUTATION AMOUNT available to the MEMBER.

2.2.83 VESTED PRE-ANNUITISATION AMOUNT

That portion of the EQUITABLE SHARE of a MEMBER, adjusted by FUND RETURN, that represents any amount transferred to the FUND from an APPROVED FUND that is not an APPROVED RETIREMENT ANNUITY FUND, which is confirmed by the transferor fund in writing as the net amount, after any deductions lawfully made under such fund, that arises from:

- (a) In respect of a MEMBER who was 55 years or older and a member of an APPROVED PROVIDENT FUND or APPROVED PROVIDENT PRESERVATION FUND on the ANNUITISATION DATE:
 - (i) Contributions paid or amounts transferred in respect of the MEMBER, to that APPROVED PROVIDENT FUND or APPROVED PROVIDENT PRESERVATION FUND; and
 - (ii) fund return, as defined in the ACT, earned in that APPROVED PROVIDENT FUND or APPROVED PROVIDENT PRESERVATION FUND in relation to the amounts contemplated in item (i); or
- (b) In respect of a MEMBER who was under the age of 55 years on the ANNUITISATION DATE and a member of an APPROVED PROVIDENT FUND or APPROVED PROVIDENT PRESERVATION FUND on the ANNUITISATION DATE:
 - (i) Contributions paid or amounts transferred in respect of the MEMBER, to that APPROVED PROVIDENT FUND or APPROVED PROVIDENT PRESERVATION FUND prior to the ANNUITISATION DATE; and
 - (ii) fund return, as defined in the ACT, earned in that APPROVED PROVIDENT FUND or APPROVED PROVIDENT PRESERVATION FUND in relation to the amounts contemplated in item (i)."

2. The following definitions shall be inserted in Rule 2.2:

Reasons: *To separately define the different types of retirement funds approved in terms of the Income Tax Act, as some provisions in the rules apply only to certain types of funds.*

“2.2.7A APPROVED PENSION FUND

A pension fund organization registered as such in terms of the ACT and approved as a pension fund in terms of the INCOME TAX ACT.

2.2.7B APPROVED PENSION PRESERVATION FUND

A pension fund organization registered as such in terms of the ACT and approved as a pension preservation fund in terms of the INCOME TAX ACT.

2.2.7C APPROVED PROVIDENT FUND

A pension fund organization registered as such in terms of the ACT and approved as a provident fund in terms of the INCOME TAX ACT.

2.2.7D APPROVED PROVIDENT PRESERVATION FUND

A pension fund organization registered as such in terms of the ACT and approved as a provident preservation fund in terms of the INCOME TAX ACT.

2.2.7E APPROVED RETIREMENT ANNUITY FUND

A pension fund organization registered as such in terms of the ACT and approved as a retirement annuity fund in terms of the INCOME TAX ACT.”

3. The definition of APPROVED FUND in Rule 2.2.7 shall be replaced by the following:

Reason: *To refer to the different types of retirement funds that are now separately defined.*

“2.2.7 APPROVED FUND

An APPROVED PENSION FUND, APPROVED PENSION PRESERVATION FUND, APPROVED PROVIDENT FUND, APPROVED PROVIDENT PRESERVATION FUND or an APPROVED RETIREMENT ANNUITY FUND.”

4. The definition of FINANCIAL YEAR in Rule 2.2.33 shall be replaced by the following:

Reason: To reflect the wording in the definition of Fund Year, which is being deleted to ensure consistent use of only one term when reference is made to the financial year of the Fund in the Rules.

“2.2.33 FINANCIAL YEAR

A period of 12 (twelve) calendar months, commencing on the FUND ANNIVERSARY and terminating on the day before the subsequent FUND ANNIVERSARY or such other period as may be approved by the AUTHORITY on application by the FUND.”

5. The definition of FUND RETURN in Rule 2.2.37 shall be replaced by the following:

Reason: To simplify the meaning of Fund Return as provided for in the Act, in particular to remove paragraph (d) as most of the amounts arising from anticipated mismatches will be covered by the new definition of Realisation Date.

“2.2.37 FUND RETURN

In relation to any portion of the assets of the FUND held in any particular INVESTMENT PORTFOLIO, any income (received or accrued), including bank interest, call account interest or money market returns and capital gains and losses (realised or unrealised) earned on the assets held in that INVESTMENT PORTFOLIO, net of any fees payable to an INVESTMENT MANAGER and any other expenses and tax charges associated with the acquisition, holding or disposal of assets in that INVESTMENT PORTFOLIO, which net returns may be positive, negative or nil.”

