

**PART B:**

**PRASA SUB-FUND**

**SPECIAL RULES**

**DATE OF PARTICIPATION : 1 MAY 2006**

Issued in terms of ss4A(6) of the Transnet Pension Fund Act № 62 of 1990, as amended

**As amended by**

Special Rules Amendment No 1 signed 9 Sept 2011; Effective Date 09.09.2011

Special Rules Amendment No 2 signed 14 April 2016; Effective Date 14.04.2016

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**A. INTRODUCTION**

- A.1 As a result of the **Employer's** participation in the **Sub-Fund**, with effect from the **Participation Date** the following **Special Rules** shall apply with effect from such date.
- A.2 The words and expressions defined in the **General Rules** shall bear the same meaning in these **Special Rules** as assigned to it in the definitions thereof.
- A.3 These **Special Rules** relate to the **Metrorail Sub-Fund** which is a sub-fund of the Transport Pension Fund.

*[inserted wef 09.09.2011]*

**B. DEFINITIONS**

In addition the definitions in the **General Rules** the following words or expressions shall have the following meaning :

- B.1 **Actuarial Surplus** means the excess in the value of –
  - (a) the value that the **Actuary** has placed on the assets assigned to the **Sub-Fund** less any credit balances in the **Pensioner Surplus Reserve** and the **Employer Surplus Reserve**; over
  - (b) the value that the **Actuary** has placed on –
    - (i) the liabilities of the **Fund** insofar as they relate to the **Sub-Fund**; and
    - (ii) reserves held by the **Fund** in respect of the **Sub-Fund** including solvency reserves and reserves in respect of contingent liabilities;

*[definition inserted wef 09.09.2011]*

B.2 **Average Pensionable Salary** : means the **Pensionable Salary** of a **Member** for the period of twelve months prior to the termination of such **Member's Period of Pensionable Service**, divided by 12;

B.3 **Casual Service Member** : means a person who –

B.3.1 was employed by an **Employer** of the **Transnet Group of Employers** on a temporary or casual basis; and

B.3.2 was not at the date of employment with an entity in the **Transnet Group of Employers** entitled to contribute to the **Sub-Fund**; and

B.3.3 subsequently became a **Member**.

B.4 **Employer Surplus Account** means the account established in terms of **Special Rule 18.1.2**;

*[definition inserted wef 09.09.2011]*

B.5 **Interest Payment** means :

B.5.1 the average rate of interest earned on the cash investments of a **Sub-Fund** determined annually on the total cash investments of such **Sub-Fund** as at 31 March of each year; and

B.5.2 effective as from the first day of the month following the date on which the rate of interest becomes known; and

B.5.3 the monthly rate shall be equal to 1/12<sup>th</sup> of the annual rate.

B.6 **Metrorail** : means the South African Rail Commuter Corporation Ltd established in terms of section 22 of the Legal Succession to the South African Transport Services Act, No. 9 of 1989;

B.7 **Participation Date** : means 1 May 2006;

B.8 **Pensioner Surplus Account** means the account established in terms of **Special Rule 18.1.1**;

*[definition inserted wef 09.09.2011]*

B.9 **Period of Antedated Service** : means a period in respect of which a **Member** who elected prior to 1 January 1990 to make contributions to the **Sub-Fund** in respect of a period prior to being employed by an entity in the **Transnet Group of Employers**, but excluding a period prior to such a **Member's 16<sup>th</sup> birthday**;

B.10 **Period of Casual Service** : means a period of service in respect of which a **Casual Service Member** was not entitled to obtain membership of the **Sub-Fund** and in respect of which period such **Casual Service Member** elected to contribute to the **Sub-Fund** once such a **Casual Service Member** became a **Member** of the **Sub-Fund**, but excluding a period prior to a **Casual Service Member's 16<sup>th</sup> birthday**;

- B.11 **Period of Linking of Service** : means a period in respect of which a **Member** –
- who before being re-employed by an entity in the **Transnet Group of Employers**, had been an employee of an entity in the **Transnet Group of Employers** and contributed to the **Sub-Fund**; and
- B.11.1 who subsequent to his re-employment with an entity in the **Transnet Group of Employers** elected to contribute in respect of such previous period of employment with an entity in the **Transnet Group of Employers**; and
- B.11.2 which previous period of employment with an entity in the **Transnet Group of Employers** shall be linked to his current period of employment for purposes of calculating benefits in terms of these **Special Rules**.
- B.12 **Period of Pensionable Service** : means a period in respect of which a **Member**, as an employee of an **Employer** who was obliged to make contributions to the **Fund** and/or **Sub-Fund**, which period shall include a **Period of Casual Service**, a **Period of Linking of Service**, a **Period of Antedated Service** or any period of unpaid leave for which the **Member** elected to contribute to the **Fund** or **Sub-Fund** expressed in years with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year;
- B.13 **Qualifying Child** means –
- B.13.1 a child born to a deceased **Member**; and/or
- B.13.2 a child of the deceased **Member** who had not yet been born at the date of his or her death; and/or
- B.13.3 a child who was adopted by or became a stepchild of the deceased **Member** before the date of retirement of that deceased **Member**; or
- B.13.4 a child who before the **2008 First Rule Amendment Date** was born to, became adopted by or became a stepchild of a person who was then a **Pensioner** and who has since died;
- and
- B.13.5 was dependent on the **Member** or **Pensioner** at the date of his or her death or, but for the **Member's** or **Pensioner's** death, would have become dependent on him or her;
- and
- 13.5.1 is under the age of 18; or
- 13.5.2 is over the age of 18; and

- (i) was engaged in full-time tuition at an education institution registered as such with the Department of Education, has been continuously in such full-time tuition since then, and is not more than 26 years of age; or
- (ii) in respect of whom it has been demonstrated to the satisfaction of the **Sub-Fund Board** that-
- a. he or she is mentally or physically incapable of supporting him or herself, and –
  - b. in respect of whom the **Sub-Fund Board** has at intervals not exceeding 5 years exercised its discretion to treat him or her as a **Qualifying Child** for the purposes of these **Special Rules** for a period or further period not exceeding 5 years,

and "**Qualifying Children**" shall bear a corresponding meaning.

*[inserted wef 09.09.2011]*

- B.14 **Qualifying Spouse** means the surviving spouse(s) of a **Member** or **Pensioner** in a **Recognised Marital Union** existing at the time of the death of the **Member** or of the **Pensioner** provided that in the relation to a **Pensioner** such **Recognised Marital Union** had to have been established before the **2008 Rule Amendment Date**;
- [definition inserted wef 09.09.2011]*
- B.15 **Recognised Marital Union** means a lawful marriage in terms of the Marriage Act, 1961 or a civil union in terms of the Civil Union Act, 2006 or a customary marriage or a marriage by religious rites. In the event of a cohabitation or any other union between a **Member** or **Pensioner** and another person, the **Sub-Fund Board** in its discretion, may deem such a cohabitation or any other union as a **Recognised Marital Union**;
- [definition inserted wef 09.09.2011]*
- B.16 **Redundancy** : means in respect of a **Member** of which the **Administrator** has been notified of by an **Employer** that the employment of the **Member** had been terminated due to redundancy as determined by such **Employer**;
- B.17 **Retirement Date** : means the date on which a **Member** elects to retire in accordance with his or her conditions of employment or is compelled to retire, whichever date is the earlier;
- B.18 **Service Condition** : means the Service Conditions contained in the First Main Agreement published in Government Gazette No. 14237 on 28 August 1992, concluded between **Transnet**

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and the trade unions and which is applicable to all employees of **Transnet**, or any replacement thereof as confirmed by the **Principal Employer**.

B.19 **2008 First Rule Amendment date** means 1 April 2008, the date with effect from which the first rule amendments approved by the **Sub-Fund Board** in 2008 come into retrospective effect.

*[definition inserted wef 09.09.2011]*

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**SPECIAL RULE 1 : MANAGEMENT OF THE SUB-FUNDS**

1

1.1 **Sub-Fund Committees**

1.1.1 A **Sub-Fund Committee** shall be established in respect of each **Sub-Fund**, in terms of the **Act**.

1.1.2 Each **Sub-Fund Board** shall consist of :

1.1.2.1 1 (one) member and one alternate appointed by each **Registered Trade Union** which represents for purposes of collective bargaining with their **Employer**, **Members** assigned to a particular **Sub-Fund Board**, and  
*[substituted wef 09.09.2011]*

1.1.2.2 1 (one) member and one alternate elected by the **Pensioners** of the **Sub-Fund Board**; and  
*[inserted wef 09.09.2011]*

1.1.2.3 **Members** and alternates which the **Principal Employer** and the **Employers** related to it may jointly appoint to the particular **Sub-Fund Board**, equal in aggregate to the number of **Members** appointed by all **Registered Trade Unions** to such **Sub-Fund Board** as contemplated in **Special Rule 1.1.2.1** and the number of **Members** appointed in terms of **Special Rule 1.1.2.2**,

Provided that nothing in this **Sub-Rule 1.1.2** shall be construed as restricting membership of the **Board** or alternates to persons who are **Members** of the **Fund**.  
*[substituted wef 09.09.2011]*

1.1.2A The term of office of a **Sub-Fund Board** shall be for such period as the **Sub-Fund Board** may determine, but no longer than 4 years. A member of a **Sub-Fund Board** on the termination of his or her term of office will be capable of being re-elected or re-appointed, as the case may be.  
*[inserted wef 09.09.2011]*

1.1.3 A **Sub-Fund Committee** member or alternate member shall cease to hold office or be entitled to act in the place of a **Sub-Fund Committee** member upon :

1.1.3.1 resignation as a **Sub-Fund Committee** member; or



- 1.1.3.2 termination of his/her appointment by the **Registered Trade Union** that made the appointment in terms of **Special Rule Error! Reference source not found.**; or
- 1.1.3.3 termination of his/her appointment by the **Principal Employer** or **Employer** that made the appointment in terms of **Special Rule 1.1.2.2**; or
- 1.1.3.4 disqualification in terms of **General Rule 3.3** whether or not the **Sub-Fund Committee** member is a **Trustee**.

## 1.2 Meetings of Sub-Fund Committees

- 1.2.2 The members of every **Sub-Fund Committee** shall appoint a chairperson from amongst their members at the first **Sub-Fund Committee** and shall elect a new chairperson thereafter at intervals of 12 (twelve) consecutive months, at which event a previous chairperson may be re-elected.
- 1.2.3 The chairperson, when unable to attend any meeting, shall appoint an acting chairperson for that meeting, who shall be a member of the **Sub-Fund Committee** or failing such appointment, the members present shall appoint an acting chairperson for that meeting from amongst themselves.
- 1.2.4 The members of a **Sub-Fund Committee** may convene meetings as the chairperson or the majority members may deem fit, which meetings shall be held not less than once every 2 (two) months.
- 1.2.5 A quorum at the meetings of the **Sub-Fund Committee**, shall be a majority of members of such **Sub-Fund Committee**, excluding any vacancies.
- 1.2.6 Any resolution shall be made by a majority vote at a duly constituted meeting.

## 1.3 Powers of Sub-Fund Committees

Subject to the provisions of the **Act** and the **Rules**, the **Sub-Fund Committee** shall have the following powers :

- 1.3.1 to determine by agreement with the applicable **Principal Employer** and implement the investment policy and strategy to be applied to the assets assigned to the **Sub-Fund**;

- 1.3.2 to receive, administer and invest the moneys and other assets of the **Sub-Fund** or to cause the moneys or other assets of the **Sub-Fund** to be invested;
- 1.3.3 to acquire, hold, alienate or otherwise deal with any movable or immovable property attributable to the **Sub-Fund**;
- 1.3.4 to invest, lend, place on deposit, make advances of, or otherwise deal with all moneys and investments of the **Sub-Fund** upon such securities and in such manner as the **Sub-Fund Committee** may determine from time to time; and, in particular, to invest the whole or part of the moneys or investments of the **Sub-Fund**, for such period and on such terms as the **Sub-Fund Committee** may determine, in an investment policy issued by an **Insurer**;
- 1.3.5 to exercise control over and manage the **Sub-Fund** in the best interests of the **Sub-Fund** with due regard to the interests of the **Members, Pensioners, Dependants, Nominees** and **Employers** assigned to the **Sub-Fund**;
- 1.3.6 to determine how benefits payable on the death of a **Member** assigned to the **Sub-Fund** are to be allocated amongst his or her **Dependants** and **Nominees**;
- 1.3.7 to determine whether a person who claims a benefit for which a **Sub-Fund** is liable is entitled to that benefit;
- 1.3.8 to exercise such powers as the **Minister** may by regulation confer upon the **Sub-Fund Committee**;
- 1.3.9 to exercise such powers as the **Board** of the **Sub-Fund** may delegate to the **Sub-Fund Committee**;
- 1.3.10 to appoint investment managers, at the cost of the **Sub-Fund** for purposes of making or realizing investments;
- 1.3.11 to appoint and to delegate powers and functions to any sub committee or such professionals or consultants, at the cost of the **Sub-Fund**, as the **Sub-Fund Committee** deems fit;
- 1.3.12 to generally do anything relating to the making of investments to the best advantage of the **Sub-Fund**, including (but not limited to) anything to enable the **Sub-Fund** to meet its current and future liabilities; and/or to reduce its investment risk.

**SPECIAL RULE 2 : PENSIONABLE SERVICE**

2

2.1

- 2.1.1 A **Member** of the **Fund** who, immediately prior to the date of admission thereto, was employed in a temporary or a casual capacity, may elect, subject to the succeeding provisions of this **Special Rule**, to contribute in respect of the period of continuous service prior to the said date, but not prior to the **Member's** sixteenth birthday.
- 2.1.2 The option provided for in **Special Rule 2.1.1** may be exercised at any time while the **Member** is in the employ of an **Employer** after the date on which the **Administrator**, by means of an option form, furnishes the **Member** with details of the arrear contributions and interest that will become payable to the **Fund** should the **Member** decide to contribute in respect of any such period of continuous service as is referred to in that **Special Rule**. An option exercised in terms of this **Special Rule** shall be irrevocable. Should any disagreement arise between the **Member** and the **Administrator** concerning the information furnished in terms of this **Special Rule**, the **Administrator** shall submit full particulars of the case to the Secretary for the decision of the **Sub-Fund Committee**, which shall be final and binding on the parties.
- 2.1.3 A **Member** who receives an option form from the **Administrator** in terms of **Special Rule 2.1.1** shall sign, date and return a receipt for such option form to the **Administrator**.
- 2.1.4 Whenever membership of the **Fund** is antedated in terms of **Special Rule 2.1.1**, the **Member** shall be required to pay arrear contributions to the **Sub-Fund** on the following basis:
- 2.1.4.1 For the period of continuous service prior to 1 April 1986, at the rate of 4,5% of the **Pensionable Salary** drawn during the period to be covered;
- 2.1.4.2 for the period of continuous service from 1 April 1986, up to and including 15 June 1987 at the rate of 5,5% of the **Pensionable Salary** drawn during the period to be covered;
- 2.1.4.3 for the period of continuous service from 16 June 1987, at the rate of 7,5% of the **Pensionable Salary** drawn during the period covered; and
- 2.1.4.4 any appropriate additional special contributions as laid down in **Special Rule 5.2**.



- 2.1.5 In addition to the arrear contribution prescribed in **Special Rule 2.1.4**, the **Member** shall pay interest as follows:
- 2.1.5.1 Prior to 1 April 1971 - at 4,5% per annum.
- 2.1.5.2 From 1 April 1971 up to the end of the month in which the option is exercised - at the rate of **Interest Payment** applicable at the date of the exercise of the option. For calculation purposes the monthly rate shall be equivalent to one twelfth of the annual rate.
- 2.1.6 Arrear contributions and interest may be paid in one amount, or in such monthly instalments as may be determined but in such a manner that a **Member's** monthly payment for arrear contributions shall be at least 2% of the **Pensionable Salary** unless such 2% is less than the monthly interest on the debt, in which event the interest plus R1,00 shall be recovered.
- 2.1.7
- 2.1.7.1 If a **Member** referred to in **Special Rule 2.1.1** dies or is retired for any of the reasons referred to in **Service Conditions 7, 8, 11, 12, 13, or 15**, except where retirement is effected by reason of permanent ill-health or physical disability and a medical practitioner has certified that the permanent ill-health of physical disability was occasioned by the **Member's** own default-
- 2.1.7.1.1 before the option form referred to in **Special Rule 2.1.2** has been furnished, or
- 2.1.7.1.2 after such option form was furnished but before the option referred to in **Special Rule 2.1.1** has been exercised,
- the **Member** shall be deemed to have elected to contribute in respect of such period of continuous service as is referred to in **Special Rule 2.1.1** and any benefit payable to the **Member** or to some other person in respect of the **Member** or to some other person in respect of the **Member's** death shall be calculated as if the amount payable in terms of **Special Rules 2.1.4 and 2.1.5** had been paid in full at the time of the **Member's** death or retirement, as the case may be, provided that the provisions of this **Special Rule** shall be given effect to only if it would be to the advantage of the **Member** or such other person to do so.
- 2.1.7.2 If a **Member** who has elected to contribute in respect of any such period of continuous service as is referred to in **Special Rule 2.1.1**, dies or retires for any

of the reasons mentioned in **Special Rule 2.1.7.1** before the amounts payable in terms of **Special Rules 2.1.4** and **2.1.5** have been paid in full, any benefit payable to the **Member** or to some other person in respect of the **Member's** death, shall be calculated as if such amounts had been paid in full at the time of the **Member's** death or retirement, as the case may be.

- 2.1.7.3 If a **Member**, who has elected to contribute in respect of any such period of continuous service as is referred to in **Special Rule 2.1.1**, leaves the service of an **Employer** for any reason other than the reason referred to in **Special Rule 2.1.7.1**, the antedated pensionable service shall be taken into account in the calculation of the benefit and any amount owing on account of arrear contributions and interest, if any, shall be recovered from such benefit.
- 2.1.7.4 Upon the death or retirement of a **Member** to whom **Special Rules 2.1.7.1** or **2.1.7.2** apply, any amount payable in terms of **Special Rules 2.1.4** and **2.1.5** which has not then been paid or paid in full, shall be recovered by deduction thereof from any benefit payable to the **Member** or to some other person in respect of the **Member's** death.
- 2.1.7.5 If a **Member** who has elected to contribute in respect of such period of continuous service as is referred to in **Special Rule 2.1.1** ceases to be a **Member** in the circumstances mentioned in **Special Rule 10.12.2** before the amounts payable in terms of **Special Rules 2.1.4** and **2.1.5** have been paid in full, and a **Pension** is granted under the said **Special Rule**, there shall be taken into account, for the purpose of calculating the amount of such **Pension**, only such portion of the said period of service as has actually been covered by contributions at the date upon which the **Member** ceased to be a **Member**.

## 2.2

- 2.2.1 In the case of a **Member** of the **Sub-Fund** who joined the South African Transport Services or its predecessor before 1 January 1990 at an age higher than 16 years and elected, prior to 1 January 1990, to antedate pensionable service back to such **Member's** sixteenth birthday, or for a period of five years or in multiples thereof to a date not earlier than the **Member's** sixteenth birthday, and who retires for any of the reasons referred to in **Service Conditions 7, 8, 11, 12, 13 and 15** before the debt has been settled, the full period of the antedated service shall be taken into account in calculating the benefit and the balance of the debt shall be recovered from the benefit. This **Special Rule** shall however not be applicable where retirement is effected on ground of permanent ill-health or physical disability and a medical practitioner has certified that the retirement is due to the **Member's** own default.

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- 2.2.2 If a **Member** who has exercised the option referred to in this **Special Rule 2.2** leaves the service of an **Employer** for any reason other than the reasons referred to in **Special Rule 2.2.1**, the antedated pensionable service shall not be taken into account in the calculation of the benefit and only the **Member's** own contributions together with the contributions made by the **Employer** without interest shall be refunded to the **Member**. This **Special Rule** shall also apply where retirement is effected on ground of permanent ill-health or physical disability and it is certified by a medical practitioner that the retirement is due to the **Member's** own default.
- 2.2.3 If a **Member** who has exercised the option referred to in this **Special Rule 2.2** is dismissed as the result of a disciplinary infringement, the antedated pensionable service shall not be taken into account in the calculation of the benefit and only the **Member's** own contributions together with the contributions made by the **Employer** without interest shall be refunded to the **Member**.
- 2.2.4 If a **Member** who has exercised the option referred to in this **Special Rule 2.2** dies before the debt due has been paid in full, the full period of antedated pensionable service shall be taken into account in calculating the benefit and the balance of the debt shall be recovered from the benefit payable.
- 2.2.5 If a **Member** exercised the option referred to in this **Special Rule 2.2** to antedate pensionable service after attainment of the lower retiring age and the cash sum of the benefit has been paid in terms of **Special Rule 10.1.7.1** the debt in respect of the antedated service shall be recovered from the additional cash sum which flows from such an option. If the additional cash sum is not sufficient, the balance shall, when the option is exercised, be paid in cash.



**SPECIAL RULE 3 : CONTINUITY AND LINKING UP OF EMPLOYMENT FOR PENSION PURPOSES**

3

3.1 Any periods of employment of any **Member** –

3.1.1 with an **Employer**,

3.1.2 with the South African Transport Services or the South African Railways and Harbours Administration,

3.1.3 in any other service to the extent of any portion of such employment admitted for **Pension** purposes, and

3.1.4 in accordance with the provisions of **Special Rule 2**,

shall, if uninterrupted, be deemed to be one period of continuous employment for the purposes of these **Special Rules**.

3.2 A **Member** of the **Sub-Fund** who had previous pensionable service may link up a previous **Period of Pensionable Service** in respect of which an annuity is not payable, with current pensionable service, provided that –

3.2.1 documentary evidence of the previous period of service and salary scales is provided by the **Member**;

3.2.2 the period of the break does not exceed 5 years; and

3.2.3 the **Member's** own contributions in respect of the previous service, as calculated by the **Administrator**, plus any interest that might have been payable, shall be paid back into the **Sub-Fund** by the **Member** as well as compound interest calculated on the total of both amounts based on –

3.2.3.1 the average return of the **Sub-Fund's** investments, held by the investment managers referred to in **Special Rule 1.3.10**, calculated by the **Actuary**; and

3.2.3.2 from 1 May 1994 at the rate of **Interest Payment**.

