

UNIVERSITY OF KWAZULU-NATAL RETIREMENT FUND

Amendment No. 1

The Trustees of the University of KwaZulu-Natal Retirement Fund resolved at Durban on 16 March 2016 that with effect from 1 March 2016, the Rules of the University of KwaZulu-Natal Retirement Fund shall be amended for the reasons set out below:

- (1) *To correct Rule references in the consolidated Rules;*
- (2) *To remove the provision that premiums are payable from the Benefit Arrangement in respect of separate unapproved risk benefits;*
- (3) *To take into account changes to tax legislation by providing a further contribution option which will allow Members to elect the highest rate qualifying for tax deduction under the new dispensation;*
- (4) *To make it clear that a death benefit is paid to the beneficiaries of a Deferred Beneficiary in terms of Section 37C of the Act; and*
- (5) *Due to changes in tax legislation, to allow a Deferred Beneficiary to receive or transfer his benefit to another retirement fund prior to retirement or death;*
- (6) *To enable Members who are currently either deferred members of other retirement funds operated by an Employer or members of preservation funds to transfer their benefits into the Fund;*

by:

- (i) *replacing the definition 'Benefit Arrangement' in Rule 2 with the following:*

'BENEFIT ARRANGEMENT' shall mean a separate account of the EMPLOYER which provides income benefits for its members for a period of 21 months in the event of their disablement.

(ii) *specifying that the reference in Rule 3.7 to Rule 4.1 shall be replaced with reference to Rule 4.2;*

(iii) *replacing Rule 4.2.1 with the following:*

4.2.1 The EMPLOYER shall make contributions at a rate of the MEMBER'S FUND SALARY set out below;

(a) 27.5 per cent; or

(b) 22.5 per cent; or

(c) 17.5 per cent;

of the MEMBER'S FUND SALARY in respect of each MEMBER, less the current contribution towards the BENEFIT ARRANGEMENT; provided that the option to elect the contribution rate referred to in (a) or (c) above shall only be available to a MEMBER who is remunerated on the basis of TOTAL REMUNERATION PACKAGE and that the contribution rate in (c) shall only be available to such a MEMBER who has elected that his FUND SALARY for the purposes of the FUND shall be determined as at least 70 per cent of his TOTAL REMUNERATION PACKAGE.

(iv) *replacing Rule 4.2.2 (b) with the following:*

(b) the balance, which shall not be less than:

(i) 22.5 per cent of the MEMBER'S FUND SALARY in the case of a MEMBER who is

remunerated on the basis of TOTAL REMUNERATION PACKAGE and elects the rate set out in Rule 4.2.1 (a); or

(ii) 17.5 per cent of the MEMBER'S FUND SALARY in the case of a MEMBER who elects the rate set out in Rule 4.2.1 (b) or is not remunerated on the basis of TOTAL REMUNERATION PACKAGE; or

(iii) 12.5 per cent of the MEMBER'S FUND SALARY in the case of a MEMBER who is remunerated on the basis of TOTAL REMUNERATION PACKAGE and elects the rate in Rule 4.2.1 (c),

shall be applied towards retirement funding under the MEMBER'S FUND CREDIT.

(v) *specifying that the reference in Rule 6.2.2.2 to Rule 5.1 shall be replaced with reference to Rule 5.2;*

(vi) *specifying that the reference in Rule 8.3 (a) to Rule 4.1 shall be replaced with reference to Rule 4.2;*

(vii) *replacing Rule 9.1.1 with the following:*

9.1.1 A MEMBER who either:

(a) is a member of an APPROVED PENSION FUND, any other APPROVED PROVIDENT FUND, a PROVIDENT PRESERVATION FUND or a PENSION PRESERVATION FUND; or

- (b) was member of such fund prior to becoming a MEMBER of the FUND;

may elect to transfer the benefit to which he is entitled on leaving that fund into the FUND. In such case, the amount so transferred shall be applied under the MEMBER'S FUND CREDIT.

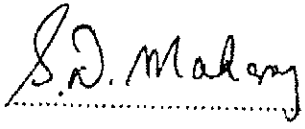
- (viii) *replacing Rule 7.3 (d) with the following:*

7.3(d) the benefit referred to in (b) above shall become payable in the following circumstances:

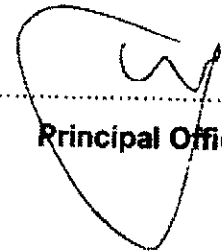
- (aa) to the DEFERRED BENEFICIARY on his retirement in terms of Rule 5.3; or
- (bb) to his beneficiaries in terms of Section 37C of the ACT if he dies before retiring; or
- (cc) on the DEFERRED BENEFICIARY electing that the benefit referred to in (b) above be paid to him as a lump sum or transferred to another fund in accordance with the provisions of Rule 7.2.1 (b).

- (ix) *specifying that the reference in Rule 13.5 to Rule 7.2.2 shall be replaced with reference to Rule 7.2.1 (b);*

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

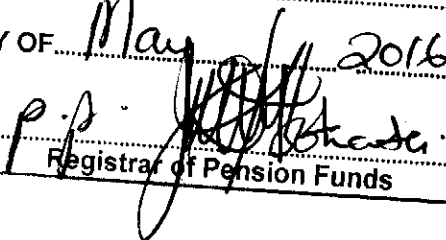

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Chairperson of Trustees


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Trustee


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Principal Officer

Certified that the above amendments are financially sound.

Estienne Bruwer du Toit
.....
Actuary to the Fund

REGISTERED BY ME ON THIS THE
27
DAY OF May 2016

.....
Registrar of Pension Funds


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Signature

BSc, FASSA, FIA
.....
Qualifications