6. The definition of FUND YEAR in Rule 2.2.38 shall be deleted and any reference to FUND YEAR in the RULES shall be replaced by “FINANCIAL YEAR”.

Reason: To ensure consistent use of only one term when reference is made to the financial year of the Fund in the Rules.

7. The definition of INVESTMENT RETURN in Rule 2.2.48 shall be deleted and any reference to “INVESTMENT RETURN” in the RULES shall be replaced by “FUND RETURN”.

Reason: To ensure consistent use of only one term when reference is made to the return on investments of the Fund in the Rules.

8. **The definition of NORMAL RETIREMENT DATE in Rule 2.2.57 shall be replaced by the following:**

Reason: To clarify that the date on which a member may claim a retirement benefit after reaching the Normal Retirement Age will be the last day of the month in which the member reaches that age.

“2.2.57 NORMAL RETIREMENT DATE

The last day of the month in which a MEMBER reaches the NORMAL RETIREMENT AGE.”

9. **The definition of PENSION FUND in Rule 2.2.60 shall be deleted and any reference to “PENSION FUND” in the Rules shall be replaced by “APPROVED PENSION FUND”.**

Reason: To replace any reference to a Pension Fund by the newly defined term.

10. **The definition of PREVIOUS FUNDS in Rule 2.2.65 shall be deleted.**

Reason: The term is not used in the Rules.

11. **The definition of REALISATION DATE in Rule 2.2.67 shall be replaced by the following:**

Reasons:

- To correct the definition as “Member’s share” is not a defined term
- To provide for a benefit to be determined when the proceeds of a disinvestment are received, in order to limit mismatches between the value of assets from the date that a disinvestment instruction is sent until receipt of the proceeds of the disinvestment.

“2.2.67 REALISATION DATE

The date on which the FUND receives the proceeds from an INVESTMENT MANAGER arising from the disinvestment of assets for purposes of paying a BENEFIT.”

12. **The definition of RETIREMENT DATE in Rule 2.2.70 shall be replaced by the following:**

Reason: To clarify that a retirement benefit will become due and payable to a member on the last day of the month (following the member’s actual retirement from employment), on which the Fund receives a claim for the retirement benefit from the member.

“2.2.70 RETIREMENT DATE

The last day of the month, following a MEMBER’S actual retirement from the employment of the EMPLOYER, in which the FUND receives a valid claim form for payment of a retirement BENEFIT to the MEMBER in terms of RULE 7.”

13. Rule 4.2 shall be replaced by the following:

Reasons:

- *To exclude transfers from a retirement annuity fund, which are not permissible in terms of the Income Tax Act; and*
- *To state that the Vested Pre-Annuitisation Amount received from another Approved Fund must be separately reflected.*

“4.2 ADDITIONAL MEMBER CONTRIBUTIONS

4.2.1 A MEMBER may transfer to the FUND any lump sum benefit or transfer value arising from membership of another APPROVED FUND that is not an APPROVED RETIREMENT ANNUITY FUND and may also make additional CONTRIBUTIONS to the FUND.

4.2.2 Any lump sum and/or additional CONTRIBUTIONS received in terms of RULE 4.2.1 will be applied to increase the EQUITABLE SHARE of the MEMBER by way of a credit of that amount to his INDIVIDUAL MEMBER ACCOUNT, provided that the VESTED PRE-ANNUITISATION AMOUNT shall be separately reflected.”

14. Rule 5.1 shall be replaced by the following:

Reasons:

- *To align the calculation of a member’s Equitable Share with the value of the member’s Individual Member Account,*
- *To delete paragraphs (a) to (d), as these provisions are covered under the credits and debit to the Individual Member Account, read together with the provisions of Rule 5.2.*
- *To provide for the Vested Pre-Annuitisation Amount to be separately reflected.*

“5.1 EQUITABLE SHARE

The EQUITABLE SHARE of a MEMBER shall be calculated by the

ADMINISTRATOR as the value of the total number of UNITS representing the assets underlying the INDIVIDUAL MEMBER ACCOUNT of the MEMBER, multiplied by the UNIT PRICE as provided for in RULE 5.2.4, and which shall separately reflect the VESTED PRE-ANNUITISATION AMOUNT (if any) held in respect of the MEMBER.”