3.2.4 If a **Member** should decide to link up service –

- 3.2.4.1 no moneys shall be payable to the **Sub-Fund** if no benefit was paid;
- 3.2.4.2 provided however that the **Member** may upon re-employment again exercise the option to contribute to the **Sub-Fund** in respect of the period referred to in **Special Rule 2.1.1**;
- 3.2.4.3 the break in service shall be regarded as non-pensionable service and shall not be taken into account when calculating the benefit upon termination of employment.
- 3.3 Should a **Member** who wishes to link up service in terms of **Special Rule 3.2** have previously exercised the election referred to in **Special Rule 2.2** such election shall be cancelled and the amount already paid in terms thereof shall be used to settle, fully or partly, the liability referred to in **Special Rule 3.2.3**. Interest shall be forfeited.
- 3.4 If a **Member** who has exercised the option referred to in **Special Rule 3.2** retires before the liability has been settled, the balance shall be recovered from the cash sum, which constitutes part of the benefits.
- 3.5 In the case of a **Member**, who has exercised the option referred to in **Special Rule 3.2**, whose services with an **Employer** are terminated under circumstances such that an annuity does not become payable, the pensionable service shall be calculated only for the last period of actual service. The amount the **Member** had paid, together with the interest thereon, at the date of termination shall be refunded.
- 3.6 If a **Member** who has exercised the option referred to in **Special Rule 3.2** dies before the debt due has been paid in full, the full period of previous service shall be taken into account in calculating the benefit and the balance of the debt shall be recovered from the benefit payable.
- 3.7 The debt referred to in **Special Rule 3.2.2** may be paid in one amount or recovered in monthly instalments from the **Member's** salary in such manner that the payment shall be at least 2% of the **Pensionable Salary**. Should the payment be less than the monthly interest on the debt, the interest plus R1,00 shall be recovered.

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**SPECIAL RULE 4 : PENSIONABLE SALARY ON WHICH CONTRIBUTIONS SHALL BE MADE**

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- 4.1 The **Pensionable Salary** on which contributions to the **Sub-Fund** shall be paid shall be salary and service bonus.
- 4.2 The following shall not constitute **Pensionable Salary** or be taken into account in determining the benefit payable to a **Member**:
- 4.2.1 Payments for Sunday time and overtime.
- 4.2.2 Allowances of any kind, unless the **Sub-Fund Committee** decides otherwise.
- 4.2.3 Fees, honoraria and bonuses of any kind, other than the service bonus referred to in **Special Rule 4.1**.
- 4.3
- 4.3.1 Except where provided to the contrary an **Member** shall contribute monthly to the **Sub-Fund** at the appropriate rate of contributions as determined in **Special Rule 5**, provided that, contributions on the service bonus be recovered in the month during which month such bonus is payable.
- 4.3.2 The contributions of a **Member** who leaves the service of an **Employer** for any reason during the course of a month shall be on a *pro rata* basis.
- 4.4 If the ordinary hours of duty of any section of the personnel of an **Employer** are temporarily reduced as a measure of economy, a **Member**, whose hours are so reduced, shall continue to contribute to the **Sub-Fund** on the **Pensionable Salary** on which contributions immediately prior to the reduction were based and, for the purpose of the **Sub-Fund** but for no other purpose, such **Pensionable Salary** shall be regarded as the applicable **Pensionable Salary**.
- 4.5 If the **Pensionable Salary** of a **Member** is reduced, except as provided for in **Special Rule 4.4**, the **Member** shall, in the absence of an election to contribute on the reduced **Pensionable Salary**, continue to contribute to the **Sub-Fund** on the **Pensionable Salary** on which contributions immediately prior to the reduction were based and, for the purpose of the **Sub-Fund** but for no other purpose, such **Pensionable Salary** shall be regarded as the applicable **Pensionable Salary**.



**SPECIAL RULE 5 : RATES OF CONTRIBUTIONS**

5

5.1 Every **Member** shall contribute to the **Sub-Fund** at the rate of 7,5% of **Pensionable Salary**.

5.1A The **Employer** shall contribute to the **Sub-Fund** annually such an amount as the **Actuary** has determined on an annual basis, not taking into consideration the amounts in the **Employer Surplus Account** or the **Pensioner Surplus Account**, which is reasonably necessary to maintain the actuarial funding level of the **Sub-Fund** at least at a 100% (one hundred per cent) actuarial funding level as determined by the **Actuary** from time to time.

*[inserted wef 09.09.2011]*

5.2 Every **Member** who holds a position mentioned in **Service Condition** 15(1)(b) or a **Member** to whom the *proviso* to **Service Condition** 15(1)(e) applies, shall, in addition to the contributions prescribed in **Special Rule** 5.1, make special contributions to the **Sub-Fund** at the rate of 1% of **Pensionable Salary** with effect from the date of appointment to any such position.

5.3 If a **Member** by whom the special contributions prescribed in **Special Rule** 5.2 are payable, is transferred (otherwise than in consequence of a disciplinary punishment of reduction in rank for a specified period) to a post in respect of which special contributions are not payable, the amount of the special contributions paid shall be refunded without interest.

5.4 When a refund in terms of **Special Rule** 5.3 is made to a **Member**, the **Sub-Fund** shall retain the contributions to the **Sub-Fund** made by the **Employer**.

5.5 A **Member** to whom **Special Rule** 5.2 applies, who has been transferred under the circumstances mentioned in **Special Rule** 5.3, and who is subsequently reappointed to a post in respect of which the special contributions are payable, shall repay to the **Sub-Fund**, in such manner as the **Administrator** may determine, the amount that was paid in terms of **Special Rule** 5.3 and, if at the time of such **Member's** retirement or death such amount has not been paid in full, the balance may, in the absence of agreement as to some other method of payment, be recovered from any moneys due to the **Member** by the **Employer** or by deduction from any benefit payable to such **Member** or to some other person in respect of such **Member's** death.

5.6 The provisions of this **Special Rule** shall not affect the provision relating to the payment of arrear contributions and interest contained elsewhere in these **Special Rules**.

**SPECIAL RULE 6 : WHEN CONTRIBUTIONS COMMENCE**

- 6 Contributions to the **Sub-Fund** shall commence --
- 6.1 in the case of an **Member** who was a **Member** of the New Fund or the Pension Fund prior to the commencement of the **Act**, from the date which has been or may be determined as the commencing date of membership in terms of any act or regulation then applicable; or
- 6.2 in the case of an **Member** who becomes a **Member** on or after the date of commencement of the **Act**, as from which such **Member** qualifies for membership of the **Fund**.

**SPECIAL RULE 7 : COLLECTION OF CURRENT CONTRIBUTIONS AND ARREAR CONTRIBUTIONS WITH INTEREST FROM A MEMBER**

7

7.1 Current contributions due to the **Sub-Fund** by a **Member** shall, except where otherwise provided in this **Special Rule**, be collected by means of salary deductions through the medium of the **Member's** pay voucher.

7.2 Arrear contributions and interest due to the **Sub-Fund** by a **Member** shall also be collected by means of salary deductions through the medium of the **Member's** pay voucher and shall be so collected at the rate of at least 2% of **Pensionable Salary** unless 2% of **Pensionable Salary** is less than the monthly interest on the debt in which event the interest plus R1,00 shall be recovered provided that, by arrangement with the **Administrator**, a **Member** may elect –

7.2.1 to increase, beyond 2% of **Pensionable Salary**, the rate at which arrear contributions and interest shall be so collected, and/or

7.2.2 to make cash payments periodically in reduction of arrear contributions and interest in addition to the amounts that are deducted in respect thereof from pay vouchers in terms of this **Special Rule**.

MAK  
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**SPECIAL RULE 8: COLLECTION OF CURRENT AND ARREAR CONTRIBUTIONS AND INTEREST THEREON OUTSTANDING WHEN A MEMBER LEAVES THE SERVICE OF AN EMPLOYER OR DIES**

8

8.1

When a **Member** leaves the service of an **Employer** for any reason or dies and there is owing by such **Member** to the **Sub-Fund** any amount on account of –

- 8.1.1 contributions in respect of a period of service immediately preceding the date on which the **Member** leaves the service of an **Employer** or dies, which are in terms of **Special Rule 8.2** required to be assessed but not actually recovered from the salary payable for that period, or
- 8.1.2 contributions erroneously not collected in respect of any period earlier than that referred to in **Special Rule 8.1.1**, or
- 8.1.3 unpaid contributions and interest (if any) for the payment of which the **Member** had incurred liability in terms of **Special Rule 9.2.1**, or
- 8.1.4 contributions and interest (if any) for the payment of which the **Member** had incurred liability by reason of the **Member's** having at some time in the past been mistakenly but *bona fide* dealt with under any provision of any act, regulation, **Service Condition** or **Special Rule** applicable, as if the **Member** had left the service of an **Employer**,

there shall nonetheless be calculated with reference to the whole period of employment which can be taken into account for pension purposes, any benefit payable to such former **Member** or such **Member's** estate or to some other person in respect of such **Member's** death, and any amount so owing to the **Sub-Fund** shall be recovered, in the manner prescribed in the succeeding **Special Rules**, from such benefit.

8.2

The period of service, referred to in **Special Rule 8.1.1** in respect of which current contributions shall be assessed but not actually recovered from a **Member's** salary, shall be –

- 8.2.1 that which a **Member** of the **Sub-Fund**, who is leaving the service of an **Employer** on grounds other than retirement with a benefit, or who dies, completes after the close of the period covered by the amount of salary included on the last pay voucher compiled by the **Employer** concerned prior to the receipt of the advice in the accounting section concerned containing the information that the **Member** is leaving the such service or has died, or

- 8.2.2 that which a **Member** of the **Sub-Fund**, who is retiring with a benefit, will, according to the information shown on the advice referred to in **Special Rule 8.2.1**, complete during the pay month in which retirement takes place.
- 8.3 The collection of any current contributions in arrear and any arrear contributions in instalments from the salary of a **Member** referred to in **Special Rule 8.1** shall be discontinued for the period in respect of which normal current contributions are assessed in terms of the said **Special Rule**.
- 8.4 The advice referred to in **Special Rule 8.2.1** shall be submitted to the **Administrator** as soon as it is practicable to insert thereon particulars in respect of a **Member** referred to in **Special Rule 8.2.1** or 8.2.2 of –
- 8.4.1
- 8.4.1.1 normal current contributions;
  - 8.4.1.2 the instalment in respect of current contributions in arrear (if any); and
  - 8.4.1.3 the instalment in respect of arrear contributions (if any);
- deducted from the **Member's** salary on the last pay voucher compiled prior to the receipt of the advice in the accounting section,
- 8.4.2
- 8.4.2.1 normal current contributions;
  - 8.4.2.2 instalments in respect of current contributions in arrear (if any); and
  - 8.4.2.3 instalments in respect of arrear contributions (if any),
- that still require to be deducted for the further period ending at the close of the pay month immediately preceding that in which the **Member** will retire; and
- 8.4.3
- 8.4.3.1 normal current contributions that will be assessed for the final prescribed period of service in terms of **Special Rule 8.2.1** or 8.2.2; and
  - 8.4.3.2 other current and/or arrear contributions (if any) that may be outstanding on the **Member's** last day in the employ of an **Employer**.

- 8.5 When all the particulars required for the completion of the advice referred to in **Special Rule 8.2.1** are not available at the date it is due to be submitted to the accounting section concerned or to the **Administrator**, as the case may be, it shall be forwarded without further delay, and the particulars, unavoidably omitted, shall be transmitted as soon as possible thereafter to the **Administrator** who will determine the amount of contributions, and the interest thereon, if any, that require, in terms of **Special Rule 8.6**, to be deducted from benefits payable.
- 8.6 The **Administrator** shall then proceed, with due regard to the provisions of **Special Rule 8.1** to calculate the benefit payable to an **ex-Member**, or **Pensioner**, or any other **Dependant** or the estate of a deceased **Member**, as the case may be, and shall deduct from such benefit the amount of the assessed current contributions referred to in **Special Rule 8.4.3**, together with any amount in respect of current and/or arrear contributions and interest thereon referred to in **Special Rules 8.1.2** to **8.1.4**, that may be outstanding at the date the **Member** leaves the service of an **Employer** or dies, provided that, if the **Member** retires with a cash sum and a **Pension**, the amount due shall be recovered –
- 8.6.1 as a first charge as far as possible from the cash sum that may be paid to such person or estate, or
- 8.6.2 as a first charge in one amount, or in monthly instalments as may be determined by the **Administrator**, from the **Pension** if the cash sum is less than the amount owed to the **Sub-Fund**, provided that, if the **Pensioner**, from whose **Pension** the outstanding contributions and interest (if any) are being recovered in monthly instalments, dies before the total amount due to the **Sub-Fund** is paid, the amount outstanding shall be recovered from the benefit payable in respect of such **Pensioner's** death.

**SPECIAL RULE 9: CONTRIBUTIONS BY MEMBERS ON LEAVE OR UNDER SUSPENSION**

9

9.1 A **Member** shall continue to contribute to the **Sub-Fund** while on leave, off sick or under suspension, with full or partial pay, but such contributions shall be calculated on the full **Pensionable Salary**.

9.2

9.2.1 A **Member** shall be liable to contribute to the **Sub-Fund** in respect of a period not exceeding 90 days during which such **Member** has continuously been on leave, off sick or under suspension, without pay. The contributions due in respect of such period shall, upon resumption of duty, be recovered from salary in monthly instalments at the rate of 5% of current monthly **Pensionable Salary** or in one instalment when the amount outstanding does not exceed a figure equalling 5% of such **Pensionable Salary**. No interest shall be charged on such contributions.

9.2.2 A **Member** may elect to contribute to the **Sub-Fund** in respect of the whole of a period exceeding 90 days during which such **Member** continuously been on leave, off sick or under suspension, without pay, and the **Member** shall not be precluded from electing so to contribute because of an election prior to 1 March 1978 not to contribute in respect of such period.

9.2.3 The option provided for in **Special Rule 9.2.2** may be exercised at any time while the **Member** is in the service of an **Employer** after the **Administrator** has furnished such **Member** with particulars of the amount of the liability through the medium of an option form, provided that the **Member** shall sign, date and return to the **Administrator** a receipt for such form.

9.2.4 Should any disagreement arise between the **Member** and the **Administrator** concerning the information furnished in terms of **Special Rule 9.2.3** the **Administrator** shall submit full particulars of the case to the Secretary for the decision of the **Sub-Fund Committee**. The **Sub-Fund Committee's** decision shall be final. The **Member** concerned shall be informed of the decision.

9.2.5 An option exercised in terms of **Special Rule 9.2.2** shall be irrevocable.

9.2.6 Subject to any agreement between the **Employer** and the relevant **Registered Trade Union**:

9.2.6.1 If a **Member** is dismissed and declares a dispute, the **Employer** will continue to pay contributions until the finalising of the dispute, and



- 9.2.6.2 If the dispute has been settled between the parties themselves or if the prosecution of the dispute has been abandoned by the **Member**, the contributions referred to in **Special Rule 9.2.6.1** shall be refunded to the **Employer** together with interest at the rate of **Interest Payment**, unless the parties to the dispute have agreed otherwise.
- 9.2.7
- 9.2.7.1 If a **Member** has elected not to contribute in respect of a period referred to in **Special Rule 9.2.2**, such period shall not be taken into account in calculating the period or continuous employment.
- 9.2.7.2 If a **Member** elects to contribute in respect of a period referred to in **Special Rule 9.2.2**, the contributions due, together with **Interest Payment**, in respect of so much of the period of leave, absence due to sickness or suspension as exceeds 90 days, shall, subject to the provisions of **Special Rules 9.2.7.3** and **9.2.7.4**, be recovered from such **Member's** salary in such monthly payments as may be determined, but in such a manner that the payments shall be at least 2% of the **Member's Pensionable Salary**, unless 2% of such **Pensionable Salary** is less than the monthly interest on the debt, in which event the interest plus R1,00 shall be recovered. For calculation purposes the monthly rate shall be equivalent to one twelfth of the annual rate.
- 9.2.7.3 A **Member** may pay higher instalments through the medium of such **Member's** pay voucher or make a cash payment in settlement of the total indebtedness or part thereof, with the balance, in the latter case, being deducted in monthly instalments agreed upon by the **Administrator** and the **Member**.
- 9.2.7.4 A **Member** may, by arrangement with the **Administrator**, make further additional cash payments periodically in reduction of the debt.
- 9.2.8 If a **Member** dies before the exercise of the option, it shall be accepted, if it is to the benefit of the widow, widower or dependents, that the **Member** wished to contribute for a period referred to in **Special Rule 9.2.2** and the outstanding debt shall be recovered from the benefit payable.
- 9.3 Contributions in respect of any period deemed as leave without pay or absence due to sickness without pay shall be calculated and made in accordance with **Special Rule 4.3.1**, and shall be based on the **Pensionable Salary** which the **Member** would have received during the deemed period of leave, absence due to sickness or period of suspension from duty.



- 9.4 Contributions payable in terms of this **Special Rule** shall be calculated at the rate applicable during the period of leave, absence due to sickness or suspension from duty.
- 9.5 When a **Member** resumes duty after a period of suspension exceeding 90 days, the **Employer** shall supply particulars of such absence to the **Administrator**.

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**SPECIAL RULE 10 : BENEFITS**

10

## 10.1 AGE-LIMIT

10.1.1 The benefit payable to a **Member**, to whom **Service Condition 15(4)** does not apply, upon retirement from the service of an **Employer** upon reaching the age-limit of 63 years provided for in **Service Condition 15(1)(a)** shall, if the **Member's** contributions cover a period of ten years or more, be as follows:

10.1.1.1 A **Pension** which shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction shall be the period of membership of the **Fund** expressed in years, with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the denominator shall be 54.

10.1.1.2 A cash sum which shall be calculated by multiplying each rand of one-third of the **Pension** calculated in terms of **Special Rule 10.1.1.1** by a factor of 12.

10.1.2 The benefit payable to a **Member**, to whom **Service Condition 15(4)** does not apply, upon retirement from the service of an **Employer** upon reaching the age-limit of 58 years provided for in **Service Condition 15(1)(b)** shall, if the **Member's** contributions cover a period of 10 years or more, be as follows:

10.1.2.1 A **Pension** which shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction shall be the period of membership expressed in years, with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the denominator shall be 49.

10.1.2.2 A cash sum which shall be calculated by multiplying each rand of one-third of the **Pension** calculated in terms of **Special Rule 10.1.2.1** by a factor of 13,50.

10.1.3 The benefit payable to a **Member** upon retirement from the service of an **Employer** upon reaching the age-limit of 63 provided for in **Service Condition 15(1)(e)** shall, if such **Member's** contributions cover a period of 10 years or more, be as follows:

10.1.3.1 A **Pension** which shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction be the period of membership of the **Fund** expressed in years, with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the denominator shall be 54.

10.1.3.2 A cash sum which shall be calculated by multiplying each rand of one-third of the **Pension** calculated in terms of **Special Rule 10.1.3.1** by a factor of 12.

10.1.4 The benefit payable to a **Member** upon retirement from the service of an **Employer** upon reaching the age-limit of 58 provided for in the *proviso* to **Service Condition 15(1)(e)** shall, if such **Member's** contributions cover a period of 10 years or more, be as follows:

10.1.4.1 A **Pension** which shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction shall be the period of membership of the **Fund** expressed in years, with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the denominator shall be 49.

10.1.4.2 A cash sum which shall be calculated by multiplying each rand of one-third of the **Pension** calculated in terms of **Special Rule 10.1.4.1** by a factor of 13,50.

10.1.5 The benefit payable to a **Member**, to whom **Service Condition 15(4)** applies, who elects to retire or is retired on reaching the lower retiring age referred to therein, shall be, if the **Member's** contributions cover a period of 10 years or more, as follows:

10.1.5.1 A **Pension** which shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction shall be the period of membership of the **Fund** expressed in years, with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the dominator shall be:

- (a) 55 in the case of a **Member** to whom the provisions of **Service Condition 15(1)(b)** apply; and

*NAK*  
*ABET*

(b) 60 in all other cases.

10.1.5.2 A cash sum which shall be calculated by multiplying each rand of one-third of the Pension calculated in terms of Special Rule 10.1.5.1 by the following factor:

Age	Factor
55 .....	13,50
60 or over .....	12,00

provided that, in the case of a Member to whom Service Condition 15(1)(b) applies, the factor applicable to the age of 55 years shall apply to any higher age.

10.1.6

10.1.6.1 The following benefit is payable to a Member who:

- (a) Contributes at the rate of 7,5% of the Pensionable Salary;
- (b) is entitled to retire at the attainment of the age of 60 years but elected not to do so;
- (c) has completed 10 years or more pensionable service;
- (d) retires on or before the attainment of the retirement age of 63 years:

(i) A Pension which is calculated by multiplying the Member's Average Pensionable Salary during the last 12 months preceding retirement with the Period of Pensionable Service expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) divided by the factor set forth hereinafter opposite the retirement age of the Member:

Age	Factor
60 .....	60
61 .....	58
62 .....	56
63 .....	54

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*Adm*

- (ii) A cash sum which is calculated by multiplying one-third of the pension calculated in paragraph (i) by 12.

10.1.6.2 The following benefit is payable to a **Member** intended in **Special Rule 10.1.6.1** where such **Member's** services are terminated before the attainment of the retirement age of 63 years, on grounds of permanent ill-health or physical disability and where a medical practitioner certified that such permanent ill-health or physical disability is not caused by the **Member's** own default:

- (a) A **Pension** which is calculated by multiplying the **Member's Average Pensionable Salary** during the last 12 months preceding retirement with the **Period of Pensionable Service** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) and divided by 60.
- (b) A cash sum which is calculated by multiplying one-third of the **Pension** calculated in paragraph (a) by 12.

10.1.6.3 The following benefit is payable to a **Member** who:

- (a) Contributes at the rate of 8,5% of the **Pensionable Salary**;
- (b) is entitled to retire at the attainment of the age of 55 years but elected not to do so;
- (c) has completed 10 years or more pensionable service;
- (d) retires on or before the attainment of the retirement age of 58 years:
  - (i) A **Pension** which is calculated by multiplying the **Member's Average Pensionable Salary** during the last 12 months preceding retirement with the **Period of Pensionable Service** expressed in years (each day of an incomplete year reckoned as one three hundred and sixty-fifth of a year) divided by the factor set forth hereinafter opposite the retirement age of the **Member**:

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Age	Factor
55 .....	55
56 .....	53
57 .....	51
58 .....	49

- (ii) A cash sum which is calculated by multiplying one-third of the pension calculated in paragraph (i) by 13,50.

10.1.6.4 The following benefit is payable to a **Member** intended in **Special Rule** 10.1.6.3 where such **Member's** services are terminated before the attainment of the retirement age of 58 years, on grounds of permanent ill-health or physical disability and where a medical practitioner certified that such permanent ill-health or physical disability is not caused by the **Member's** own default:

- (a) A **Pension** which is calculated by multiplying the **Member's Average Pensionable Salary** during the last 12 months preceding retirement with the **Period of Pensionable Service** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) and divided by 55.
- (b) A cash sum which is calculated by multiplying one-third of the **Pension** calculated in paragraph (a) by 13,50.

10.1.7

10.1.7.1 The following benefit is payable to a **Member** who:

- (a) Contributes at the rate of 7,5% of the **Pensionable Salary**;
- (b) has the option to retire at the attainment of the age of 60 years, but who elected not to do so;
- (c) was paid the cash sum before 1 April 1995 that would have been payable in the event of retirement on such date;
- (d) has completed 10 years or more pensionable service;

- (e) retires on or before the attainment of the retirement age of 63 years:
  - (i) A Pension which is calculated by multiplying the Member's **Average Pensionable Salary** during the last 12 months preceding retirement with the **Period of Pensionable Service** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) divided by the factor set forth hereinafter opposite the retirement age of the Member:

Age	Factor
60 .....	60
61 .....	58
62 .....	56
63 .....	54

- (ii) A cash sum (additional to that already paid) which is calculated by multiplying one-third of the pension calculated in paragraph (i) by 12, minus the cash sum received on 60 years of age.

10.1.7.2 The following benefit is payable to a Member intended in **Special Rule 10.1.7.1** where such Member's services are terminated before the attainment of the retirement age of 63 years, on grounds of permanent ill-health or physical disability and where a medical practitioner certified that such permanent ill-health or physical disability is not caused by the Member's own default:

- (a) A Pension which is calculated by multiplying the Member's **Average Pensionable Salary** during the last 12 months preceding retirement with the **Period of Pensionable Service** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) and divided by 60.
- (b) A cash sum (additional to that already paid) which is calculated by multiplying one-third of the Pension calculated in paragraph (a) by 12, minus the cash sum that was received on 60 years of age.

10.1.8

10.1.8.1 The following benefit is payable to a Member who:

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*ASG*



- (a) Contributes at the rate of 8,5% of the **Pensionable Salary**;
- (b) has the option to retire at the attainment of the age of 55 years, but who elected not to do so;
- (c) was paid the cash sum before 1 April 1995, that would have been payable in the event of retirement on such date;
- (d) has completed 10 years or more pensionable service; and
- (e) who retires on or before the attainment of the retirement age of 58 years:
  - (i) A **Pension** which is calculated by multiplying the **Member's Average Pensionable Salary** during the last 12 months preceding retirement with the **Period of Pensionable Service** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) divided by the factor set forth hereinafter opposite the retirement age of the **Member**:

Age	Factor
55 .....	55
56 .....	53
57 .....	51
58 .....	49

- (ii) A cash sum (additional to that already paid) which is calculated by multiplying one-third of the pension calculated in paragraph (i) by 13,50, minus the cash sum that was received on 55 years of age.

10.1.8.2 The following benefit is payable to a **Member** intended in **Special Rule** 10.1.8.1 where such **Member's** services are terminated before the attainment of the retirement age of 58 years, on grounds of permanent ill-health or physical disability and where a medical practitioner certified that such permanent ill-health or physical disability is not caused by the **Member's** own default:

*AK*  
*AP*

- (a) A **Pension** which is calculated by multiplying the **Member's Average Pensionable Salary** during the last 12 months preceding retirement with the **Period of Pensionable Service** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) and divided by 55.
- (b) A cash sum (additional to that already paid) which is calculated by multiplying one-third of the **Pension** calculated in paragraph (a) by 13,50, minus the cash sum that was received on 55 years of age.
- (c) A **Pension** paid in terms of this **Special Rule** shall be paid by the **Employer** until the **Pensioner** reaches the applicable age-limit and thereafter from the **Sub-Fund**.

10.1.9 If the employment of a **Member** of the **Sub-Fund** is terminated on attainment of the applicable age-limit (excluding cases that fall under **Service Condition 11** or **15(3)**) before contributions cover a period of 10 years, twice the amount of the **Member's** own contributions, without interest, shall be refunded.

10.2 LENGTH OF SERVICE

10.2.1

10.2.1.1 A **Member** who is appointed in temporary or permanent employment and contributes to the **Sub-Fund** at the rate of 7,5% of his **Pensionable Salary** and is entitled to retire on completion of 40 years actual service, shall, subject to the provisions of **Special Rules** 10.2.1.4, 10.2.1.5 and 10.2.1.6, be granted benefits as follows:

- (a) A **Pension**, which shall be calculated on the **Member's Average Pensionable Salary** over the last 12 months preceding retirement multiplied by the period of membership of the **Fund** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year), and divided by 60.
- (b) A gratuity, which shall be calculated by multiplying each rand of one-third of the **Pension** calculated in paragraph (a), by 12.

10.2.1.2 A **Member** who is appointed in temporary or permanent employment and contributes to the **Sub-Fund** at a rate of 8,5% of his **Pensionable Salary** and is entitled to retire after completion of –

- (a) 37 years actual service; or
- (b) 37 years actual service in the case of a **Member** who occupied the position of Ore Train Driver, Shunting Driver or Driver's Assistant and was transferred to **Transnet** arising from the purchase of the Sishen-Saldanha Bay Project who elected to retire at the age of 58 years and contributes to the **Sub-Fund** at the rate of 8,5% of his **Pensionable Salary**; or
- (c) 35 years actual service in the case of –
  - (i) a **Member** employed prior to 29 June 1955 and who was a **Member** of the former New Railways and Harbours Superannuation Fund; or
  - (ii) a **Member** employed prior to 1 December 1981 and who was a **Member** of the former Railways- and Harbours Pension Fund for Non-Whites;

shall, subject to the provisions of **Special Rules** 10.2.1.4, 10.2.1.5 and 10.2.1.6 be granted the benefits in **Special Rule** 10.2.1.3.

10.2.1.3 The following benefit shall be granted to a **Member** referred in **Special Rule** 10.2.1.2 :

- (a) A **Pension**, which shall be calculated on the **Member's Average Pensionable Salary** over the last 12 months preceding retirement multiplied by the period of membership of the **Fund** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year), divided by 55.
- (b) A gratuity, which shall be calculated by multiplying each rand of one-third of the **Pension** calculated in paragraph (a), by 13,5.

- 10.2.1.4 The **Member** referred to in **Special Rules** 10.2.1.1 and 10.2.1.2 shall pay to the **Sub-Fund** an amount equivalent to the contributions that would have been payable had the **Member** remained in the employment of the **Employer** until attainment of the age of 60 years for that **Member** who contributes at 7,5% and the age of 55 years for that **Member** who contributes at 8,5%.
- 10.2.1.5 The contributions referred to in **Special Rule** 10.2.1.4 shall be calculated on the **Member's Average Pensionable Salary** during the last 12 months immediately prior to retirement.
- 10.2.1.6 The **Employer** shall pay to the **Sub-Fund** its contributions calculated on the contributions as calculated in terms of **Special Rule** 10.2.1.4.
- 10.2.1.7 Pensionable service referred to in **Special Rule** 2.2 shall be taken into account for the purpose of the period of membership referred to in **Special Rules** 10.2.1.1(a) and 10.2.1.3(a).
- 10.2.2 A **Member** who has completed 35 years actual continuous service on 1 December 1992 to 31 March 1997 (both dates included) and elects to retire, shall be granted the same benefit referred in **Special Rules** 10.2.1.1 and 10.2.1.3, and is subject to the provisions of **Special Rules** 10.2.1.4, 10.2.1.5 and 10.2.1.6.
- 10.3 REDUCTION IN OR REORGANISATION OF PERSONNEL
- 10.3.1 If a **Member** of the **Sub-Fund** in permanent employment is retired on the ground of reduction in or reorganization of personnel, in terms of **Service Condition** 8, the following provisions shall apply:
- 10.3.1.1 A **Member** whose age is less than 55 years irrespective of service shall receive a benefit calculated in accordance with a formula as determine by the **Actuary**. Such benefit shall form a charge against the **Sub-Fund**.
- 10.3.1.2 A **Member** whose age is 55 years or more and whose continuous employment is in the aggregate 25 years or more, shall be entitled to a benefit as follows:

- (a) A **Pension** which shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction shall be the period of membership of the **Fund** expressed in years, with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the denominator shall be 60, provided however that such benefit be reduced by 0,3% for each complete month in the period between the **Member's** sixtieth birthday and the actual date of retirement.
- (b) A cash sum which shall be calculated by multiplying each rand of one-third of the **Pension** calculated in terms of paragraph 10.3.1.2 by the factor of 12.
- (c) The whole benefit shall form a charge against the **Sub-Fund**.

10.3.1.3 A **Member** whose age is 55 years or more and whose continuous employment is in the aggregate less than 25 years, shall receive the benefit referred to in **Special Rule 10.3.1**.

#### 10.4 MUTUAL AGREEMENT

10.4.1 If a **Member** of the **Sub-Fund** in permanent employment is retired on the ground of mutual agreement, in terms of **Service Condition 13**, the following provisions shall apply:

10.4.1.1 A **Member** who has contributed to the **Fund** for a period of 10 years or more and whose age is 50 years or more, and whose continuous employment is in aggregate 25 years or more shall be entitled to a benefit as follows:

- (a) A **Pension** which shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction shall be the period of membership of the **Fund** expressed in years, with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the denominator shall be 60, provided however that such benefit shall be reduced by 0,3% for each complete month in the period between the **Member's** sixtieth birthday and the actual date of retirement.

- (b) A cash sum which shall be calculated by multiplying each rand of one-third of the **Pension** calculated in terms of paragraph 10.4.1.1 by the factor of 12.
- (c) The whole benefit shall form a charge against the **Sub-Fund**.

10.4.1.2 If a **Member** of the **Sub-Fund** in permanent employment, who does not have the option to elect to retire at a lower retiring age in terms of **Service Condition 15(4)**, is retired on the ground of mutual agreement, in terms of **Service Condition 13**, the benefits for which provision is made in **Special Rule 10.1.5** shall apply, provided that, in the event of a **Pension** being payable, the following denominator shall be substituted for that which would otherwise have been applicable if the **Member** has reached the age for which provision is made therein:

Age	Factor
60 .....	60
61 .....	58
62 .....	56
63 .....	54
55 .....	55
56 .....	53
57 .....	51
58 .....	49

10.5 REDUNDANCY

10.5.1 If a **Member** of the **Sub-Fund** in temporary or permanent employment is declared redundant and retires the following provisions shall apply:

10.5.1.1 A **Member** whose age is less than 50 years irrespective of service shall receive a single amount calculated in accordance with a formula as determined by the **Actuary**.

10.5.1.2 A **Member** who has contributed to the **Fund** for a period of 10 years or more and whose age is 50 years or more, and the total of the age and pensionable service is at least 75, shall be entitled to a benefit as follows:

- (a) A single amount calculated in accordance with a formula as determined by the **Actuary**; or
- (b) an annuity and cash sum. The pension shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction shall be the period of membership of the **Fund** expressed in years, with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the denominator shall be 60, provided however such benefit shall be reduced by 0,3% for each calendar month in the period between the **Member's** sixtieth birthday and the actual date of retirement in respect of ordinary personnel who contribute at 7,5% to the **Sub-Fund**. In respect of footplate staff who contribute at 8,5% to the **Sub-Fund** the denominator shall be 55 and the benefit shall be reduced by 0,3% for each calendar month in the period between the **Member's** fifty-fifth birthday and the actual date of retirement. A cash sum which shall be calculated by multiplying the **Pension** calculated by the factor of 4 in the case of ordinary personnel and 4,5 in the case of footplate staff.

10.5.1.3 A **Member** whose age is 50 years or more but the total of his age and pensionable service is less than 75, shall receive the same benefit referred to in **Special Rule** 10.5.1.1.

10.6 MEMBERS OCCUPYING OVERPAID C-GRADES OR PLACED IN GRADED POSTS ON THE BASIS PERSONAL TO HOLDER

10.6.1

10.6.1.1 A **Member** who is appointed in temporary or permanent employment –

- (a) whose age is less than 50 years, irrespective of period of service; and
- (b) who occupies an overpaid C-grade or is placed in a graded post on the basis personal to holder; and
- (c) who retires in accordance with a voluntary package deal,

shall receive a single amount calculated in accordance with a formula as determined by the **Actuary**.

10.6.1.2 A **Member** who is appointed in temporary or permanent employment –

- (a) whose age is 50 years or more but the total of his age and pensionable service is less than 75; and
- (b) who occupies an overpaid C-grade or is placed in a graded post on the basis personal to holder; and
- (c) who retires in accordance with a voluntary package deal,

shall receive a single amount calculated in accordance with a formula as determined by the **Actuary**.

10.6.1.3 A **Member** who is appointed in temporary or permanent employment and contributes to the **Sub-Fund** at the rate of 7,5% of his **Pensionable Salary** –

- (a) whose age is 50 years or more and the total of his age and pensionable service is at least 75; and
- (b) who occupies an overpaid C-grade or is placed in a graded post on the basis personal to holder; and
- (c) who retires in accordance with a voluntary package deal,

shall, subject to the provisions of **Special Rule 10.6.1.5**, receive the benefits in **Special Rule 10.6.1.4** or a single amount calculated in accordance with a formula as determined by the **Actuary**.

10.6.1.4 The following benefits shall be awarded to a **Member** mentioned in **Special Rule 10.6.1.3**:

- (a) A **Pension**, which shall be calculated by multiplying the **Member's Average Pensionable Salary** during the last 12 months prior to retirement with the period of membership of the **Fund** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) divided by 60.
- (b) A cash sum amount, which shall be calculated by multiplying one-third of the **Pension** calculated in paragraph (a) with 12.

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- 10.6.1.5 The benefit of the **Member** referred to in **Special Rule** 10.6.1.3 shall be reduced by 0,3% for each calendar month in the period between the **Member's** sixtieth birthday and the actual date of retirement.
  
- 10.6.1.6 A **Member** who is appointed in temporary or permanent employment and contributes to the **Sub-Fund** at the rate of 8,5% of his **Pensionable Salary** –
  - (a) whose age is 50 years or more and the total of his age and pensionable service is at least 75; and
  - (b) who occupies an overpaid C-grade or is placed in a graded post; and
  - (c) who retires in accordance with a voluntary package deal,
 shall, subject to the provisions of **Special Rule** 10.6.1.8, receive the benefits in **Special Rule** 10.6.1.7 or a single amount calculated in accordance with a formula determined by the **Actuary**.
  
- 10.6.1.7 The following benefits shall be awarded to a **Member** mentioned in **Special Rule** 10.6.1.6:
  - (a) A **Pension**, which shall be calculated by multiplying the **Member's Average Pensionable Salary** during the last 12 months prior to retirement with the period of membership of the **Fund** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) divided by 55.
  - (b) A cash amount, which shall be calculated by multiplying one-third of the **Pension** calculated in paragraph (a) with 13,5.
  
- 10.6.1.8 The benefit of the **Member** referred to in **Special Rule** 10.6.1.6 shall be reduced by 0,3% for each calendar month in the period between the **Member's** fifty-fifth birthday and the actual date of retirement.
  
- 10.6.1.9 For the purpose of the period of membership intended in **Special Rules** 10.6.1.4(a) and 10.6.1.7(a) pensionable service referred to in **Special Rule** 2.2 shall be taken into account.

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## 10.7 INEFFICIENCY

If a **Member** of the **Sub-Fund** is retired before Superannuation on the ground of inefficiency in terms of **Service Condition 7**, the benefits which shall be applicable shall be those applicable on retirement on the ground of permanent ill-health or physical disability not certified by a medical practitioner to be due to the **Member's** own default (subject to the provisions of **Special Rules 10.1.6.2** or **10.1.7.2**, as the case may be), provided, however, that such benefit shall be adjusted as to represent 75% thereof (i.e. the denominator shall be a constant 80 for ordinary personnel and 73 for locomotive personnel. The whole benefit shall form a charge against the **Sub-Fund**.

## 10.8 PERMANENT ILL-HEALTH OR PHYSICAL DISABILITY

10.8.1 If a **Member** is retired in terms of **Service Condition 11** by reason of permanent ill-health or physical disability, in respect of which a medical practitioner has certified that it was due to such **Member's** own default, the **Member** shall be entitled to the **Actuarial Value** pertaining to such **Member**.

## 10.8.2

10.8.2.1 The benefit payable to a **Member**, who has the option to retire at a lower retirement age in terms of **Service Condition 15(4)**, upon retirement from the service of such **Member's Employer** on the ground of permanent ill-health or physical disability in terms of **Service Condition 11** in respect of which a medical practitioner has not certified that it was due to the **Member's** own default, shall (subject to the provisions of **Special Rule 10.1.6.2** or **10.1.7.2** as the case may be), be as follows:

- (a) A **Pension** which shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction shall be the period of membership of the **Fund** expressed in years, with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the denominator shall be –
- (i) 55 in the case of a **Member** to whom **Service Condition 15(1)(b)** applies; and
  - (ii) 60 in the case of other **Members**.

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- (b) A cash sum which shall be calculated by multiplying each rand of one-third of the **Pension** calculated in terms of paragraph (a) by the factor 12,

provided that, in the case of a **Member** to whom **Service Condition 15(1)(b)** applies, the factor of 13,50 shall be used for the purpose of calculating such cash sum, irrespective of the age of the member.

- 10.8.2.2 The benefits payable to a **Member** referred to in **Special Rule 10.8.2.1** but who does not have the option to elect to retire at a lower retiring age in terms of **Service Condition 15(4)**, shall be those referred to in **Special Rule 10.8.2.1**, provided that, in the case of the **Pension**, the denominators set out below shall be substituted for those set out in **Special Rule 10.8.2.1**, if the **Member** has reached an age for which provision is made therein:

Age	Denominator
60 .....	60
61 .....	58
62 .....	56
63 .....	54
55 .....	55
56 .....	53
57 .....	51
58 .....	49
50 .....	50
51 .....	48
52 .....	46
53 .....	44

- 10.8.2.3 A **Member** who, due to mental or physical defect, disease or infirmity could not obtain membership of the Pension Fund prior to 1 April 1993 but is granted membership from 1 April 1993 and is retired earlier than the prescribed retiring age due to the said conditions, shall become entitled to the **Actuarial Value** pertaining to such Member.

[Rule 10.8 amended wef 14.04.2016]

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10.9 ABSCONDMENT OR RESIGNATION WITHOUT NOTICE

If a **Member** who is a **Member** of the **Sub-Fund** absconds or resigns without having complied with the requirements of any law or contract regarding the giving of notice and the **Employer** has not waived its right to receive such notice, shall be entitled to the **Actuarial Value** pertaining to such **Member**.

*[amended wef 14.04.2016]*

10.10 ABSCONDMENT OR REFUSAL TO SERVE IN CONCERT

Whenever a number of **Members** acting in concert desert or refuse to serve, or absent themselves from duty without lawful cause or reasonable excuse, or resign without giving the notice required by law, rule or contract, and in terms of any law applicable to the **Employer** concerned are deemed in consequence to have terminated their services, such **Members** shall, notwithstanding anything in any law or these **Special Rules** contained, be entitled, after the expiration of a period of three months after they have so terminated their services, to receive on application the **Actuarial Value** pertaining to such **Member**.

*[amended wef 14.04.2016]*

10.11 RESIGNATION

10.11.1 Subject to **Special Rule 2.2.2** a **Member** of this **Sub-Fund** who resigns voluntarily shall be entitled to the **Actuarial Value** pertaining to such **Member**.

*[substituted wef 09.09.2011; amended wef 14.04.2016]*

10.11.2 ... *[deleted wef 14.04.2016]*

10.12 DISMISSAL

10.12.1 A **Member** of the **Sub-Fund** who-

10.12.1.1 is dismissed on account of a disciplinary infringement, or

10.12.1.2 resigns in order to avoid dismissal or in anticipation of a charge alleging a disciplinary infringement being laid,

shall, subject to the provision of section 9 of the **Act** and, in a case falling under 10.12.1.1, subject to the provision of **Special Rule 10.12.2**, be paid what would have been due in terms of **Special Rule 10.11** to a **Member**.

10.12.2 A **Member**, who has paid contributions in respect of a period of continuous service of at least 20 years, and is dismissed as a result of a disciplinary infringement other than: -

10.12.2.1 fraud or other serious disciplinary infringement of which dishonesty is an element, or

10.12.2.2 deliberate mal performance of work

may, notwithstanding anything to the contrary in these **Special Rules**, be granted by the **Sub-Fund Committee**, in lieu of any other benefit payable from the **Sub-Fund**, such **Pension** as the **Sub-Fund Committee** may determine, not exceeding one half of the **Pension** which would have been applicable upon the date of dismissal if such **Member's** services had been dispensed with upon that date in consequence of a reduction in or reorganisation of personnel, provided that –

(a) no portion of such **Pension** shall, except for the purposes of section 10 of the **Act**, be commuted by a cash payment, and

(b) all payments of any such **Pension** which are made before such **Member** has attained the age fixed for retirement shall be made by the **Employer** and all such payments which are made thereafter shall be made out of the **Sub-Fund**.

10.12.3 Upon the decision of the **Sub-Fund Committee** to grant to any person a **Pension** under **Special Rule** 10.12.2, such person's right to any other benefit payable from the **Sub-Fund** shall lapse.

10.12.4 If a **Member** referred to in **Special Rule** 10.12.2 is dismissed as a result of a disciplinary infringement which does not preclude the grant of a **Pension** under that **Special Rule**, the person who dismisses the **Member** shall, when dismissing such **Member**, submit to the **Sub-Fund Committee** a recommendation as to whether or not the **Member** should be granted a **Pension** and notify the **Member** of the recommendation.

10.12.5 If the whole of a **Pension** granted in terms of **Special Rule** 10.12.2 is commuted in a cash amount for the purpose of section 10 of the **Act**, the cash payment shall not be less than the **Actuarial Value** pertaining to such **Member**.