15. Rules 7.1, 7.2, 7.3 and 7.4 shall be replaced by the following:

Reasons:

Rule 7.1:

- *To describe the benefit that will become payable on retirement,*
- *To provide that a retirement benefit will become payable on the Retirement Date, as defined,*
- *To provide for the Commutation Amount to be taken in cash, and to provide for the balance of the retirement benefit to be applied to purchase an annuity in accordance with the Annuity Strategy or of the member's choice, or for the balance to be applied to provide a pension from the Fund.*

Rule 7.2:

- *To clarify that a member may claim a retirement benefit on the Normal Retirement Date, being the last day of the month in which he reaches the Normal Retirement Age,*
- *To provide for the option of the member to transfer his retirement benefit to a preservation fund or a retirement annuity fund.*

Rule 7.3: To provide for ill-health early retirement and to remove the previous provisions of Rules 7.3.2 and 7.3.3, as those provisions are covered in Rule 7.1.2.

Rule 7.4: To align the rule with the provisions of Rule 7.1 and the new definition of Retirement Date.

“7.1 RETIREMENT BENEFITS

7.1.1 On receipt by the FUND of satisfactory proof that a MEMBER has retired from the employment of the EMPLOYER, the MEMBER may claim a retirement BENEFIT in terms of RULE 7.2, 7.3 or 7.4, as the case may be.

7.1.2 The retirement BENEFIT payable to a MEMBER in terms of RULES 7.2, 7.3 or 7.4 shall become payable on the RETIREMENT DATE and shall be equal to the EQUITABLE SHARE of the MEMBER as at the REALISATION DATE, of which up to the full COMMUTATION AMOUNT may be paid to the MEMBER as a cash lump sum and the balance (if any) shall be applied to:

- (a) purchase an ANNUITY in the name of the MEMBER from an INSURER in accordance with the ANNUITY STRATEGY or of the MEMBER'S choice, or
- (b) should the FUND decide to in-source pensions, the balance of the EQUITABLE SHARE of the MEMBER shall be transferred to the PENSION ACCOUNT for payment of a pension to the MEMBER from the FUND.

7.2 RETIREMENT ON NORMAL RETIREMENT DATE

7.2.1 Subject to the provisions of RULE 7.5.1, a MEMBER who retires from the employment of the EMPLOYER on reaching the NORMAL RETIREMENT AGE shall on the NORMAL RETIREMENT DATE be entitled to claim a retirement BENEFIT provided for in terms of RULE 7.1.

7.2.2 A MEMBER who is entitled to a retirement BENEFIT in terms of RULE 7.2.1 may elect to transfer the BENEFIT to an APPROVED RETIREMENT ANNUITY FUND, APPROVED PENSION PRESERVATION FUND or APPROVED PROVIDENT PRESERVATION FUND.

7.3 RETIREMENT PRIOR TO NORMAL RETIREMENT AGE

7.3.1 A MEMBER may claim a retirement BENEFIT from the FUND prior to reaching the NORMAL RETIREMENT AGE if:

- (a) The MEMBER retires from SERVICE at any date after reaching the age of 55 years; or
- (b) The MEMBER, in the opinion of the BOARD OF TRUSTEES, becomes permanently incapable of carrying on his or her occupation due to sickness, accident, injury or incapacity through infirmity of mind or body.

7.4 LATE RETIREMENT

7.4.1 A MEMBER who, with the consent of the EMPLOYER, remains in the employment of the EMPLOYER after the NORMAL RETIREMENT DATE shall remain a MEMBER of the FUND until his actual retirement from the employment. In this event, CONTRIBUTIONS will continue to be payable until the MEMBER'S actual retirement from employment, after which a retirement BENEFIT as set out in RULE 7.1 will become payable on the RETIREMENT DATE."

16. Rule 7.5.5 shall be replaced by the following:

Reasons: To align the Rule with the provisions of Rule 7.1 and the new definition of Retirement Date, which already refers to the last day of the month in which the Fund receives the Member's retirement claim form.

"7.5.5 The deferred retirement BENEFIT provided for in RULE 7.1 will become payable to the DEFERRED RETIREMENT MEMBER on the RETIREMENT DATE."

17. Rule 10.1 shall be replaced by the following:

Reasons: To correct the Rule as it currently provides for a benefit to be payable only on the death of a member prior to retirement and therefore excludes a Deferred Retirement Member, which contradicts Rule 7.5.4.

"10.1 DEATH BENEFITS

Subject to the provisions of RULE 10.3, any BENEFIT that becomes payable upon the death of a MEMBER shall be distributed in accordance with the provisions of section 37C of the ACT, provided that satisfactory proof of the death of the MEMBER is submitted to the FUND and the claim is admitted by the FUND and its INSURER if the BENEFIT is underwritten."