*[amended wef 14.04.2016]*

10.12.6 For the purpose of any commutation necessary in terms of **Special Rule** 10.12.2.2(a), the factor as indicated in the following table shall be used:

Age	Factor
30	18,19
31	18,06
32	17,93
33	17,79
34	17,65
35	17,50
36	17,35
37	17,19
38	17,03
39	16,86
40	16,68
41	16,50
42	16,31
43	16,11
44	15,90
45	15,69
46	15,47
47	15,24
48	15,00
49	14,75
50	14,50
51	14,50
52	14,25
53	14,00
54	13,75
55	13,50
56	13,00
57	12,75
58	12,50
59	12,25
60	12,00

10.13 IMPOSSIBILITY OF PERFORMANCE

10.13.1 A Member of the Sub-Fund whose –

- 10.13.1.1 services are terminated on the grounds of impossibility of performance or supervening impossibility of performance shall, subject to the provision of sections 9 and 10 of the Act, section 7 of the Divorce Act, 1979, and the provisions of **Special Rule 10.13.1.2**, be paid what would have been due in terms of **Special Rule 10.12** to a **Member**.
- 10.13.1.2 A **Member**, who has paid contributions in respect of a period of continuous service of at least 20 years, and whose service is terminated in terms of impossibility of performance or supervening impossibility of performance –
- (a) may, notwithstanding anything to the contrary in these **Special Rules**, be granted by the **Sub-Fund Committee**, in lieu of any other benefit payable from the **Sub-Fund**, such **Pension** as the **Sub-Fund Committee** determine, not exceeding one half of the **Pension** which would have been applicable if such **Member's** services had been dispensed with upon that date in consequence of permanent ill-health, provided that –
- (i) no portion of such **Pension** shall, except for the purposes of sections 9 and 10 of the Act and section 7 of the Divorce Act, 1979 be commuted for a cash payment; and
- (ii) all payments of any such **Pension** which are made before such **Member** has attained the age fixed for retirement shall be paid by the **Employer** and all such payments which are made thereafter shall be paid out of the **Sub-Fund**.
- 10.13.1.3 Upon the decision of the **Sub-Fund Committee** to grant to any person a **Pension** under **Special Rule 10.13.1.2** such person's right to any other benefit payable from the **Sub-Fund** shall lapse.
- 10.13.1.4 The **Employer** who dismisses a **Member** who may qualify for a **Pension** in terms of **Special Rule 10.13.1.2** shall, when dismissing such **Member**, submit to the **Sub-Fund Committee** a recommendation as to whether or not the **Member** should be granted such a **Pension**.
- 10.13.1.5 If the whole of a **Pension** granted in terms of **Special Rule 10.13.1.2** is commuted in a cash amount for the purpose of sections 9 and 10 of the Act or section 7 of the Divorce Act, 1979, the cash payment shall be not less than the aggregate of the contributions paid by the **Member**.



10.13.1.6 For the purpose of any commutation necessary in terms of **Special Rule 10.13.1.2(a)(i)**, the reduction in the annual **Pension** is determined by dividing the outstanding amount required by the factor based on age as indicated in the following table:

Age	Factor
30	18,19
31	18,06
32	17,93
33	17,79
34	17,65
35	17,50
36	17,35
37	17,19
38	17,03
39	16,86
40	16,68
41	16,50
42	16,31
43	16,11
44	15,90
45	15,69
46	15,47
47	15,24
48	15,00
49	14,75
50	14,50
51	14,50
52	14,25
53	14,00
54	13,75
55	13,50
56	13,00
57	12,75
58	12,50
59	12,50

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60 or over ..... 12,00

#### 10.14 TEMPORARY / CONTRACT MEMBERS

##### 10.14.1 If the services of a **Member**, who –

10.14.1.1 is in temporary employment, are terminated by notice given by such **Member's Employer**, on grounds other than a disciplinary infringement, or

10.14.1.2 was engaged under contract for a fixed period, are terminated in terms of such **Member's** contract,

the **Member** shall be entitled to receive the **Actuarial Value** pertaining to such **Member**.

*[amended wef 14.04.2016]*

#### 10.15 DEATH OF A MEMBER

##### 10.15.1 Subject to **Special Rule** 10.17,

10.15.1.1 Upon the death of a **Member** of the **Sub-Fund** who contributed to the **Sub-Fund** at the rate of 7,5% of his **Pensionable Salary** there shall be paid to the **Dependants** and on a basis determined by the **Sub-Fund Board** :

(a) **Annual Pensions**, which together shall be no more than 70% of the **Pension** calculated on the deceased **Member's Average Pensionable Salary** over the last 12 months preceding the demise multiplied by the period of membership of the **Sub-Fund** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) and divided by 60: provided that in the case of a **Member** who dies after attaining the age of 60 years, the divisor is –

(i) 58 in the case of a **Member** who is 61 years of age;

(ii) 56 in the case of a **Member** who is 62 years of age;

(iii) 54 in the case of a **Member** who is 63 years of age.

(b) The aggregate of the **Pensions** calculated in paragraph (a) is multiplied by the factor arrived at by dividing the sum total of **Period**

of **Pensionable Service** and the number of years service that could still have been rendered from the date of death to the age of 63 years by the **Period of Pensionable Service**.

- (c) Gratuities which together shall be calculated by multiplying one third of the aggregate of the **Pension** calculated in paragraph (a) by 12 and dividing it by 0,7. Where the membership is less than 10 years the period of membership for the calculation of the gratuity shall be regarded as at least 10 years.

10.15.1.2 Upon the death of a **Member** of the **Sub-Fund** who contributed to the **Sub-Fund** at the rate of 8,5% of his **Pensionable Salary** there shall be paid to the **Dependants** and on a basis as determined by the **Sub-Fund Board**:

- (a) **Pensions** which shall be no more than 70% of the **Pension** calculated on the deceased **Member's Average Pensionable Salary** over the last 12 months preceding the demise multiplied by the period of membership of the **Sub-Fund** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) and divided by 55, provided that in the case of a **Member** who dies after attaining the age of 55 years, the divisor is –
- (i) 53 in the case of a **Member** who is 56 years of age;
- (ii) 51 in the case of a **Member** who is 57 years of age;
- (iii) 49 in the case of a **Member** who is 58 years of age.
- (b) The aggregate of the **Pensions** calculated in paragraph (a) is multiplied by the factor arrived at by dividing the sum total of the **Period of Pensionable Service** and the number of years service that could still have been rendered from the date of death to the age of 58 years, by the **Period of Pensionable Service**.
- (c) Gratuities which together shall be calculated by multiplying one third of the **Pension** calculated in paragraph (a) by 13,5 and dividing it by 0,7. Where the membership is less than 10 years the period of membership for the calculation of the gratuity shall be regarded as at least 10 years.

- 10.15.1.3 In the case of a **Member** who has an option to retire at the lower retiring age who exercised the option to receive a cash amount on reaching the lower retiring age and who dies after such payment is made, the **Dependants** shall be paid in aggregate a further cash amount equivalent to that which would have been paid to the **Member**, had he retired on the day immediately after the date of death, minus the amount already paid on attaining the lower retirement age.
- 10.15.2 When a **Member** dies and there are no **Dependants**, a benefit in terms of **Special Rule 10.17.4** shall be paid to the person lawfully administering the estate, or to the **Nominee** as nominated in writing by the **Member**.
- 10.15.3 When the amounts referred to in this **Special Rule** have been paid to any **Dependant** other than the person lawfully administering the estate of a deceased **Member**, the **Employer** and the **Fund** shall be exempt from any further claim and no such amounts shall form part of the estate of the deceased.
- 10.15.4 When an amount has been paid in terms of **Special Rule 10.15.2** and it is subsequently discovered within 12 months from the date of death that such deceased **Member** left **[any] Dependants** there shall be paid to the **Dependants** such a benefit as determined in **Special Rule 10.15.1.1** or **10.15.1.2** (as the case may be) less the amount referred to in **Special Rule 10.15.2**, and on payment of such an amount the **Employer** and the **Fund** shall be exempt from any further claim.
- 10.15.5 In the event that a court of law finds that any **Dependant** in relation to the **Member** caused the death of such a **Member** unlawfully, the **Sub-Fund Board** has the discretion to declare any benefit otherwise payable in terms of these **Special Rules** to such a **Dependant** forfeited.

*[substituted wef 09.09.2011]*

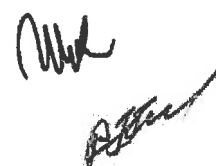
#### 10.16 DEATH OF A PENSIONER

- 10.16 Upon the death of a person who is in receipt of a **Pension** in terms of these **Special Rules** there shall be paid to the **Dependants**, as determined by the **Sub-Fund Board** and subject to the provisions of **Special Rule 10.16.9** and **10.17**, such a benefit as is provided for in this **Special Rule** in relation to the particular class of **Dependant**.

- 10.16.1 If one or more **Dependants** is the deceased **Pensioner's Qualifying Spouse** there shall be paid, subject to **Special Rule 10.17**, a **Pension** or **Pensions** calculated as follows:
- 10.16.2.1 Where the deceased **Pensioner** retired on or after attaining the retirement age, the **Pension** or the aggregate of the **Pensions** payable to the **Qualifying Spouses** shall be calculated at 70% of the **Pension** which was payable to the deceased **Pensioner** on the date of death.
- 10.16.2.2 Where the deceased **Pensioner** retired before attaining the retirement age, the **Pension** payable to a **Qualifying Spouse** or, if there is more than one **Qualifying Spouse**, the aggregate of the **Pensions** payable to the **Qualifying Spouses** together shall be calculated by multiplying 70% of the **Pension** which was payable at the date of death by the factor which is arrived at by dividing the sum total of **Period of Pensionable Service** and the number of years service that the **Member** could still have rendered from the date of death to the date of statutory retirement, by the **Period of Pensionable Service**.
- 10.16.2.3 Where the deceased **Pensioner** entered into a **Recognised Marital Union** after **Retirement Date** but before the **2008 First Rule Amendment Date** there shall be paid to that **Qualifying Spouse**, subject to **Special Rule 10.17**, a **Pension** calculated as follows:
- (a) where the age difference between the **Pensioner** and the **Qualifying Spouse** is five years and less, the benefit as determined in **Special Rule 10.16.2.1** or **10.16.2.2**, as the case may be, shall be payable to such **Qualifying Spouse**;
- (b) where the age difference is more than five years, the benefit as determined in **Special Rule 10.16.2.1** or **10.16.2.2**, as the case may be, is adjusted by multiplying the benefit with a factor that is arrived at by dividing the age of the **Qualifying Spouse** by that of the **Pensioner** provided that the **Pension** shall not

exceed that as determined in **Special Rule 10.16.2.1** or **10.16.2.2**, as the case may be.

- 10.16.3 If the **Dependant** in **Special Rule 10.16.1** is someone other than the **Qualifying Spouse** of the deceased **Pensioner**, **Pensions** shall, subject to **Special Rule 10.17**, be paid to the **Dependants** at the discretion of the **Sub-Fund** and on a basis determined by the **Sub-Fund**, but shall not in aggregate exceed 80% of the **Pension** calculated in terms of **Special Rule 10.16.2.1** or **10.16.2.2**, as the case may be.
- 10.16.4 The **Sub-Fund Board** may, after consultation with the **Actuary**, and approval by the **Employer** determine the benefit payable from the **Sub-Fund** to a **Dependant** or **Qualifying Spouse** in relation to the death of a **Pensioner** referred to in **Special Rule 10.16.1** who was a **Member** of the Railways and Harbours Pension Fund for Non-White Members who retired on or before 1 April 1986.
- 10.16.5 Upon the death of a **Pensioner** to whom a **Pension** was paid upon dismissal or on the ground of impossibility of performance or supervening impossibility of performance after the completion of 20 years service, there shall be paid to the **Dependants** as determined by the **Sub-Fund Board Pensions** referred to in **Special Rule 10.16.2.1**, **10.16.2.2** or **10.16.3**, as the case may be.
- 10.6.6 In relation to the death of a **Pensioner** referred to in **Special Rule 10.16.1** –
- 10.6.6.1 who ceased to be a **Member** of the New Fund on or before 26 July 1951, section 32 of the Railways and Harbours Superannuation Fund Act, 1925 (Act No. 24 of 1925), as it existed immediately prior to that date, shall continue to apply;



- 10.6.6.2 who was a **Member** of the New Fund on or after 26 July 1951, but ceased to be a **Member** on or before 1 March 1956, the said section 32, as substituted by section 15 of the Railways and Harbours Acts Amendment Act, 1951 (Act No. 63 of 1951), shall continue to apply, provided that in the application of the said section 32 in relation to the death of any such **Pensioner**, section 31(3) of the Railways and Harbours Superannuation Fund Act, 1925 (Act No. 24 of 1925), as substituted by section 14 of the Railways and Harbours Act Amendment Act, 1951, shall be construed as if for the words "The sum on which such annuity is in terms of this subsection required to be based", there were substituted the words "The sum which is thus found to be the greater shall be increased by adding thereto an amount equal to 10% thereof, which increased sum"; or;
- 10.6.6.3 who ceased to be a **Member** of the New Fund on or after 1 March 1956 but before 1 April 1968, and who died or dies after 31 March 1959, section 31 of the Railways and Harbours Superannuation Fund Act, 1960 (Act No. 39 of 1960), as it existed immediately prior to 1 April 1968, shall continue to apply.
- 10.16.7 ... *[deleted on 09.09.2011; wef 09.09.2011]*
- 10.6.8 The **Pension** (if any) to which a **Qualifying Spouse**, who was in receipt of a **Pension** in respect of **such Pensioner's** contributions to the Railways and Harbours Superannuation Fund constituted under Chapter III of the Railways and Harbours Service Act, 1912 (Act No. 28 of 1912), is entitled upon his death in terms of the provision of section 49 of that act shall be enhanced by an amount equal to 10% of such **Pension**.
- [amended on 09.09.2011; wef 09.09.2011]*
- 10.6.9 In the event that a court of law finds that any **Dependant** in relation to the **Pensioner** caused the death of such a **Pensioner** unlawfully, the **Sub-Fund Board** has the discretion to declare any benefit payable in terms of these **Special Rules** to such a **Dependant** as forfeited.

*[amended on 09.09.2011; wef 09.09.2011]*

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10.17 DISPOSAL OF DEATH BENEFITS

10.17.1 The aggregate of the benefits payable to **Qualifying Spouses** and **Qualifying Children** in terms of **Special Rule 10.15** and **10.16**, as the case may be, shall not exceed the benefit that would have been payable to the deceased **Member** upon reaching normal **Retirement Age**, or to the deceased **Pensioner** at time of death, as the case may be, subject to the following:

10.17.1.1 In the event that there is only one **Qualifying Spouse** and no **Qualifying Children** such **Qualifying Spouse** shall receive the total benefit calculated in terms of **Special Rule 10.15.1** or **10.16.2**, as the case may be;

10.17.1.2 In the event that there is more than one **Qualifying Spouse** and no **Qualifying Children** each **Qualifying Spouse** shall receive an equal share of the benefit calculated in terms of **Special Rule 10.15.1** and **10.16.2** as the case may be;

10.17.1.3 In the event that there is one **Qualifying Spouse** and **Qualifying Children** such **Qualifying Spouse** may receive the total benefit referred to in **Special Rule 10.15.1** or **10.16.2**, as the case may be, although the **Sub-Fund Board** will have the discretion to reduce such benefit and allocate any portion thereof to such **Qualifying Children** as the **Sub-Fund Board** may deem fit;

10.17.1.4 In the event that there is more than one **Qualifying Spouse** and **Qualifying Children** the total benefit referred to in **Special Rule 10.15.1** or **10.16.2**, as the case may be, may be shared equally among each **Qualifying Spouse** although the **Sub-Fund Board** has the discretion to reduce such benefit and allocate any portion thereof to any such **Qualifying Spouse** or **Qualifying Children** as the **Sub-Fund Board** may deem fit;

10.17.1.5 In the event that there is no **Qualifying Spouse** who is entitled to a benefit but only **Qualifying Children**, the benefit referred to in **Special Rule 10.15.1** or **10.16.3**, as the case may be, shall be reduced to 80% of such benefit and such reduced benefit shall be paid to or on behalf of all or some of such **Qualifying Children** as determined by the **Sub-Fund Board**.

10.17.2 The **Sub-Fund Board** may in its discretion, pay any benefit to those **Qualifying Children** who are entitled to a benefit in terms of these **Special Rules**, into a trust as contemplated in the Trust Property Control Act, 1988 (Act No. 57 of 1988), for the benefit of such **Qualifying Children** contemplated in this **Special Rule** and it shall be deemed to be a payment to such **Qualifying Children**.

10.17.3 The benefit in terms of these **Special Rules** payable in the month, in which the **Pensioner or Dependant** who is entitled to a benefit in terms of these **Special Rules** dies, will be paid into their estate.

10.17.4 In the event that:

10.17.4.1 there are no **Dependants** but the **Member** has appointed a **Nominee**, the **Nominee** shall receive the **Actuarial Value** pertaining to such **Member**. Where there are more than one **Nominee**, the **Sub-Fund Board** may apportion the benefit as it deems fit;

*[amended wef 14.04.2016]*

10.17.4.2 there are no **Dependants** or **Nominees** the **Actuarial Value** pertaining to such **Member**, shall be paid into the estate of the deceased **Member**.

*[amended wef 14.04.2016]*

10.17.5 Where the benefit in terms of these **Special Rules** has been paid to any **Dependants** or **Nominee**, the **Employer** and the **[Sub-Fund]** shall be exempt from any further claim and no such amounts shall form part of the estate of the deceased **Member**.

*[Rule 10.17 amended wef 09.09.2011]*

10.17.6 ... *[deleted wef 09.09.2011]*

10.18 REDUCTION OF BENEFIT AFTER PAYMENT TO THE DEPENDANTS

10.18.1 If the **Sub-Fund Board** becomes aware of or traces a qualifying **Dependant**, within 12 months of the death of a **Member** or **Pensioner**, a benefit as determined in **Special Rules** 10.15.1 or 10.16 as the case may be, shall be paid to such qualifying **Dependant**, from the date the **Sub-Fund Board** becomes aware of or traces such qualifying **Dependant**.

10.18.2 If the **Sub-Fund Board** becomes aware of or traces a qualifying **Dependant**, after 12 months of the death of a **Member** or **Pensioner**, a benefit may be paid to such qualifying **Dependant** in such proportions as may be deemed equitable in the discretion of the **Sub-Fund Board** to such qualifying **Dependant** in accordance with the provisions of **Special Rules** 10.15.1 or 10.16, as the case may be.

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10.18.3 In the event that any benefit becomes payable in terms of **Special Rule 10.18.2**, the benefit payable to a qualifying **Dependant** in terms of **Special Rule 10.18.1**, shall be reduced in order to provide for the payment of the benefit as contemplated in **Special Rule 10.15.1** or 10.16, as the case may be, in order to ensure that the aggregate of the benefits payable to all **Dependants** shall not exceed the aggregate of the benefits determined in terms of **Special Rule 10.17.1**.

*[substituted wef 09.09.2011]*

#### 10.19 ANNUAL INCREASE

10.19.1 The benefit received by a **Pensioner** or **Dependant** shall be increased by 2% (two per cent) compounded annually, for each completed year in respect of which the benefit has been or is received: Provided that in the case of a **Dependant**, the 2% (two per cent) enhancement of the benefit shall be calculated from the date on which the benefit first became payable to the **Pensioner**.

*[re-numbered wef 09.09.2011]*

10.19.2 Subject to **Special Rule 10.19.3**, the **Sub-Fund Board** shall have the discretion to :

10.19.2.1 Increase the pension payable to a **Pensioner** or **Dependant** from time to time in order to maintain 100% (one hundred per centum) of parity of the purchasing power of the **Pension** relating to such a **Pensioner** or **Dependant**; and/or

10.19.2.2 Increase the annual pension payable to a **Pensioner** or **Dependant** by a maximum percentage of 75% (seventy five per centum) of the average consumer price index of the immediate previous financial year of the **Sub-Fund**; and/or

10.19.2.3 Pay additional ad hoc bonuses to **Pensioners** and **Dependants** from time to time.

*[inserted wef 09.09.2011]*

10.19.3 The increase in pensions as provided in **Special Rule 10.19.2** shall be subject to :

10.19.3.1 The **Sub-Fund** being able to afford such increases according to the discretion of the **Sub-Fund Board**; and

10.19.3.2 the actuary's written confirmation that such increases are affordable by the **Sub-Fund**; and

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10.19.3.3 the written approval by the **Employer**.

*[inserted wef 09.09.2011]*

#### 10.20 PAYMENT ON BEHALF OF A PERSON ENTITLED TO A BENEFIT

The **Administrator** (or **Sub-Fund Committee**) may, after having considered a report by two medical practitioners regarding the mental condition of any person entitled to a benefit in terms of these **Special Rules**, who is unable to manage his own affairs, order that the benefit be paid to some other person on behalf of the person entitled to benefits in terms of these **Special Rules** upon such conditions as the **Administrator** (or **Sub-Fund Committee**) may determine regarding the administration of the benefit on behalf of such person, provided that no such order shall be made in respect of a person for whom a curator bonis has been appointed and that any such order shall lapse if a curator bonis for a person is appointed.

#### 10.21 PAYMENT TO ESTATE

When the amounts referred to in **Special Rules** 10.15 or 10.16, as the case may be, have been paid to any person mentioned therein other than the person lawfully administering the estate of a deceased **Member** or **Pensioner**, the **Employer** and the **Sub-Fund** shall be exempt from any further claim under any of those **Special Rules**, and no such amount shall be deemed to form part of the estate of the deceased.

*[substituted wef 09.09.2011]*

#### 10.22 CIRCUMSTANCES NOT PROVIDED FOR IN THESE RULES

10.22(a) Should the employment of the **Member** be terminated under circumstances not provided for in these **Special Rules**, the **Sub-Fund Committee** may in its discretion and notwithstanding anything contained in these **Special Rules**, pay a benefit in addition to any other benefit payable in terms of these **Special Rules** provided that the **Actuary** has determined the financial implication thereof and has provided a report in this regard to the **Sub-Fund Committee** and provided further that the prior written consent of the **Principal Employer** attributable to such **Sub-Fund**, has been obtained.

*[re-numbered wef 09.09.2011]*

10.22(b) Should provision not be made in these **Rules** to treat a period of employment as pensionable service that should, in the opinion of the **Sub-Fund Board**, be so treated, the **Sub-Fund Board** may authorise the recognition of such employment as pensionable service and prescribe when and in what manner contributions and interest shall be paid in respect thereof.

*[inserted wef 09.09.2011]*

10.23 NON-CONTRIBUTORY PERIODS

Subject to the provisions of **Special Rule 2**, no person shall be entitled to a benefit in respect of a period for which no contribution has been made or will be made by or on behalf of such person.

10.24 RE-EMPLOYMENT

If a **Member** has been granted a benefit (excluding a benefit due to disability) in terms of these **Special Rules** and is thereafter re-employed by the **Employer**, such **Member** shall continue to receive such benefit.

10.25 The **Pension** payable to a **Pensioner** or **Qualifying Spouse** respectively will cease at the death of such **Pensioner** or **Qualifying Spouse**. The **Pension** payable to a **Qualifying Child**, may on his or her death be allocated to other **Qualifying Children** of the deceased **Member** or **Pensioner** as may be determined by the **Sub-Fund Board**.

*[inserted wef 09.09.2011]*

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**SPECIAL RULE 11 : PAYMENT OF BENEFITS**

11

- 11.1 Whenever a benefit becomes payable to any **Member, Pensioner, Dependant or Nominee**, the benefit will be paid by means of an electronic fund transfer to the **Member, Pensioner, Dependant or Nominee's** account with a banking institution, the details of which have been furnished by the **Employer** or the **Member, Pensioner, Dependant or Nominee** to the **Administrator**.
  
- 11.2 The **Employer** or the **Member, Pensioner, Dependant or Nominee** may however specifically request that the benefit be paid by means of a cheque posted to such **Member, Pensioner, Dependant or Nominee's** registered postal address as notified by the **Employer** and/or the **Member, Pensioner, Dependant or Nominee** to the **Administrator**.
  
- 11.3 The payment referred to in **Special Rule 11.2** shall be on such terms and conditions as advised by the **Sub-Fund Committee** in writing to the **Member, Pensioner, Dependant or Nominee** and the **Employer** and it shall be deemed that the postal services will be the agent of the **Member, Pensioner, Dependant or Nominee** as the case may be.

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**SPECIAL RULE 12 : INTEREST ON LATE PAYMENTS**

- 12 In the event that any benefit is not paid within 30 days from the date on which such benefit becomes payable to a **Member, Pensioner, Dependant** or **Nominee**, the **Sub-Fund** attributed such **Member, Pensioner, Dependant** or **Nominee**, shall pay interest on such benefit at a rate equal to the **Interest Payment** reckoned from the first day on which the **Member, Pensioner, Dependant** or **Nominee** becomes entitled to such benefit.

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**SPECIAL RULE 13 : ESTABLISHMENT OF EXISTENCE**

- 13 The **Sub-Fund** shall be entitled to establish from time to time whether the **Pensioner** or **Dependant** is still alive and in the event that the **Sub-Fund** cannot establish whether such **Pensioner** or **Dependant** is still alive or where the **Sub-Fund** obtains proof that the **Pensioner** or **Dependant** is no longer alive, the **Sub-Fund** shall be entitled to suspend or terminate payment of the benefit.

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**SPECIAL RULE 14 : PROCEDURE: RETIREMENT ON GROUND OF PERMANENT ILL  
HEALTH OR PHYSICAL DISABILITY**

- 14
- 14.1 When it is decided that consideration should be given to the retirement of a **Member** on ground of permanent ill-health or physical disability in terms of the **Service Condition 11**, the **Member** shall be given the opportunity of completing and signing a declaration. Should the **Member** be incapable by reason of mental illness of managing his or her own affairs and a *curator bonis* has been appointed, the *curator bonis* shall be invited to complete and sign the form on behalf of the **Member**. Should the **Member** or the *curator bonis*, as the case may be, refuse or fail to complete and sign the form, it may be dispensed with. If the **Member** is incapable of managing his or her own affairs by reason of mental illness and no *curator bonis* has been appointed the form shall be dispensed with.
- 14.2 A memorandum shall be completed by the **Member's** supervisor in connection with the state of health of the **Member** based on such **Member's** sickness record and medical and other relevant reports available to the supervisor. It should be stated in which respect the **Member**, as a result of the ill-health or physical disability, is unable to perform the duties of his or her position and why provision cannot be, or has not been, made for the **Member** in some other suitable position.
- 14.3 Arrangements shall be made, after **Special Rules 14.1** and **14.2** have been complied with, for the **Member** to be medically examined by a general practitioner or specialist who should be provided with the declaration referred to in **Special Rule 14.1**, if completed and signed, the memorandum referred to in **Special Rule 14.2** and any other relevant medical and other information available, and requested to complete a confidential report. Should there be no medical information available, the general practitioner or the specialist, as the case may be, shall be informed specifically to such effect.
- 14.4 The medical report completed by the general practitioner or specialist, as the case may be, may be based on –
- 14.4.1 the examination of the **Member** by the general practitioner or specialist; or
- 14.4.2 any examination of the **Member** made by any medical practitioner whose report has been submitted to the general practitioner or specialist by the **Employer**; or
- 14.4.3 any medical report obtained by the general practitioner or specialist or specialist in the course of treatment of the **Member**; or
- 14.4.4 any medical report from any medical practitioner whom the general practitioner or specialist might decide to consult before completing the report; or

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- 14.4.5 any combination of the examinations and reports referred to in **Special Rules** 14.4.1 to 14.4.4 above.
- 14.5 If it is impracticable for the general practitioner or specialist to complete a report by reason of the **Member's** refusal to submit to medical examination by or at the instance of the medical practitioner or specialist, the report may be endorsed accordingly and may be completed as far as practicable on the basis of the knowledge of the medical history of the **Member** possessed by the general practitioner or specialist arising out of personal knowledge of the case, prior medical examination or the reports referred to in **Special Rules** 14.4.2, 14.4.3 and 14.4.4
- 14.6 In the event of there being insufficient information contained in the report of the general practitioner or specialist by reasons of the fact that the **Member** refused to submit to medical examination, or should the general practitioner or specialist refuse to examine the **Member** or submit the report, any decision may be based on the medical examinations and reports referred to in **Special Rules** 14.4.2, 14.4.3 and 14.4.4.
- 14.7 The documents shall then be submitted to the **Member's** supervisor and a vocational and welfare (or similar) officer for reports.
- 14.8 Thereafter the documents shall be considered by the **Employer** and should the **Employer** decide that consideration of the **Member's** retirement on either of the grounds referred to in this **Special Rule** should be proceeded with, the **Employer** shall submit all the relevant papers, together with any comments considered necessary, to the **Sub-Fund Committee** with a request that such committee consider the matter and make a recommendation as to whether the retirement should be proceeded with or not.
- 14.9 In a case where there is doubt on the part of the **Sub-Fund Committee** regarding the retirement of a **Member**, the Secretary may obtain a further report from an independent medical practitioner or **Sub-Fund Committee**. If the independent medical practitioner or **Sub-Fund Committee** so desires, the **Member** may be subjected to a further medical examination, if the **Member** agrees.
- 14.10 The recommendation of the **Sub-Fund Committee** shall be conveyed to the **Employer**.
- 14.11 The **Employer** shall take the recommendation of the **Sub-Fund Committee** into account when arriving at a decision.
- 14.12 Fees due in respect of a medical examination conducted in terms of **Special Rule** 14.9 shall be for the **Employer's** account.

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**SPECIAL RULE 15 : REFUND TO THE FUND OF SPECIAL CONTRIBUTIONS PAID ON BEHALF OF MEMBERS AND INCLUSION OF SUCH SPECIAL CONTRIBUTIONS IN CALCULATION OF PAYMENTS MADE IN CERTAIN CIRCUMSTANCES TO MEMBERS OR DEPENDENTS**

15

- 15.1 Whenever a payment to or in respect of a **Member** is made from the **Sub-Fund** in terms of **Special Rules** 10.1.9, 10.9, 10.10, 10.11, 10.12, 10.13 or 10.14, there shall be paid to the **Employer** from the **Sub-Fund** an amount equal to the special contributions, if any, paid by the **Employer** on behalf of such **Member** in terms of section 8(2) of the Railways and Harbours Superannuation Fund Act, 1925 (Act No. 24 of 1925).

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**SPECIAL RULE 16 : NO DIFFERENTIATION IN THE CASE OF A MEMBER WHO IS NOT A SOUTH AFRICAN CITIZEN**

- 16 There shall be no differentiation in treatment in respect of contributions or benefits in the case of a **Member** who is not a South African citizen and is employed outside the borders of the Republic of South Africa, unless such differentiation is required in any foreign country by virtue of legal or other requirements, in which event any additional cost or loss flowing from such differentiation shall not be borne by the **Sub-Fund** but shall be borne by the **Employer**.

**SPECIAL RULE 17 : UNCLAIMED BENEFITS**

- 17 In the event that any benefit payable in terms of the **Special Rules** has not been claimed by the **Member, Pensioner, Dependant or Nominee** within 36 months from the date that such **Member, Pensioner, Dependant or Nominee** became entitled to the benefit, it shall be deemed that such person's right to such benefit has prescribed and such person shall have no further right or claim against the **Fund** or **Sub-Fund** in respect to such benefit. Notwithstanding the aforementioned the **Sub-Fund** may in its discretion after the expiry of the aforementioned 36-month period, upon written request by the **Member, Pensioner, Dependant or Nominee**, decide to pay such prescribed benefit or portion thereof.

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**SPECIAL RULE 18 : ALLOCATION OF SURPLUS**

- 18.1 There is established in the accounts of the **Sub-Fund** the following special accounts:
- 18.1.1 The **Pensioner Surplus Account**; and
- 18.1.2 The **Employer Surplus Account**.
- 18.2 If, in the opinion of the **Actuary**, it would be imprudent to do so, the **Sub-Fund Board**, with the consent of the **Principal Employer**, may each year allocate any portion of any **Actuarial Surplus** the **Actuary** deems reasonable to make available for allocation, to the **Pensioner Surplus Account**, to the **Employer Surplus Account**, or to both in such a manner as the **Sub-Fund Board**, with the consent of the **Principal Employer**, determines.
- 18.3 Subject to **Special Rule 18.7**, monies standing to the credit of the **Pensioner Surplus Account** may be used at the discretion of the **Sub-Fund Board** –
- 18.3.1 To provide for improved benefits for **Pensioners** and/or **Dependants** provided that the **Special Rules** are amended insofar as may be necessary to facilitate this;
- 18.3.2 To grant increases to **Pensioners** and **Dependants** in receipt of **Pensions** funded out of the assets assigned to the **Sub-Fund** as contemplated in **Special Rule 10.18.2**;
- 18.4 If monies are transferred from the **Employer Surplus Account** to the **Pensioner Surplus Account** for the benefit of specific **Pensioners** and/or **Dependants** or specific categories of **Pensioners** and/or **Dependants** as determined by the **Principal Employer**, the **Sub-Fund Board** must use those monies for the benefit of those **Pensioners** and/or **Dependants** as directed by the **Principal Employer**.
- 18.5 Subject to **Special Rule 18.7**, monies standing to the credit of the **Employer Surplus Account** may at the discretion of the **Sub-Fund Board** –
- 18.5.1 be transferred to the **Pensioner Surplus Account** for the benefit as determined by the **Principal Employer** of specific **Pensioners** and/or **Dependants** or specific categories of **Pensioners** and/or **Dependants**;
- 18.5.2 be applied in *lieu* of the contributions that would otherwise be payable by the **Principal Employer** in terms of these **Special Rules**.

- 18.6 The return, positive or negative, earned on the investment of the monies standing to the credit of the **Pensioner Surplus Account** or the **Employer Surplus Account** must be allocated to the **Pensioner Surplus Account** or the **Employer Surplus Account**, as applicable.
- 18.7 If, following a valuation of the **Sub-Fund** the **Actuary** determines that it is under-funded and is unlikely within a reasonable period of time to be restored to full funding, then –  
the monies then standing to the credit of the **Pensioner Surplus Account** and the monies then standing to the credit of the **Employer Surplus Account** shall be reduced in the same proportion by the amount of the deficit, provided that no credit balance shall be reduced by more than the amount to which the account was in credit.

*[Rule 18 inserted wef 09.09.2011]*

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**PART B:**

**SOUTH AFRICAN AIRWAYS (PTY) LTD  
SPECIAL RULES**

Issued in terms of ss4A(6) of the Transnet Pension Fund Act № 62 of 1990, as amended

**DATE OF PARTICIPATION : 1 APRIL 2006**

**As amended by**

Special Rules Amendment No 1 signed 10 Aug 2011; Effective Date 10.08.2011

Special Rules Amendment No 2 signed 09 Sept 2011; Effective Date 09.09.2011

Special Rules Amendment No 3 signed 25 May 2016; Effective Date 25 May 2016

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Transport Pension Fund

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Special Rules

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**A. INTRODUCTION**

- A.1 As a result of the **Employer's** participation in the **Sub-Fund**, with effect from the **Participation Date** the following **Special Rules** shall apply with effect from such date.
- A.2 The words and expressions defined in the **General Rules** shall bear the same meaning in these **Special Rules** as assigned to it in the definitions thereof.
- A.3 These **Special Rules** relate to the **SAA Sub-Fund** which is a sub-fund of the Transport Pension Fund.

*[inserted wef 09.09.2011]*

**B. DEFINITIONS**

In addition the definitions in the **General Rules** the following words or expressions shall have the following meaning :

- B.1 **Actuarial Surplus** means the excess in the value of –
  - (a) the value that the **Actuary** has placed on the assets assigned to the **Sub-Fund** less any credit balances in the **Pensioner Surplus Reserve** and the **Employer Surplus Reserve**; over
  - (b) the value that the **Actuary** has placed on –
    - (i) the liabilities of the **Fund** insofar as they relate to the **Sub-Fund**; and
    - (ii) reserves held by the **Fund** in respect of the **Sub-Fund** including solvency reserves and reserves in respect of contingent liabilities;

*[definition inserted wef 09.09.2011]*

B.2 **Average Pensionable Salary** : means the **Pensionable Salary** of a **Member** for the period of twelve months prior to the termination of such **Member's Period of Pensionable Service**, divided by 12;

B.3 **Casual Service Member** : means a person who –

B.3.1 was employed by an **Employer** of the **Transnet Group of Employers** on a temporary or casual basis; and

B.3.2 was not at the date of employment with an entity in the **Transnet Group of Employers** entitled to contribute to the **Sub-Fund**; and

- B.3.3 subsequently became a **Member**.
- B.4 **Employer Surplus Account** means the account established in terms of **Special Rule 18.1.2**;  
*[definition inserted wef 09.09.2011]*
- B.5 **Interest Payment** means :
- B.5.1 the average rate of interest earned on the cash investments of a **Sub-Fund** determined annually on the total cash investments of such **Sub-Fund** as at 31 March of each year; and
- B.5.2 effective as from the first day of the month following the date on which the rate of interest becomes known; and
- B.5.3 the monthly rate shall be equal to 1/12<sup>th</sup> of the annual rate.
- B.6 **Pension Increase Policy** means a policy determined by the Trustees from time to time in consultation with the Actuary;  
*[definition inserted wef 09.09.2011]*
- B.7 **Pensioner Surplus Account** means the account established in terms of **Special Rule 18.1.1**;  
*[definition inserted wef 09.09.2011]*
- B.8 **Participation Date** : means 1 April 2006;
- B.9 **Period of Antedated Service** : means a period in respect of which a **Member** who elected prior to 1 January 1990 to make contributions to the **Sub-Fund** in respect of a period prior to being employed by an entity in the **Transnet Group of Employers**, but excluding a period prior to such a **Member's 16<sup>th</sup> birthday**;
- B.10 **Period of Casual Service**: means a period of service in respect of which a **Casual Service Member** was not entitled to obtain membership of the **Sub-Fund** and in respect of which period such **Casual Service Member** elected to contribute to the **Sub-Fund** once such a **Casual Service Member** became a **Member** of the **Sub-Fund**, but excluding a period prior to a **Casual Service Member's 16<sup>th</sup> birthday**;
- B.11 **Period of Linking of Service** : means a period in respect of which a **Member** –

who before being re-employed by an entity in the **Transnet Group of Employers**, had been an employee of an entity in the **Transnet Group of Employers** and contributed to the **Sub-Fund**; and

B.11.1 who subsequent to his re-employment with an entity in the **Transnet Group of Employers** elected to contribute in respect of such previous period of employment with an entity in the **Transnet Group of Employers**; and

B.11.2 which previous period of employment with an entity in the **Transnet Group of Employers** shall be linked to his current period of employment for purposes of calculating benefits in terms of these **Special Rules**.

B.12 **Period of Pensionable Service** : means a period in respect of which a **Member**, as an employee of an **Employer** who was obliged to make contributions to the **Fund** and/or **Sub-Fund**, which period shall include a **Period of Casual Service**, a **Period of Linking of Service**, a **Period of Antedated Service** or any period of unpaid leave for which the **Member** elected to contribute to the **Fund** or **Sub-Fund** expressed in years with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year;

B.13 **Qualifying Child** means –

B.13.1 a child born to a deceased **Member**; and/or

B.13.2 a child of the deceased **Member** who had not yet been born at the date of his or her death; and/or

B.13.3 a child who was adopted by or became a stepchild of the deceased **Member** before the date of retirement of that deceased **Member**; or

B.13.4 a child who before the **2008 First Rule Amendment Date** was born to, became adopted by or became a stepchild of a person who was then a **Pensioner** and who has since died;

and

B.13.5 was dependent on the **Member** or **Pensioner** at the date of his or her death or, but for the **Member's** or **Pensioner's** death, would have become dependent on him or her;

and

B.13.5.1 is under the age of 18; or

B.13.5.2 is over the age of 18; and

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- (i) was engaged in full-time tuition at an education institution registered as such with the Department of Education, has been continuously in such full-time tuition since then, and is not more than 26 years of age; or
- (ii) in respect of whom it has been demonstrated to the satisfaction of the **Sub-Fund Board** that-
  - a. he or she is mentally or physically incapable of supporting him or herself, and –
  - b. in respect of whom the **Sub-Fund Board** has at intervals not exceeding 5 years exercised its discretion to treat him or her as a **Qualifying Child** for the purposes of these **Special Rules** for a period or further period not exceeding 5 years,

and "Qualifying Children" shall bear a corresponding meaning.

*[inserted wef 09.09.2011]*

- B.14 **Qualifying Spouse** means the surviving spouse(s) of a **Member** or **Pensioner** in a **Recognised Marital Union** existing at the time of the death of the **Member** or of the **Pensioner** provided that in the relation to a **Pensioner** such **Recognised Marital Union** had to have been established before the **2008 Rule Amendment Date**;

*[definition inserted wef 09.09.2011]*

- B.15 **Recognised Marital Union** means a lawful marriage in terms of the Marriage Act, 1961 or a civil union in terms of the Civil Union Act, 2006 or a customary marriage or a marriage by religious rites. In the event of a cohabitation or any other union between a **Member** or **Pensioner** and another person, the **Sub-Fund Board** in its discretion, may deem such a cohabitation or any other union as a **Recognised Marital Union**;

*[definition inserted wef 09.09.2011]*

- B.16 **Redundancy** : means in respect of a **Member** of which the **Administrator** has been notified of by an **Employer** that the employment of the **Member** had been terminated due to redundancy as determined by such **Employer**;

- B.17 **Retirement Date** : means the date on which a **Member** elects to retire in accordance with his or her conditions of employment or is compelled to retire, whichever date is the earlier;

- B.18 **SAA** : means South African Airways (Pty) Ltd;

- B.19 **Service Condition** : means the Service Conditions contained in the First Main Agreement published in Government Gazette No. 14237 on 28 August 1992, concluded between **Transnet** and the trade unions and which is applicable to all employees of **Transnet**, or any replacement thereof as confirmed by the **Principal Employer**.
- B.20 **2008 First Rule Amendment date** means 1 April 2008, the date with effect from which the first rule amendments approved by the **Sub-Fund Board** in 2008 come into retrospective effect.

*[definition inserted wef 09.09.2011]*

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**SPECIAL RULE 1: MANAGEMENT OF THE SUB-FUNDS**

1

1.1 **Sub-Fund Committees**

1.1.1 A **Sub-Fund Committee** shall be established in respect of each **Sub-Fund** in terms of the Act.

1.1.2 Each **Sub-Fund Board** shall consist of :

1.1.2.1 1 (one) **Member** and one alternate appointed by each **Registered Trade Union** which represents for purposes of collective bargaining with their **Employer, Members** assigned to a particular **Sub-Fund Board**, provided that each of the **Members** and alternate **Members** appointed in terms of this **Sub-Rule** must be a **Member** of the **Fund**, and

*[substituted wef 09.09.2011]*

1.1.2.2 1 (one) **Member** and one alternate elected by the **Pensioners** of the **Sub-Fund Board** from **Pensioners** of the **Sub-Fund**; and

*[inserted wef 09.09.2011]*

1.1.2.3 **Members** and alternates which the **Principal Employer** and the **Employers** related to it may jointly appoint to the particular **Sub-Fund Board**, equal in aggregate to the number of **Members** appointed by all **Registered Trade Unions** to such **Sub-Fund Board** as contemplated in **Special Rule 1.1.2.1** and the number of **Members** appointed in terms of **Special Rule 1.1.2.2**, provided that, of these members of the **Sub-Fund Board**, and of these alternates, at least 50% must be **Members** of the **Fund**

*[substituted wef 09.09.2011]*

1.1.2A The term of office of a **Member** of the **Sub-Fund Board** shall be for such period as the **Sub-Fund Board** may determine, but no longer than 4 years. A **Member** of a **Sub-Fund Board** on the termination of his or her term of office will be capable of being re-elected or re-appointed, as the case may be.

*[inserted wef 09.09.2011]*

1.1.2 A **Sub-Fund Committee** member shall cease to hold office upon :

1.1.2.1 resignation as a **Sub-Fund Board** member; or

- 1.1.2.2 termination of his/her appointment by the **Registered Trade Union** that made the appointment in terms of **Special Rule Error! Reference source not found.**; or
- 1.1.2.3 termination of his/her appointment by the **Principal Employer** or **Employer** that made the appointment in terms of **Special Rule Error! Reference source not found.**; or
- 1.1.2.4 disqualification in terms of **General Rule 3.3** whether or not the **Sub-Fund Board** member is a **Trustee**.

**1.2 Meetings of Sub-Fund Committees**

- 1.2.1 The members of every **Sub-Fund Board** shall appoint a chairperson from amongst their members at the first **Sub-Fund Board** and shall elect a new chairperson thereafter at intervals of 12 (twelve) consecutive months, at which event a previous chairperson may be re-elected.
- 1.2.2 The chairperson, when unable to attend any meeting, shall appoint an acting chairperson for that meeting, who shall be a member of the **Sub-Fund Committee** or failing such appointment, the members present shall appoint an acting chairperson for that meeting from amongst themselves.
- 1.2.3 The members of a **Sub-Fund Board** may convene meetings as the chairperson or the majority members may deem fit, which meetings shall be held not less than once every 2 (two) months.
- 1.2.4 A quorum at the meetings of the **Sub-Fund Board**, shall be a majority of members of such **Sub-Fund Board**, excluding any vacancies.
- 1.2.5 Any resolution shall be made by a majority vote at a duly constituted meeting.