18. Rule 10.2 shall be replaced by the following:

Reasons:

- *To correct the heading, because a death benefit is also payable in respect of a member who retires after reaching the Normal Retirement Age in terms of Rule 7.4;*
- *To state that the Equitable Share of the Member will be adjusted with Fund Return until date of payment;*

- *To state that the multiple of a member's salary is only payable in respect of a member in service.*

“10.2 BENEFIT ON DEATH

The BENEFIT payable in the death of a MEMBER shall be equal to:

10.2.1 The EQUITABLE SHARE of the MEMBER as at the REALISATION DATE, adjusted with FUND RETURN until date of payment; plus

10.2.2 In the case of a MEMBER in SERVICE, a multiple of the MEMBER'S annual PENSIONABLE SALARY as at the date of death; to be determined by the BOARD from time to time; plus

subject to deduction of the cost, as approved by the TRUSTEES from time to time, that was necessary to trace the BENEFICIARIES in terms of RULE 13.4, and any other deductions permissible in terms of the ACT.”

19. Rule 10.3 shall be replaced by the following:

Reasons:

- *To remove the separate provision for members who have reached the Normal Retirement Age, which is now covered by Rule 10.2.1;*
- *To insert a provision regarding members who, prior to death, submitted a claim for payment of a benefit as provided for in FSCA Communication 7 of 2025 (RF),*

“10.3 BENEFIT ON DEATH PENDING PAYMENT OF A CLAIM

It is specifically provided that in the event of the death of a MEMBER following the RETIREMENT DATE, or subsequent to the MEMBER having submitted a claim for any other BENEFIT payable in terms of the RULES, but before payment of the BENEFIT is made by the ADMINISTRATOR in terms of the RULES, the BENEFIT shall not be distributed in terms of section 37C of the ACT, but shall be paid to the MEMBER'S estate.”

20. Rule 14.2.1 shall be replaced by the following:

Reasons:

- *To exclude transfers from an Approved Retirement Annuity Fund, which are not permissible in terms of the Income Tax Act,*
- *To remove the provisions regarding transfers from preservation funds, which are now outdated.*

“14.2.1 The FUND is empowered to receive transfers of monies and business from other APPROVED FUNDS that are not APPROVED RETIREMENT ANNUITY FUNDS, or entities or to effect transfers of monies and business to other APPROVED FUNDS or entities subject to the relevant provisions of the INCOME TAX ACT and Section 14 of the ACT and on the terms and conditions as the TRUSTEES in consultation with the ACTUARY may decide; The FUND is also empowered to receive transfers of monies and business from any other retirement funding arrangement being operated in a country other than the Republic of South Africa and approved as such by that country's relevant authorised regulators. Specific provisions may be made for transfers from other Electrical Contracting Industry Bargaining Council funds into the FUND.”

21. Rule 14.2.1 shall be replaced by the following:

Reasons: *To update the Rule in accordance with the new definition of Vested Pre-Annuity Amount, which includes a reference to the now defined Approved Provident Fund or Approved Provident Preservation Fund.*

“14.2.3 In the event of transfers of business from an APPROVED FUND (excluding an APPROVED RETIREMENT ANNUITY FUND) that includes a VESTED PRE-ANNUITY AMOUNT, such amount will be separately reflected in the record of the FUND reflecting the EQUITABLE SHARE of the MEMBER. “

22. Rule 14.12.2 shall be replaced by the following:

Reasons:

- *To remove the limit of a deduction to the amount which may be paid to a member in cash, which is outdated;*
- *To provide for a proportional deduction from the Vested Pre-Annuity Amount of a member.*

“14.12.2 It is specifically provided that any amount to be deducted from the EQUITABLE SHARE of a MEMBER in terms of RULE 14.12.1 will be proportionately deducted from the VESTED PRE-ANNUITY AMOUNT of the MEMBER and the remaining balance of the EQUITABLE SHARE of the MEMBER, on a basis decided by the TRUSTEES.”

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


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CHAIRPERSON OF TRUSTEES

9 December 2025
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Date


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TRUSTEE

9 December 2025
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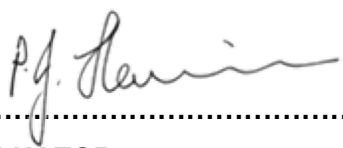
Date


.....
PRINCIPAL OFFICER

9 December 2025
.....

Date

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


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VALUATOR

9 December 2025
.....

Date

Peter John Theunissen, FASSA, FSCA-recognised valuator (Case:565007)