**1.3 Powers of Sub-Fund Board**

Subject to the provisions of the **Act** and the **Rules**, the **Sub-Fund Board** shall have the following powers:

- 1.3.1 to determine by agreement with the applicable **Principal Employer** and implement the investment policy and strategy to be applied to the assets assigned to the **Sub-Fund**;

- 1.3.2 to receive, administer and invest the moneys and other assets of the **Sub-Fund** or to cause the moneys or other assets of the **Sub-Fund** to be invested;
- 1.3.3 to acquire, hold, alienate or otherwise deal with any movable or immovable property attributable to the **Sub-Fund**;
- 1.3.4 to invest, lend, place on deposit, make advances of, or otherwise deal with all moneys and investments of the **Sub-Fund** upon such securities and in such manner as the **Sub-Fund Board** may determine from time to time; and, in particular, to invest the whole or part of the moneys or investments of the **Sub-Fund**, for such period and on such terms as the **Sub-Fund Board** may determine, in an investment policy issued by an **Insurer**;
- 1.3.5 to exercise control over and manage the **Sub-Fund** in the best interests of the **Sub-Fund** with due regard to the interests of the **Members, Pensioners, Dependants, Nominees and Employers** assigned to the **Sub-Fund**;
- 1.3.6 to determine how benefits payable on the death of a **Member** assigned to the **Sub-Fund** are to be allocated amongst his or her **Dependants and Nominees**;
- 1.3.7 to determine whether a person who claims a benefit for which a **Sub-Fund** is liable is entitled to that benefit;
- 1.3.8 to exercise such powers as the **Minister** may by regulation confer upon the **Sub-Fund Board**;
- 1.3.9 to exercise such powers as the **Board** of the **Sub-Fund** may delegate to the **Sub-Fund Board**;
- 1.3.10 to appoint investment managers, at the cost of the **Sub-Fund** for purposes of making or realizing investments;
- 1.3.11 to appoint and to delegate powers and functions to any sub committee or such professionals or consultants, at the cost of the **Sub-Fund**, as the **Sub-Fund Board** deems fit;
- 1.3.12 to generally do anything relating to the making of investments to the best advantage of the **Sub-Fund**, including (but not limited to) anything to enable the **Sub-Fund** to meet its current and future liabilities; and/or to reduce its investment risk.

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**SPECIAL RULE 2: PENSIONABLE SERVICE**

2

2.1

- 2.1.1 A **Member** of the **Fund** who, immediately prior to the date of admission thereto, was employed in a temporary or a casual capacity, may elect, subject to the succeeding provisions of this **Special Rule**, to contribute in respect of the period of continuous service prior to the said date, but not prior to the **Member's** sixteenth birthday.
- 2.1.2 The option provided for in **Special Rule 2.1.1** may be exercised at any time while the **Member** is in the employ of an **Employer** after the date on which the **Administrator**, by means of an option form, furnishes the **Member** with details of the arrear contributions and interest that will become payable to the **Fund** should the **Member** decide to contribute in respect of any such period of continuous service as is referred to in that **Special Rule**. An option exercised in terms of this **Special Rule** shall be irrevocable. Should any disagreement arise between the **Member** and the **Administrator** concerning the information furnished in terms of this **Special Rule**, the **Administrator** shall submit full particulars of the case to the Secretary for the decision of the **Sub-Fund Committee**, which shall be final and binding on the parties.
- 2.1.3 A **Member** who receives an option form from the **Administrator** in terms of **Special Rule 2.1.1** shall sign, date and return a receipt for such option form to the **Administrator**.
- 2.1.4 Whenever membership of the **Fund** is antedated in terms of **Special Rule 2.1.1**, the **Member** shall be required to pay arrear contributions to the **Sub-Fund** on the following basis:
  - 2.1.4.1 For the period of continuous service prior to 1 April 1986, at the rate of 4,5% of the **Pensionable Salary** drawn during the period to be covered;
  - 2.1.4.2 for the period of continuous service from 1 April 1986, up to and including 15 June 1987 at the rate of 5,5% of the **Pensionable Salary** drawn during the period to be covered;
  - 2.1.4.3 for the period of continuous service from 16 June 1987, at the rate of 7,5% of the **Pensionable Salary** drawn during the period covered; and
  - 2.1.4.4 any appropriate additional special contributions as laid down in **Special Rule 5.1**.

2.1.5 In addition to the arrear contribution prescribed in **Special Rule 2.1.4**, the **Member** shall pay interest as follows:

2.1.5.1 Prior to 1 April 1971 - at 4,5% per annum.

2.1.5.2 From 1 April 1971 up to the end of the month in which the option is exercised - at the rate of **Interest Payment** applicable at the date of the exercise of the option. For calculation purposes the monthly rate shall be equivalent to one twelfth of the annual rate.

2.1.6 Arrear contributions and interest may be paid in one amount, or in such monthly instalments as may be determined but in such a manner that a **Member's** monthly payment for arrear contributions shall be at least 2% of the **Pensionable Salary** unless such 2% is less than the monthly interest on the debt, in which event the interest plus R1,00 shall be recovered.

2.1.7

2.1.7.1 If a **Member** referred to in **Special Rule 2.1.1** dies or is retired for any of the reasons referred to in **Service Conditions 7, 8, 11, 12, 13, or 15**, except where retirement is effected by reason of permanent ill-health or physical disability and a medical practitioner has certified that the permanent ill-health of physical disability was occasioned by the **Member's** own default-

(a) before the option form referred to in **Special Rule 2.1.2** has been furnished, or

(b) after such option form was furnished but before the option referred to in **Special Rule 2.1.1** has been exercised,

the **Member** shall be deemed to have elected to contribute in respect of such period of continuous service as is referred to in **Special Rule 2.1.1** and any benefit payable to the **Member** or to some other person in respect of the **Member** or to some other person in respect of the **Member's** death shall be calculated as if the amount payable in terms of **Special Rules 2.1.4** and **2.1.5** had been paid in full at the time of the **Member's** death or retirement, as the case may be, provided that the provisions of this **Special Rule** shall be given effect to only if it would be to the advantage of the **Member** or such other person to do so.

- 2.1.7.2 If a **Member** who has elected to contribute in respect of any such period of continuous service as is referred to in **Special Rule 2.1.1**, dies or retires for any of the reasons mentioned in **Special Rule 2.1.7.1** before the amounts payable in terms of **Special Rules 2.1.4** and **2.1.5** have been paid in full, any benefit payable to the **Member** or to some other person in respect of the **Member's** death, shall be calculated as if such amounts had been paid in full at the time of the **Member's** death or retirement, as the case may be.
- 2.1.7.3 If a **Member**, who has elected to contribute in respect of any such period of continuous service as is referred to in **Special Rule 2.1.1**, leaves the service of an **Employer** for any reason other than the reason referred to in **Special Rule 2.1.7.1**, the antedated pensionable service shall be taken into account in the calculation of the benefit and any amount owing on account of arrear contributions and interest, if any, shall be recovered from such benefit.
- 2.1.7.4 Upon the death or retirement of a **Member** to whom **Special Rules 2.1.7.1** or **2.1.7.2** apply, any amount payable in terms of **Special Rules 2.1.4** and **2.1.5** which has not then been paid or paid in full, shall be recovered by deduction thereof from any benefit payable to the **Member** or to some other person in respect of the **Member's** death.
- 2.1.7.5 If a **Member** who has elected to contribute in respect of such period of continuous service as is referred to in **Special Rule 2.1.1** ceases to be a **Member** in the circumstances mentioned in **Special Rule 10.12.2** before the amounts payable in terms of **Special Rules 2.1.4** and **2.1.5** have been paid in full, and a **Pension** is granted under the said **Special Rule**, there shall be taken into account, for the purpose of calculating the amount of such **Pension**, only such portion of the said period of service as has actually been covered by contributions at the date upon which the **Member** ceased to be a **Member**.

## 2.2

- 2.2.1 In the case of a **Member** of the **Sub-Fund** who joined the South African Transport Services or its predecessor before 1 January 1990 at an age higher than 16 years and elected, prior to 1 January 1990, to antedate pensionable service back to such **Member's** sixteenth birthday, or for a period of five years or in multiples thereof to a date not earlier than the **Member's** sixteenth birthday, and who retires for any of the reasons referred to in **Service Conditions 7, 8, 11, 12, 13** and **15** before the debt has been settled, the full period of the antedated service shall be taken into account in calculating the benefit and the balance of the debt shall be recovered from the benefit. This **Special Rule** shall however not be applicable where retirement is effected on ground of

permanent ill-health or physical disability and a medical practitioner has certified that the retirement is due to the **Member's** own default.

- 2.2.2 If a **Member** who has exercised the option referred to in this **Special Rule 2.2** leaves the service of an **Employer** for any reason other than the reasons referred to in **Special Rule 2.2.1**, the antedated pensionable service shall not be taken into account in the calculation of the benefit and only the **Member's** own contributions together with the contributions made by the **Employer** without interest shall be refunded to the **Member**. This **Special Rule** shall also apply where retirement is effected on ground of permanent ill-health or physical disability and it is certified by a medical practitioner that the retirement is due to the **Member's** own default.
- 2.2.3 If a **Member** who has exercised the option referred to in this **Special Rule 2.2** is dismissed as the result of a disciplinary infringement, the antedated pensionable service shall not be taken into account in the calculation of the benefit and only the **Member's** own contributions together with the contributions made by the **Employer** without interest shall be refunded to the **Member**.
- 2.2.4 If a **Member** who has exercised the option referred to in this **Special Rule 2.2** dies before the debt due has been paid in full, the full period of antedated pensionable service shall be taken into account in calculating the benefit and the balance of the debt shall be recovered from the benefit payable.
- 2.2.5 If a **Member** exercised the option referred to in this **Special Rule 2.2** to antedate pensionable service after attainment of the lower retiring age and the cash sum of the benefit has been paid in terms of **Special Rule 10.1.5.1**, the debt in respect of the antedated service shall be recovered from the additional cash sum which flows from such an option. If the additional cash sum is not sufficient, the balance shall, when the option is exercised, be paid in cash.

**SPECIAL RULE 3: CONTINUITY AND LINKING UP OF EMPLOYMENT FOR PENSION PURPOSES**

3

3.1 Any periods of employment of any **Member** –3.1.1 with an **Employer**,

3.1.2 with the South African Transport Services or the South African Railways and Harbours Administration,

3.1.3 in any other service to the extent of any portion of such employment admitted for **Pension** purposes, and3.1.4 in accordance with the provisions of **Special Rule 2**,

shall, if uninterrupted, be deemed to be one period of continuous employment for the purposes of these **Special Rules**.

3.2 A **Member** of the **Sub-Fund** who had previous pensionable service may link up a previous **Period of Pensionable Service** in respect of which an annuity is not payable, with current pensionable service, provided that –3.2.1 documentary evidence of the previous period of service and salary scales is provided by the **Member**;

3.2.2 the period of the break does not exceed 5 years; and

3.2.3 the **Member's** own contributions in respect of the previous service, as calculated by the **Administrator**, plus any interest that might have been payable, shall be paid back into the **Sub-Fund** by the **Member** as well as compound interest calculated on the total of both amounts based on –3.2.3.1 the average return of the **Sub-Fund's** investments, held by the investment managers referred to in **Special Rule 1.3.10**, calculated by the **Actuary**; and3.2.3.2 from 1 May 1994 at the rate of **Interest Payment**.

- 3.2.4 If a **Member** should decide to link up service –
- 3.2.4.1 no moneys shall be payable to the **Sub-Fund** if no benefit was paid;
  - 3.2.4.2 provided however that the **Member** may upon re-employment again exercise the option to contribute to the **Sub-Fund** in respect of the period referred to in **Special Rule 2.1.1**;
  - 3.2.4.3 the break in service shall be regarded as non-pensionable service and shall not be taken into account when calculating the benefit upon termination of employment.
- 3.3 Should a **Member** who wishes to link up service in terms of **Special Rule 3.2** have previously exercised the election referred to in **Special Rule 2.2** such election shall be cancelled and the amount already paid in terms thereof shall be used to settle, fully or partly, the liability referred to in **Special Rule 3.2.3**. Interest shall be forfeited.
- 3.4 If a **Member** who has exercised the option referred to in **Special Rule 3.2** retires before the liability has been settled, the balance shall be recovered from the cash sum, which constitutes part of the benefits.
- 3.5 In the case of a **Member**, who has exercised the option referred to in **Special Rule 3.2**, whose services with an **Employer** are terminated under circumstances such that an annuity does not become payable, the pensionable service shall be calculated only for the last period of actual service. The amount the **Member** had paid, together with the interest thereon, at the date of termination shall be refunded.
- 3.6 If a **Member** who has exercised the option referred to in **Special Rule 3.2** dies before the debt due has been paid in full, the full period of previous service shall be taken into account in calculating the benefit and the balance of the debt shall be recovered from the benefit payable.
- 3.7 The debt referred to in **Special Rule 3.2.2** may be paid in one amount or recovered in monthly instalments from the **Member's** salary in such manner that the payment shall be at least 2% of the **Pensionable Salary**. Should the payment be less than the monthly interest on the debt, the interest plus R1,00 shall be recovered.

**SPECIAL RULE 4: PENSIONABLE SALARY ON WHICH CONTRIBUTIONS SHALL BE MADE**

- 4
- 4.1 The **Pensionable Salary** on which contributions to the **Sub-Fund** shall be paid shall be salary and service bonus and in the case of **SAA** personnel to whom secondary salary is payable, such secondary salary and additional secondary salary.
- 4.2 The following shall not constitute **Pensionable Salary** or be taken into account in determining the benefit payable to a **Member**:
- 4.2.1 Payments for Sunday time and overtime.
- 4.2.2 Allowances of any kind, unless the **Sub-Fund Committee** decides otherwise.
- 4.2.3 Fees, honoraria and bonuses of any kind, other than the service bonus referred to in **Special Rule 4.1**.
- 4.3
- 4.3.1 Except where provided to the contrary an **Member** shall contribute monthly to the **Sub-Fund** at the appropriate rate of contributions as determined in **Special Rule 5**, provided that, contributions on the service bonus be recovered in the month during which month such bonus is payable.
- 4.3.2 The contributions of a **Member** who leaves the service of an **Employer** for any reason during the course of a month shall be on a *pro rata* basis.
- 4.4 If the ordinary hours of duty of any section of the personnel of an **Employer** are temporarily reduced as a measure of economy, a **Member**, whose hours are so reduced, shall continue to contribute to the **Sub-Fund** on the **Pensionable Salary** on which contributions immediately prior to the reduction were based and, for the purpose of the **Sub-Fund** but for no other purpose, such **Pensionable Salary** shall be regarded as the applicable **Pensionable Salary**.
- 4.5 If the **Pensionable Salary** of a **Member** is reduced, except as provided for in **Special Rule 4.4**, the **Member** shall, in the absence of an election to contribute on the reduced **Pensionable Salary**, continue to contribute to the **Sub-Fund** on the **Pensionable Salary** on which contributions immediately prior to the reduction were based and, for the purpose of the **Sub-Fund** but for no other purpose, such **Pensionable Salary** shall be regarded as the applicable **Pensionable Salary**.

**SPECIAL RULE 5: RATES OF CONTRIBUTIONS**

5

5.1 Every **Member** shall contribute to the **Sub-Fund** at the rate of 7,5% of **Pensionable Salary**.

5.1A The **Employer** shall contribute to the **Sub-Fund** annually at least such an amount as the **Actuary** has determined on an annual basis, not taking into consideration the amounts in **Employer Surplus Account** or the **Pensioner Surplus Account**, which is reasonably necessary to maintain the actuarial funding level of the **Sub-Fund** at least at a 100% (one hundred per cent) actuarial funding level as determined by the **Actuary** from time to time.

*[inserted wef 09.09.2011]*

5.2

5.2.1 A **Member** employed by **SAA** to whom the provisions of **Service Condition 15(1)(c)** or (d) apply, shall, in addition to the contributions prescribed in **Special Rule 5.1**, make further contributions (hereinafter referred to as "special contributions") to the **Sub-Fund** at the rate of 3,5% of **Pensionable Salary**, provided that in the case of such a **Member** who remains in the employ of **SAA** after attaining the age of 53 years, the special contributions shall be made on the following percentage rates:

5.2.1.1 From 53<sup>rd</sup> birthday to day prior to 54<sup>th</sup> birthday : 3,3%

5.2.1.2 From 54<sup>th</sup> birthday to day prior to 55<sup>th</sup> birthday : 3,1%

5.2.1.3 From 55<sup>th</sup> birthday to day prior to 56<sup>th</sup> birthday : 2,9%

5.2.1.4 From 56<sup>th</sup> birthday to day prior to 57<sup>th</sup> birthday : 2,7%

5.2.1.5 From 57<sup>th</sup> birthday to day immediately prior to retirement : 2,5%

5.2.2 A **Member**, who is transferred from another position in the service of an **Employer** to a position in **SAA** to which position the provisions of **Service Condition 15(1)(c)** or (d) apply, shall pay to the **Sub-Fund**, over and above the contributions prescribed in **Special Rule 5.1**, special contributions at the rate of 4,75% of **Pensionable Salary** in respect of the period of continuous **Pensionable** employment up to and including 31 March 1960, at the rate of 3,5% of **Pensionable Salary** from 1 April 1960 up to the day prior to his 53<sup>rd</sup> birthday and thereafter on the percentage rates referred to in the proviso to **Special Rule 5.2.1** but not from an earlier date than 1 June 1975.

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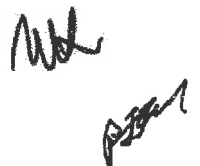


- 5.2.3 A **Member** employed by **SAA** before 10 May 1972 and to whom **Service Condition 15(1)(d)** applies, shall, in addition to the contributions prescribed in **Special Rule 5.1**, make special contributions to the **Sub-Fund** at the rates prescribed in **Special Rule 5.2.2**.
- 5.3 A **Member** shall pay interest in respect of any outstanding special contributions due in terms of this **Special Rule** as follows:
- 5.3.1 Prior to 1 April 1976 - at 4,5% per annum.
- 5.3.2 From 1 April 1976 up to the end of the month in which the transfer is effected - at the rate of **Interest Payment** and as applicable at the date of transfer. For calculation purposes the monthly rate shall be equivalent to one twelfth of the annual rate.
- 5.3.3 From the first day of the month following the date of transfer up to the end of the month of final settlement - at the rate of **Interest Payment**. For calculation purposes the monthly rate shall be equivalent to one twelfth of the annual rate.
- 5.4 If a **Member** by whom the special contributions prescribed in **Special Rule 5.2** are payable, is transferred (otherwise than in consequence of a disciplinary punishment of reduction in rank for a specified period) to a post in respect of which special contributions are not payable, the amount of the special contributions paid shall be refunded without interest.
- 5.5 When a refund in terms of **Special Rule 5.4** is made to a **Member**, the **Sub-Fund** shall retain the contributions to the **Sub-Fund** made by the **Employer**.
- 5.6 A **Member** to whom **Special Rule 5.2** applies, who has been transferred under the circumstances mentioned in **Special Rule 5.4**, and who is subsequently reappointed to a post in respect of which the special contributions are payable, shall repay to the **Sub-Fund**, in such manner as the **Administrator** may determine, the amount that was paid in terms of **Special Rule 5.4** and, if at the time of such **Member's** retirement or death such amount has not been paid in full, the balance may, in the absence of agreement as to some other method of payment, be recovered from any moneys due to the **Member** by the **Employer** or by deduction from any benefit payable to such **Member** or to some other person in respect of such **Member's** death.
- 5.7 The provisions of this **Special Rule** shall not affect the provision relating to the payment of arrear contributions and interest contained elsewhere in these **Special Rules**.

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**SPECIAL RULE 6: WHEN CONTRIBUTIONS COMMENCE**

- 6 Contributions to the **Sub-Fund** shall commence –
- 6.1 in the case of an **Member** who was a **Member** of the New Fund or the Pension Fund prior to the commencement of the **Act**, from the date which has been or may be determined as the commencing date of membership in terms of any act or regulation then applicable; or
- 6.2 in the case of an **Member** who becomes a **Member** on or after the date of commencement of the **Act**, as from which such **Member** qualifies for membership of the **Fund**.



**SPECIAL RULE 7: COLLECTION OF CURRENT CONTRIBUTIONS AND ARREAR CONTRIBUTIONS WITH INTEREST FROM A MEMBER**

7

7.1 Current contributions due to the **Sub-Fund** by a **Member** shall, except where otherwise provided in this **Special Rule**, be collected by means of salary deductions through the medium of the **Member's** pay voucher.

7.2 Arrear contributions and interest due to the **Sub-Fund** by a **Member** shall also be collected by means of salary deductions through the medium of the **Member's** pay voucher and shall be so collected at the rate of at least 2% of **Pensionable Salary** unless 2% of **Pensionable Salary** is less than the monthly interest on the debt in which event the interest plus R1,00 shall be recovered provided that, by arrangement with the **Administrator**, a **Member** may elect –

7.2.1 to increase, beyond 2% of **Pensionable Salary**, the rate at which arrear contributions and interest shall be so collected, and/or

7.2.2 to make cash payments periodically in reduction of arrear contributions and interest in addition to the amounts that are deducted in respect thereof from pay vouchers in terms of this **Special Rule**.

**SPECIAL RULE 8: COLLECTION OF CURRENT AND ARREAR CONTRIBUTIONS AND INTEREST THEREON OUTSTANDING WHEN A MEMBER LEAVES THE SERVICE OF AN EMPLOYER OR DIES**

8

8.1 When a **Member** leaves the service of an **Employer** for any reason or dies and there is owing by such **Member** to the **Sub-Fund** any amount on account of –

8.1.1 contributions in respect of a period of service immediately preceding the date on which the **Member** leaves the service of an **Employer** or dies, which are in terms of **Special Rule** 8.2 required to be assessed but not actually recovered from the salary payable for that period, or

8.1.2 contributions erroneously not collected in respect of any period earlier than that referred to in **Special Rule** 8.1.1, or

8.1.3 unpaid contributions and interest (if any) for the payment of which the **Member** had incurred liability in terms of **Special Rule** 9.1.1, or

8.1.4 contributions and interest (if any) for the payment of which the **Member** had incurred liability by reason of the **Member's** having at some time in the past been mistakenly but *bona fide* dealt with under any provision of any act, regulation, **Service Condition** or **Special Rule** applicable, as if the **Member** had left the service of an **Employer**,

there shall nonetheless be calculated with reference to the whole period of employment which can be taken into account for pension purposes, any benefit payable to such former **Member** or such **Member's** estate or to some other person in respect of such **Member's** death, and any amount so owing to the **Sub-Fund** shall be recovered, in the manner prescribed in the succeeding **Special Rules**, from such benefit.

8.2 The period of service, referred to in **Special Rule** 8.1.1 in respect of which current contributions shall be assessed but not actually recovered from a **Member's** salary, shall be –

8.2.1 that which a **Member** of the **Sub-Fund**, who is leaving the service of an **Employer** on grounds other than retirement with a pension benefit, or who dies, completes after the close of the period covered by the amount of salary included on the last pay voucher compiled by the **Employer** concerned prior to the receipt of the advice in the accounting section concerned containing the information that the **Member** is leaving the such service or has died, or

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- 8.2.2 that which a **Member** of the **Sub-Fund**, who is retiring with a pension benefit, will, according to the information shown on the advice referred to in **Special Rule 8.2.1**, complete during the pay month in which retirement takes place.
- 8.3 The collection of any current contributions in arrear and any arrear contributions in instalments from the salary of a **Member** referred to in **Special Rule 8.1** shall be discontinued for the period in respect of which normal current contributions are assessed in terms of the said **Special Rule**.
- 8.4 The advice referred to in **Special Rule 8.2.1** shall be submitted to the **Administrator** as soon as it is practicable to insert thereon particulars in respect of a **Member** referred to in **Special Rule 8.2.1** or 8.2.2 of –
- 8.4.1
- 8.4.1.1 normal current contributions;
- 8.4.1.2 the instalment in respect of current contributions in arrear (if any); and
- 8.4.1.3 the instalment in respect of arrear contributions (if any);
- deducted from the **Member's** salary on the last pay voucher compiled prior to the receipt of the advice in the accounting section,
- 8.4.2
- 8.4.2.1 normal current contributions;
- 8.4.2.2 instalments in respect of current contributions in arrear (if any); and
- 8.4.2.3 instalments in respect of arrear contributions (if any),
- that still require to be deducted for the further period ending at the close of the pay month immediately preceding that in which the **Member** will retire; and
- 8.4.3
- 8.4.3.1 normal current contributions that will be assessed for the final prescribed period of service in terms of **Special Rule 8.2.1** or 8.2.2; and
- 8.4.3.2 other current and/or arrear contributions (if any) that may be outstanding on the **Member's** last day in the employ of an **Employer**.

- 8.5 When all the particulars required for the completion of the advice referred to in **Special Rule 8.2.1** are not available at the date it is due to be submitted to the accounting section concerned or to the **Administrator**, as the case may be, it shall be forwarded without further delay, and the particulars, unavoidably omitted, shall be transmitted as soon as possible thereafter to the **Administrator** who will determine the amount of contributions, and the interest thereon, if any, that require, in terms of **Special Rule 8.6**, to be deducted from benefits payable.
  
- 8.6 The **Administrator** shall then proceed, with due regard to the provisions of **Special Rule 8.1** to calculate the benefit payable to an ex-**Member**, or **Pensioner**, or any other **Dependant** or the estate of a deceased **Member**, as the case may be, and shall deduct from such benefit the amount of the assessed current contributions referred to in **Special Rule 8.4.3**, together with any amount in respect of current and/or arrear contributions and interest thereon referred to in **Special Rules 8.1.2 to 8.1.4**, that may be outstanding at the date the **Member** leaves the service of an **Employer** or dies, provided that, if the **Member** retires with a cash sum and a **Pension**, the amount due shall be recovered –
  - 8.6.1 as a first charge as far as possible from the cash sum that may be paid to such person or estate, or
  - 8.6.2 as a first charge in one amount, or in monthly instalments as may be determined by the **Administrator**, from the **Pension** if the cash sum is less than the amount owed to the **Sub-Fund**, provided that, if the **Pensioner**, from whose **Pension** the outstanding contributions and interest (if any) are being recovered in monthly instalments, dies before the total amount due to the **Sub-Fund** is paid, the amount outstanding shall be recovered from the benefit payable in respect of such **Pensioner's** death.

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**SPECIAL RULE 9: CONTRIBUTIONS BY MEMBERS ON LEAVE OR UNDER SUSPENSION**

9

9.1

A **Member** shall continue to contribute to the **Sub-Fund** while on leave, off sick or under suspension, with full or partial pay, but such contributions shall be calculated on the full **Pensionable Salary**.

9.1.1 A **Member** shall be liable to contribute to the **Sub-Fund** in respect of a period not exceeding 90 days during which such **Member** has continuously been on leave, off sick or under suspension, without pay. The contributions due in respect of such period shall, upon resumption of duty, be recovered from salary in monthly instalments at the rate of 5% of current monthly **Pensionable Salary** or in one instalment when the amount outstanding does not exceed a figure equalling 5% of such **Pensionable Salary**. No interest shall be charged on such contributions.

9.1.2 A **Member** may elect to contribute to the **Sub-Fund** in respect of the whole of a period exceeding 90 days during which such **Member** continuously been on leave, off sick or under suspension, without pay, and the **Member** shall not be precluded from electing so to contribute because of an election prior to 1 March 1978 not to contribute in respect of such period.

9.1.3 The option provided for in **Special Rule 9.1.2** may be exercised at any time while the **Member** is in the service of an **Employer** after the **Administrator** has furnished such **Member** with particulars of the amount of the liability through the medium of an option form, provided that the **Member** shall sign, date and return to the **Administrator** a receipt for such form.

9.1.4 Should any disagreement arise between the **Member** and the **Administrator** concerning the information furnished in terms of **Special Rule 9.1.3** the **Administrator** shall submit full particulars of the case to the Secretary for the decision of the **Sub-Fund Committee**. The **Sub-Fund Committee's** decision shall be final. The **Member** concerned shall be informed of the decision.

9.1.5 An option exercised in terms of **Special Rule 9.1.2** shall be irrevocable.

9.1.6 Subject to any agreement between the **Employer** and the relevant **Registered Trade Union**:

9.1.6.1 If a **Member** is dismissed and declares a dispute, the **Employer** will continue to pay contributions until the finalising of the dispute, and

- 9.1.6.2 If the dispute has been settled between the parties themselves or if the prosecution of the dispute has been abandoned by the **Member**, the contributions referred to in **Special Rule 9.1.6.1** shall be refunded to the **Employer** together with interest at the rate of **Interest Payment**, unless the parties to the dispute have agreed otherwise.
- 9.1.7
- 9.1.7.1 If a **Member** has elected not to contribute in respect of a period referred to in **Special Rule 9.1.2**, such period shall not be taken into account in calculating the period or continuous employment.
- 9.1.7.2 If a **Member** elects to contribute in respect of a period referred to in **Special Rule 9.1.2**, the contributions due, together with **Interest Payment**, in respect of so much of the period of leave, absence due to sickness or suspension as exceeds 90 days, shall, subject to the provisions of **Special Rules 9.1.7.3** and **9.1.7.4**, be recovered from such **Member's** salary in such monthly payments as may be determined, but in such a manner that the payments shall be at least 2% of the **Member's Pensionable Salary**, unless 2% of such **Pensionable Salary** is less than the monthly interest on the debt, in which event the interest plus R1,00 shall be recovered. For calculation purposes the monthly rate shall be equivalent to one twelfth of the annual rate.
- 9.1.7.3 A **Member** may pay higher instalments through the medium of such **Member's** pay voucher or make a cash payment in settlement of the total indebtedness or part thereof, with the balance, in the latter case, being deducted in monthly instalments agreed upon by the **Administrator** and the **Member**.
- 9.1.7.4 A **Member** may, by arrangement with the **Administrator**, make further additional cash payments periodically in reduction of the debt.
- 9.1.8 If a **Member** dies before the exercise of the option, it shall be accepted, if it is to the benefit of the widow, widower or dependents, that the **Member** wished to contribute for a period referred to in **Special Rule 9.1.2** and the outstanding debt shall be recovered from the benefit payable.

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- 9.2 Contributions in respect of any period deemed as leave without pay or absence due to sickness without pay shall be calculated and made in accordance with **Special Rule 4.3.1**, and shall be based on the **Pensionable Salary** which the **Member** would have received during the deemed period of leave, absence due to sickness or period of suspension from duty.
- 9.3 Contributions payable in terms of this **Special Rule** shall be calculated at the rate applicable during the period of leave, absence due to sickness or suspension from duty.
- 9.4 When a **Member** resumes duty after a period of suspension exceeding 90 days, the **Employer** shall supply particulars of such absence to the **Administrator**.



**SPECIAL RULE 10 : BENEFITS**

10

## 10.1 AGE-LIMIT

10.1.1 The benefit payable to a **Member**, to whom **Service Condition 15(4)** does not apply, upon retirement from the service of an **Employer** upon reaching the age-limit of 63 years provided for in **Service Condition 15(1)(a)** shall, if the **Member's** contributions cover a period of ten years or more, be as follows:

10.1.1.1 A **Pension** which shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction shall be the period of membership of the **Fund** expressed in years, with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the denominator shall be 54.

10.1.1.2 A cash sum which shall be calculated by multiplying each rand of one-third of the **Pension** calculated in terms of **Special Rule 10.1.1.1** by a factor of 12.

10.1.2 The benefit payable to a **Member**, to whom **Service Condition 15(4)** applies, who elects to retire or is retired on reaching the lower retiring age referred to therein, shall be, if the **Member's** contributions cover a period of 10 years or more, as follows:

10.1.2.1 A **Pension** which shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction shall be the period of membership of the **Fund** expressed in years, with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the dominator shall be:

(a) 50 in the case of a **Member** to whom the provisions of **Service Condition 15(1)(c)** or (d) apply;

(b) 60 in all other cases.

10.1.2.2 A cash sum which shall be calculated by multiplying each rand of one-third of the **Pension** calculated in terms of **Special Rule 10.1.2.1** by the following factor:

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Age	Factor
50 .....	14,50
60 or over .....	12,00

provided that, in the case of a **Member** to whom **Service Condition 15(1)(c)** or **(d)** applies, the factor applicable to the age of 50 years shall apply to any higher age.

10.1.3

10.1.3.1 The following benefit is payable to a **Member** who:

- (a) **Contributes at the rate of 7,5% of the Pensionable Salary;**
- (b) is entitled to retire at the attainment of the age of 60 years but elected not to do so;
- (c) has completed 10 years or more pensionable service;
- (d) retires on or before the attainment of the retirement age of 63 years:
  - (i) **A Pension** which is calculated by multiplying the **Member's Average Pensionable Salary** during the last 12 months preceding retirement with the **Period of Pensionable Service** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) divided by the factor set forth hereinafter opposite the retirement age of the **Member**:

Age	Factor
60 .....	60
61 .....	58
62 .....	56
63 .....	54

- (ii) **A cash sum** which is calculated by multiplying one-third of the pension calculated in paragraph (i) by 12.

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10.1.3.2 The following benefit is payable to a **Member** intended in **Special Rule 10.1.3.1** where such **Member's** services are terminated before the attainment of the retirement age of 63 years, on grounds of permanent ill-health or physical disability and where a medical practitioner certified that such permanent ill-health or physical disability is not caused by the **Member's** own default:

- (a) A **Pension** which is calculated by multiplying the **Member's Average Pensionable Salary** during the last 12 months preceding retirement with the **Period of Pensionable Service** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) and divided by 60.
- (b) A cash sum which is calculated by multiplying one-third of the **Pension** calculated in paragraph (a) by 12.

10.1.4

10.1.4.1 The following benefit is payable to a **Member** who:

- (a) Contributes at the rate of 11 % of the **Pensionable Salary**;
- (b) is entitled to retire at the attainment of the age of 50 years but elected not to do so;
- (c) has completed 10 years or more pensionable service;
- (d) retires on or before the attainment of the retirement age of 63 years:

*[substituted wef 09.09.2011]*

- (i) A **Pension** which is calculated by multiplying the **Member's Average Pensionable Salary** during the last 12 months preceding retirement with the **Period of Pensionable Service** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) divided by the factor set forth hereinafter opposite the retirement age of the **Member**:

Age	Factor
50 .....	50
51 .....	48

Transport Pension Fund	SAA Sub-Fund	Special Rules
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52	.....	46
53 to 60	.....	44
61	.....	43
62	.....	42
63	.....	41

*[amended wef 09.09.2011]*

- (ii) A cash sum which is calculated by multiplying one-third of the **Pension** calculated in paragraph (d) by 14,50.

10.1.4.2 The following benefit is payable to a **Member** intended in **Special Rule** 10.1.4.1 where such **Member's** services are terminated before the attainment of the retirement age of 63 years, on grounds of permanent ill-health or physical disability and where a medical practitioner certified that such permanent ill-health or physical disability is not caused by the **Member's** own default:

*[substituted wef 09.09.2011]*

- (a) A **Pension** which is calculated by multiplying the **Member's Average Pensionable Salary** during the last 12 months preceding retirement with the **Period of Pensionable Service** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) and divided by 50.
- (b) A cash sum which is calculated by multiplying one-third of the **Pension** calculated in paragraph (a) by 14,50.

#### 10.1.5

10.1.5.1 The following benefit is payable to a **Member** who:

- (a) Contributes at the rate of 7,5% of the **Pensionable Salary**;
- (b) has the option to retire at the attainment of the age of 60 years, but who elected not to do so;
- (c) was paid the cash sum before 1 April 1995 that would have been payable in the event of retirement on such date;

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- (d) has completed 10 years or more pensionable service;
- (e) retires on or before the attainment of the retirement age of 63 years:
  - (i) A Pension which is calculated by multiplying the Member's Average Pensionable Salary during the last 12 months preceding retirement with the Period of Pensionable Service expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) divided by the factor set forth hereinafter opposite the retirement age of the Member:

Age	Factor
60 .....	60
61 .....	58
62 .....	56
63 .....	54

- (ii) A cash sum (additional to that already paid) which is calculated by multiplying one-third of the Pension calculated in paragraph (i) by 12, minus the cash sum received on 60 years of age.

10.1.5.2 The following benefit is payable to a Member intended in Special Rule 10.1.5.1 where such Member's services are terminated before the attainment of the retirement age of 63 years, on grounds of permanent ill-health or physical disability and where a medical practitioner certified that such permanent ill-health or physical disability is not caused by the Member's own default:

- (a) A Pension which is calculated by multiplying the Member's Average Pensionable Salary during the last 12 months preceding retirement with the Period of Pensionable Service expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) and divided by 60.
- (b) A cash sum (additional to that already paid) which is calculated by multiplying one-third of the Pension calculated in paragraph (a) by 12, minus the cash sum that was received on 60 years of age.

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10.1.6

10.1.6.1 The following benefit is payable to a Member who:

- (a) Contributes at the rate of 11% of the Pensionable Salary;
- (b) has the option to retire at the attainment of the age of 50 years but who elected not to do so;
- (c) who was paid the cash sum before 1 April 1995 that would have been payable in the event of retirement on such date;
- (d) who has completed 10 years or more pensionable service;
- (e) retires on or before the attainment of the retirement age of 63 years:

*[substituted wef 09.09.2011]*

(i) A pension which is calculated by multiplying the Member's average Pensionable Salary during the last 12 months preceding retirement with the Period of Pensionable Service expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) divided by the factor set forth hereinafter opposite the retirement age of the Member:

Age	Factor
50 .....	50
51 .....	48
52 .....	46
53 to 60 .....	44
61 .....	43
62 .....	42
63 .....	41

*[amended wef 09.09.2011]*

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- (ii) A cash sum (additional to that already paid) which is calculated by multiplying one-third of the **Pension** calculated in paragraph (i) by 14,50, minus the cash sum that was received on 50 years of age.

10.1.6.2 The following pension benefit is payable to a **Member** intended in **Special Rule 10.1.6.2** where such **Member's** services are terminated before the attainment of the retirement age of 63 years on grounds of permanent ill-health or physical disability and where a medical practitioner certified that such permanent ill-health or physical disability is not caused by the **Member's** own default:

*[substituted wef 09.09.2011]*

- (f) A **Pension** which is calculated by multiplying the **Member's Average Pensionable Salary** during the last 12 months preceding retirement with the **Period of Pensionable Service** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) and divided by 50.
- (g) A cash sum (additional to that already paid) which is calculated by multiplying one-third of the **Pension** calculated in paragraph (f) by 14,50, minus the cash sum that was received on 50 years of age.

#### 10.1.7

##### 10.1.7.1 A **Member** who-

- (a) contributes at the rate of 11% of the **Pensionable Salary**;
- (b) obtained membership of the **Fund** before 1 April 1995;
- (c) contributed at the rate of 11% of the **Pensionable Salary** before 1 April 1995;
- (d) elected not to retire at the attainment of 50 years of age,

has the right to elect to receive the cash sum which would have been payable if the **Member** had retired at the attainment of 50 years of age.



10.1.7.2 Such cash sum or portion thereof that may deem necessary must be used as credit against any amount payable to the **Employer** in regard to a loan granted in terms of the house ownership scheme of the **Employer** or any of its predecessors, or any antedated membership allowed, in terms of these or Regulations which these substitute.

10.1.7.3 The following pension benefit is payable to a **Member** referred to in **Special Rule 10.1.7.1** at retirement on or before the attainment of the retirement age of 63 years:

*[substituted wef 09.09.2011]*

(a) A **Pension** which is calculated by multiplying the **Member's Average Pensionable Salary** during the last 12 months preceding retirement with the **Period of Pensionable Service** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) divided by the factor set forth hereinafter opposite the retirement age of the **Member**:

Age	Factor
50 .....	50
51 .....	48
52 .....	46
53 to 60 .....	44
61 .....	43
62 .....	42
63 .....	41

*[substituted wef 8.12.2011]*

(b) A cash sum (additional to that already paid) which is calculated by multiplying one-third of the **Pension** calculated in paragraph (a) by 14,50, minus the cash sum that was received on 50 years of age.

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10.1.7.4 The following benefit is payable to a **Member** intended in **Special Rule 10.1.7.1** where such **Member's** services are terminated before the attainment of the retirement age of 63 years, on grounds of permanent ill-health or physical disability and where a medical practitioner certified that such permanent ill-health or physical disability is not caused by the **Member's** own default:

*[substituted wef 09.09.2011]*

- (a) A **Pension** which is calculated by multiplying the **Member's Average Pensionable Salary** during the last 12 months preceding retirement with the **Period of Pensionable Service** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) and divided by 50.
- (b) A cash sum (additional to that already paid) which is calculated by multiplying one-third of the **Pension** calculated in paragraph (a) by 14,50, minus the cash sum that was received on 50 years of age.

#### 10.1.8

10.1.8.1 The benefit payable to a **Member** upon retirement from the service of an **Employer** upon reaching the age of 45 years or more (but less than 50) in terms of **Service Condition 15(3)** shall, whether such **Member's** contributions cover a period of 10 years or not, be as follows:

- (a) A **Pension** which shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction shall be the period of membership of the **Fund** expressed in years, with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the nominator shall be 50. Such pension shall be debited to the **Employer** until the **Pensioner** reaches the age of 63.

*[substituted wef 9.09.2011]*

- (b) A cash sum which shall be calculated by multiplying each rand of one-third of the **Pension** calculated in terms of paragraph (a) by the applicable factor set out in the following table:

Age	Factor
45 .....	15,69
46 .....	15,47
47 .....	15,24
48 .....	15,00
49 .....	14,75
50 .....	14,50

provided that the cash sum so calculated shall not be greater than that which in the ordinary course of events would have been payable to the **Member** upon reaching the age of 63.

*[substituted wef 09.09.2011]*

10.1.8.2 A **Pension** paid in terms of this **Special Rule** shall be paid by the **Employer** until the **Pensioner** reaches the applicable age-limit and thereafter from the **Sub-Fund**.

10.1.9 If the employment of a **Member** of the **Sub-Fund** is terminated on attainment of the applicable age-limit (excluding cases that fall under **Service Condition 11** or **15(3)**) before contributions cover a period of 10 years, twice the amount of the **Member's** own contributions, without interest, shall be refunded.

10.2 LENGTH OF SERVICE

10.2.1

10.2.1.1 A **Member** who is appointed in temporary or permanent employment and contributes to the **Sub-Fund** at the rate of 7,5% of his **Pensionable Salary** and is entitled to retire on completion of 40 years actual service, shall, subject to the provisions of **Special Rules 10.2.1.2, 10.2.1.3 and 10.2.1.4**, be granted benefits as follows:

- (a) A **Pension**, which shall be calculated on the **Member's Average Pensionable Salary** over the last 12 months preceding retirement multiplied by the period of membership of the **Fund** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year), and divided by 60.

- (b) A gratuity, which shall be calculated by multiplying each rand of one-third of the **Pension** calculated in paragraph (a), by 12.

10.2.1.2 The **Member** referred to in **Special Rule** 10.2.1.1 shall pay to the **Sub-Fund** an amount equivalent to the contributions that would have been payable had the **Member** remained in the employment of the **Employer** until attainment of the age of 60 years for that **Member** who contributes at 7,5% .

10.2.1.3 The contributions referred to in **Special Rule** 10.2.1.2 shall be calculated on the **Member's Average Pensionable Salary** during the last 12 months immediately prior to retirement.

10.2.1.4 The **Employer** shall pay to the **Sub-Fund** its contributions calculated on the contributions as calculated in terms of **Special Rule** 10.2.1.2.

10.2.1.5 Pensionable service referred to in **Special Rule** 2.2 shall be taken into account for the purpose of the period of membership referred to in **Special Rule** 10.2.1.1(a).

10.2.2 A **Member** who has completed 35 years actual continuous service on 1 December 1992 to 31 March 1997 (both dates included) and elects to retire, shall be granted the same benefit referred in **Special Rule** 10.2.1.1, and is subject to the provisions of **Special Rules** 10.2.1.2, 10.2.1.3 and 10.2.1.4.

### 10.3 REDUCTION IN OR REORGANISATION OF PERSONNEL

10.3.1 If a **Member** of the **Sub-Fund** in permanent employment is retired on the ground of reduction in or reorganization of personnel, in terms of **Service Condition** 8, the following provisions shall apply:

10.3.1.1 A **Member** whose age is less than 55 years irrespective of service shall receive a benefit calculated in accordance with a formula as determine by the **Actuary**. Such benefit shall form a charge against the **Sub-Fund**.

10.3.1.2 A **Member** whose age is 55 years or more and whose continuous employment is in the aggregate 25 years or more, shall be entitled to a benefit as follows:

- (a) A **Pension** which shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction shall be the period of membership of the **Fund** expressed in years, with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the denominator shall be 60, provided however that such benefit be reduced by 0,3% for each complete month in the period between the **Member's** sixtieth birthday and the actual date of retirement.
- (b) A cash sum which shall be calculated by multiplying each rand of one-third of the **Pension** calculated in terms of paragraph 10.3.1.2 by the factor of 12.
- (c) The whole benefit shall form a charge against the **Sub-Fund**.

10.3.1.3 A **Member** whose age is 55 years or more and whose continuous employment is in the aggregate less than 25 years, shall receive the benefit referred to in **Special Rule** 10.3.1.

#### 10.4 MUTUAL AGREEMENT

10.4.1 If a **Member** of the **Sub-Fund** in permanent employment is retired on the ground of mutual agreement, in terms of **Service Condition** 13, the following provisions shall apply:

10.4.1.1 A **Member** who has contributed to the **Fund** for a period of 10 years or more and whose age is 50 years or more, and whose continuous employment is in aggregate 25 years or more shall be entitled to a-benefit as follows:

- (a) A **Pension** which shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction shall be the period of membership of the **Fund** expressed in years, with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the denominator shall be 60, provided however that such benefit shall be reduced by 0,3% for each complete month in the period between the **Member's** sixtieth birthday and the actual date of retirement.

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(b) A cash sum which shall be calculated by multiplying each rand of one-third of the Pension calculated in terms of paragraph 10.4.1.1 by the factor of 12.

(c) The whole benefit shall form a charge against the Sub-Fund.

10.4.1.2 If a Member of the Sub-Fund in permanent employment, who does not have the option to elect to retire at a lower retiring age in terms of Service Condition 15(4), is retired on the ground of mutual agreement, in terms of Service Condition 13, the benefits for which provision is made in Special Rule 10.1.2 shall apply, provided that, in the event of a Pension being payable, the following denominator shall be substituted for that which would otherwise have been applicable if the Member has reached the age for which provision is made therein:

Age	Factor
60 .....	60
61 .....	58
62 .....	56
63 .....	54
55 .....	55
56 .....	53
57 .....	51
58 .....	49

10.5 REDUNDANCY

10.5.1 If a Member of the Sub-Fund in temporary or permanent employment is declared redundant and retires the following provisions shall apply:

10.5.1.1 A Member whose age is less than 50 years irrespective of service shall receive a single amount calculated in accordance with a formula as determined by the Actuary.

10.5.1.2 A Member who has contributed to the Fund for a period of 10 years or more and whose age is 50 years or more, and the total of the age and pensionable service is at least 75, shall be entitled to a benefit as follows:

(a) A single amount calculated in accordance with a formula as determined by the Actuary; or

- (b) an annuity and cash sum. The pension shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction shall be the period of membership of the **Fund** expressed in years, with each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the denominator shall be 60, provided however such benefit shall be reduced by 0,3% for each calendar month in the period between the **Member's** sixtieth birthday and the actual date of retirement in respect of ordinary personnel who contribute at 7,5% to the **Sub-Fund**. A cash sum which shall be calculated by multiplying the **Pension** calculated by the factor of 4 in the case of ordinary personnel.

10.5.1.3 A **Member** whose age is 50 years or more but the total of his age and pensionable service is less than 75, shall receive the same benefit referred to in **Special Rule** 10.5.1.1.

10.6 MEMBERS OCCUPYING OVERPAID C-GRADES OR PLACED IN GRADED POSTS ON THE BASIS PERSONAL TO HOLDER

10.6.1

10.6.1.1 A **Member** who is appointed in temporary or permanent employment –

- (a) whose age is less than 50 years, irrespective of period of service; and
- (b) who occupies an overpaid C-grade or is placed in a graded post on the basis personal to holder; and
- (c) who retires in accordance with a voluntary package deal,

shall receive a single amount calculated in accordance with a formula as determined by the **Actuary**.

10.6.1.2 A **Member** who is appointed in temporary or permanent employment –

- (a) whose age is 50 years or more but the total of his age and pensionable service is less than 75; and

- (b) who occupies an overpaid C-grade or is placed in a graded post on the basis personal to holder; and
- (c) who retires in accordance with a voluntary package deal,

shall receive a single amount calculated in accordance with a formula as determined by the **Actuary**.

10.6.1.3 A **Member** who is appointed in temporary or permanent employment and contributes to the **Sub-Fund** at the rate of 7,5% of his **Pensionable Salary** –

- (a) whose age is 50 years or more and the total of his age and pensionable service is at least 75; and
- (b) who occupies an overpaid C-grade or is placed in a graded post on the basis personal to holder; and
- (c) who retires in accordance with a voluntary package deal,

shall, subject to the provisions of **Special Rule** 10.6.1.5, receive the benefits in **Special Rule** 10.6.1.4 or a single amount calculated in accordance with a formula as determined by the **Actuary**.

10.6.1.4 The following benefits shall be awarded to a **Member** mentioned in **Special Rule** 10.6.1.3:

- (a) A **Pension**, which shall be calculated by multiplying the **Member's Average Pensionable Salary** during the last 12 months prior to retirement with the period of membership of the **Sub-Fund** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) divided by 60.
- (b) A cash sum amount, which shall be calculated by multiplying one-third of the **Pension** calculated in paragraph (a) with 12.

10.6.1.5 The benefit of the **Member** referred to in **Special Rule** 10.6.1.3 shall be reduced by 0,3% for each calendar month in the period between the **Member's** sixtieth birthday and the actual date of retirement.



10.6.1.6 For the purpose of the period of membership intended in **Special Rule 10.6.1.4(a)** pensionable service referred to in **Special Rule 2.2** shall be taken into account.

#### 10.7 INEFFICIENCY

If a **Member** of the **Sub-Fund** is retired before Superannuation on the ground of inefficiency in terms of **Service Condition 7**, the benefits which shall be applicable shall be those applicable on retirement on the ground of permanent ill-health or physical disability not certified by a medical practitioner to be due to the **Member's** own default (subject to the provisions of **Special Rules 10.1.3.2** or **10.1.5.2**, as the case may be), provided, however, that such benefit shall be adjusted as to represent 75% thereof (i.e. the denominator shall be a constant 80 for ordinary personnel and 67 for flightdeck personnel). The whole benefit shall form a charge against the **Sub-Fund**.

#### 10.8 PERMANENT ILL-HEALTH OR PHYSICAL DISABILITY

10.8.1 ... *[deleted on 25.05.2016]*

10.8.2 ... *[deleted on 25.05.2016]*

10.8.1 If a **Member** is retired in terms of **Service Condition 11** by reason of permanent ill-health or physical disability, in respect of which a medical practitioner has certified that it was due to such **Member's** own default, the **Member** shall be entitled to the Actuarial Value pertaining to such Member.

*[amended on 25.05.2016; wef 25.05.2016]*

#### 10.8.2

10.8.2.1 The benefit payable to a **Member**, who has the option to retire at a lower retirement age in terms of **Service Condition 15(4)**, upon retirement from the service of such **Member's Employer** on the ground of permanent ill-health or physical disability in terms of **Service Condition 11** in respect of which a medical practitioner has not certified that it was due to the **Member's** own default, shall (subject to the provisions of **Special Rule 10.1.5.2**, be as follows:

*[amended wef 25.05.2016]*

- (a) A **Pension** which shall be calculated as a fraction of the **Member's Average Pensionable Salary** during the last 12 months prior to retirement. The numerator of the fraction shall be the period of membership of the **Fund** expressed in years, with each day of an

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incomplete year being reckoned as one three hundred and sixty-fifth of a year, and the denominator shall be –

(i) 50 in the case of a **Member** to whom the provisions of **Service Condition 15(1)(c)** or (d) apply;

(ii) 60 in the case of other **Members**.

(b) A cash sum which shall be calculated by multiplying each rand of one-third of the **Pension** calculated in terms of paragraph 10.8.2.1 by the factor 12,

provided that, in the case of a **Member** to whom **Service Condition 15(1)(c)** or (d) applies, the factor of 14,50 shall be used for the purpose of calculating such cash sum, irrespective of the age of the **Member**.

10.8.2.2 The benefits payable to a **Member** referred to in **Special Rule 10.8.1** but who does not have the option to elect to retire at a lower retiring age in terms of **Service Condition 15(4)**, shall be those referred to in **Special Rule 10.8.1**, provided that, in the case of the **Pension**, the denominators set out below shall be substituted for those set out in **Special Rule 10.8.1**, if the **Member** has reached an age for which provision is made therein:

Age	Denominator
60	60
61	58
62	56
63	54
55	55
56	53
57	51
58	49
50	50
51	48
52	46
53	44

10.8.2.3 A **Member** who, due to mental or physical defect, disease or infirmity could not obtain membership of the Pension Fund prior to 1 April 1993 but is granted membership from 1 April 1993 and is retired earlier than the prescribed retiring age due to the said conditions, shall become entitled to the **Actuarial Value** pertaining to such **Member**.

*[amended wef 25.05.2016]*

10.9 **ABSCONDMENT OR RESIGNATION WITHOUT NOTICE**

If an **Member** who is a **Member** of the **Sub-Fund** absconds or resigns without having complied with the requirements of any law or contract regarding the giving of notice and the **Employer** has not waived its right to receive such notice shall be entitled to the **Actuarial Value** pertaining to such **Member**.

*[amended wef 25.05.2016]*

10.10 **ABSCONDMENT OR REFUSAL TO SERVE IN CONCERT**

Whenever a number of **Members** acting in concert desert or refuse to serve, or absent themselves from duty without lawful cause or reasonable excuse, or resign without giving the notice required by law, rule or contract, and in terms of any law applicable to the **Employer** concerned are deemed in consequence to have terminated their services, such **Members** shall, notwithstanding anything in any law or these **Special Rules** contained, be entitled, after the expiration of a period of three months after they have so terminated their services, to receive on application a refund of own contributions to the **Sub-Fund** without interest thereon, provided they have not been re-employed by the **Employer** within the said period.

10.11 **RESIGNATION**

Subject to the provisions of **Special Rule 2.2.2**, a **Member** who is a **Member** of the **Sub-Fund** and who, after giving the notice required by any law or contract, resigns voluntarily, shall become entitled to the **Actuarial Value** pertaining to such **Member**.

*[amended wef 10.08.2011]  
[amended wef 25.05.2016]*

10.12 **DISMISSAL**

10.12.1 A **Member** of the **Sub-Fund** who-

10.12.1.1 is dismissed on account of a disciplinary infringement, or

10.12.1.2 resigns in order to avoid dismissal or in anticipation of a charge alleging a disciplinary infringement being laid,

shall, subject to the provision of section 9 of the **Act** and, in a case falling under 10.12.1.1, subject to the provision of **Special Rule 10.12.2**, be paid what would have been due in terms of **Special Rule 10.11** to a **Member**.

10.12.2 A **Member**, who has paid contributions in respect of a period of continuous service of at least 20 years, and is dismissed as a result of a disciplinary infringement other than: -

10.12.2.1 fraud or other serious disciplinary infringement of which dishonesty is an element, or

10.12.2.2 deliberate mal performance of work

may, notwithstanding anything to the contrary in these **Special Rules**, be granted by the **Sub-Fund Committee**, in lieu of any other benefit payable from the **Sub-Fund**, such **Pension** as the **Sub-Fund Committee** may determine, not exceeding one half of the **Pension** which would have been applicable upon the date of dismissal if such **Member's** services had been dispensed with upon that date in consequence of a reduction in or reorganisation of personnel, provided that –

(a) no portion of such **Pension** shall, except for the purposes of section 10 of the **Act**, be commuted by a cash payment, and

(b) all payments of any such **Pension** which are made before such **Member** has attained the age fixed for retirement shall be made by the **Employer** and all such payments which are made thereafter shall be made out of the **Sub-Fund**.

10.12.3 Upon the decision of the **Sub-Fund Committee** to grant to any person a **Pension** under **Special Rule 10.12.2**, such person's right to any other benefit payable from the **Sub-Fund** shall lapse.

10.12.4 If a **Member** referred to in **Special Rule 10.12.2** is dismissed as a result of a disciplinary infringement which does not preclude the grant of a **Pension** under that **Special Rule**, the person who dismisses the **Member** shall, when dismissing such **Member**, submit to the **Sub-Fund Committee** a recommendation as to whether or not the **Member** should be granted a **Pension** and notify the **Member** of the recommendation.

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10.12.5 If the whole of a **Pension** granted in terms of **Special Rule 10.12.2** is commuted in a cash amount for the purpose of section 10 of the **Act**, the cash payment shall not be less than the **Actuarial Value** pertaining to such **Member**.

*[amended wef 25.05.2016]*

10.12.6 For the purpose of any commutation necessary in terms of **Special Rule 10.12.2.2(a)**, the factor as indicated in the following table shall be used:

Age	Factor
30	18,19
31	18,06
32	17,93
33	17,79
34	17,65
35	17,50
36	17,35
37	17,19
38	17,03
39	16,86
40	16,68
41	16,50
42	16,31
43	16,11
44	15,90
45	15,69
46	15,47
47	15,24
48	15,00
49	14,75
50	14,50
51	14,50
52	14,25
53	14,00
54	13,75
55	13,50
56	13,00
57	12,75
58	12,50
59	12,25
60	12,00

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## 10.13 IMPOSSIBILITY OF PERFORMANCE

## 10.13.1 A Member of the Sub-Fund whose –

10.13.1.1 services are terminated on the grounds of impossibility of performance or supervening impossibility of performance shall, subject to the provision of sections 9 and 10 of the Act, section 7 of the Divorce Act, 1979, and the provisions of **Special Rule 10.13.1.2**, be paid what would have been due in terms of **Special Rule 10.12** to a **Member**.

10.13.1.2 A **Member**, who has paid contributions in respect of a period of continuous service of at least 20 years, and whose service is terminated in terms of impossibility of performance or supervening impossibility of performance –

(a) may, notwithstanding anything to the contrary in these **Special Rules**, be granted by the **Sub-Fund Committee**, in lieu of any other benefit payable from the **Sub-Fund**, such **Pension** as the **Sub-Fund Committee** determine, not exceeding one half of the **Pension** which would have been applicable if such **Member's** services had been dispensed with upon that date in consequence of permanent ill-health, provided that –

(i) no portion of such **Pension** shall, except for the purposes of sections 9 and 10 of the Act and section 7 of the Divorce Act, 1979 be commuted for a cash payment; and

(ii) all payments of any such **Pension** which are made before such **Member** has attained the age fixed for retirement shall be paid by the **Employer** and all such payments which are made thereafter shall be paid out of the **Sub-Fund**.

10.13.1.3 Upon the decision of the **Sub-Fund Committee** to grant to any person a **Pension** under **Special Rule 10.13.1.2** such person's right to any other benefit payable from the **Sub-Fund** shall lapse.

10.13.1.4 The **Employer** who dismisses a **Member** who may qualify for a **Pension** in terms of **Special Rule 10.13.1.2** shall, when dismissing such **Member**, submit to the **Sub-Fund Committee** a recommendation as to whether or not the **Member** should be granted such a **Pension**.

- 10.13.1.5 If the whole of a **Pension** granted in terms of **Special Rule 10.13.1.2** is commuted in a cash amount for the purpose of sections 9 and 10 of the **Act** or section 7 of the Divorce Act, 1979, the cash payment shall be not less than the aggregate of the contributions paid by the **Member**.
  
- 10.13.1.6 For the purpose of any commutation necessary in terms of **Special Rule 10.13.1.2(a)(i)**, the reduction in the annual **Pension** is determined by dividing the outstanding amount required by the factor based on age as indicated in the following table:

Age	Factor
30 .....	18,19
31 .....	18,06
32 .....	17,93
33 .....	17,79
34 .....	17,65
35 .....	17,50
36 .....	17,35
37 .....	17,19
38 .....	17,03
39 .....	16,86
40 .....	16,68
41 .....	16,50
42 .....	16,31
43 .....	16,11
44 .....	15,90
45 .....	15,69
46 .....	15,47
47 .....	15,24
48 .....	15,00
49 .....	14,75
50 .....	14,50
51 .....	14,50
52 .....	14,25
53 .....	14,00
54 .....	13,75
55 .....	13,50
56 .....	13,00
57 .....	12,75

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58 .....	12,50
59 .....	12,50
60 or over .....	12,00

#### 10.14 TEMPORARY / CONTRACT MEMBERS

10.14.1 If the services of a **Member**, who –

10.14.1.1 is in temporary employment, are terminated by notice given by such **Member's Employer**, on grounds other than a disciplinary infringement, or

10.14.1.2 was engaged under contract for a fixed period, are terminated in terms of such **Member's contract**,

the **Member** shall be entitled to receive the **Actuarial Value** pertaining to such **Member**..

*[amended wef 25.05.2016]*

#### 10.15 DEATH OF A MEMBER

10.15.1 Subject to **Special Rule 10.17**,

10.15.1.1 Upon the death of a **Member** of the **Sub-Fund** who contributed to the **Sub-Fund** at the rate of 7,5% of his **Pensionable Salary** there shall be paid to the **Dependants** and on a basis determined by the **Sub-Fund Board** :

(a) **Pensions**, which together shall be no more than 70% of the **Pension** calculated on the deceased **Member's Average Pensionable Salary** over the last 12 months preceding the demise multiplied by the period of membership of the **Sub-Fund** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) and divided by 60: provided that in the case of a **Member** who dies after attaining the age of 60 years, the divisor is –

(i) 58 in the case of a **Member** who is 61 years of age;

(ii) 56 in the case of a **Member** who is 62 years of age;

(iii) 54 in the case of a **Member** who is 63 years of age.



- (b) The aggregate of the **Pensions** calculated in paragraph (a) is multiplied by the factor arrived at by dividing the sum total of the **Period of Pensionable Service** and the number of years service that could still have been rendered from the date of death to the age of 63 years by the **Period of Pensionable Service**.
- (c) Gratuities which together shall be calculated by multiplying one third of the aggregate of the **Pension** calculated in paragraph (a) by 12 and dividing it by 0.7. Where the membership is less than 10 years the period of membership for the calculation of the gratuity shall be regarded as at least 10 years.
- 10.15.1.2 Upon the death of a **Member** of the **Sub-Fund** who contributed to the **Sub-Fund** at the rate of 11% of his **Pensionable Salary** there shall be paid to the **Dependants** and on a basis as determined by the **Sub-Fund Board** :
- (a) **Pensions** which together shall be no more than 70% of the **Pension** calculated on the deceased **Member's Average Pensionable Salary** over the last 12 months preceding the demise multiplied by the period of membership of the **Fund** expressed in years (each day of an incomplete year being reckoned as one three hundred and sixty-fifth of a year) and divided by 50; provided that in the case of a **Member** who dies after attaining the age of 50 years, the divisor is –
- (i) 48 in the case of a **Member** who is 51 years of age;
- (ii) 46 in the case of a **Member** who is 52 years of age;
- (iii) 44 in the case of a **Member** who is 53 years and older.
- (b) The aggregate of the **Pensions** calculated in paragraph (a) is multiplied by the factor arrived at by dividing the sum total of the **Period of Pensionable Service** and the number of years service that could still have been rendered from the date of death to the age of 63 years by the **Period of Pensionable Service**.
- (c) Gratuities which together shall be calculated by multiplying one third of the aggregate of the **Pension** calculated in paragraph (a)

by 14,5 and dividing it by 0,7. Where the membership is less than 10 years the period of membership for the calculation of the gratuity shall be regarded as at least 10 years.

- 10.15.1.3 In the case of a **Member** who has an option to retire at the lower retiring age who exercised the option to receive a cash amount on reaching the lower retiring age and who dies after such payment is made, the **Dependants** shall be paid in aggregate a further cash amount equivalent to that which would have been paid to the **Member**, had he retired on the day immediately after the date of death, minus the amount already paid on attaining the lower retirement age.

*[Rule 10.15.1 amended on 09.09.2011; wef 09.09.2011]*

- 10.15.2 When a **Member** dies and there are no **Dependants**, a benefit in terms of **Special Rule 10.17.4** shall be paid to the person lawfully administering the estate, or to the **Nominees** as nominated in writing by the **Member**.

*[amended wef 09.09.2011]*

- 10.15.3 When the amounts referred to in this **Special Rule** have been paid to any **Dependant** other than the person lawfully administering the estate of a deceased **Member**, the **Employer** and the **Fund** shall be exempt from any further claim and no such amounts shall form part of the estate of the deceased.

*[amended wef 09.09.2011]*

- 10.15.4 When an amount has been paid in terms of **Special Rule 10.15.2** and it is subsequently discovered within 12 months from the date of death that such deceased **Member** left **Dependants** there shall be paid to the **Dependants** such a benefit as determined in **Special Rule 10.15.1.1** or **10.15.1.2** (as the case may be) less the amount referred to in **Special Rule 10.15.2**, and on payment of such an amount the **Employer** and the **Fund** shall be exempt from any further claim.

*[amended wef 09.09.2011]*

- 10.15.5 In the event that a court of law finds that any **Dependant** in relation to the **Member** caused the death of such a **Member** unlawfully, the **Sub-Fund Board** has the discretion to declare any benefit otherwise payable in terms of these **Special Rules** to such a **Dependant** forfeited.

*[amended wef 09.09.2011]*

## 10.16 DEATH OF A PENSIONER

10.16.1 Upon the death of a person who is in receipt of a **Pension** in terms of these **Special Rules** there shall be paid to the **Dependants**, as determined by the **Sub-Fund Board** and subject to the provisions of **Special Rule 10.16.9** and **10.17**, such a benefit as is provided for in this **Special Rule** in relation to the particular class of **Dependant**.

*[amended wef 09.09.2011]*

10.16.2 If one or more **Dependants** is the deceased **Pensioner's Qualifying Spouses** there shall be paid, subject to **Special Rule 10.17**, a **Pension** or **Pensions** calculated as follows:

10.16.2.1 Where the deceased **Pensioner** retired on or after attaining the retirement age, the **Pension** or the aggregate of the **Pensions** payable to the **Qualifying Spouses** shall be calculated at 70% of the **Pension** which was payable to the deceased **Pensioner** on the date of death.

10.16.2.2 Where the deceased **Pensioner** retired before attaining the retirement age, the **Pension** payable to a **Qualifying Spouse** or, if there is more than one **Qualifying Spouse**, the aggregate of the **Pensions** payable to the **Qualifying Spouses** together shall be calculated by multiplying 70% of the **Pension** which was payable at the date of death, by the factor which is arrived at by dividing the sum total of the **Period of Pensionable Service** and the number of years service that the **Member** could still have rendered from the date of death to the date of statutory retirement, by the **Period of Pensionable Service**.

10.16.2.3 Where the deceased **Pensioner** entered into a **Recognised Marital Union** after **Retirement Date** but before the **2008 First Rule Amendment Date** there shall be paid to that **Qualifying Spouse**, subject to **Special Rule 10.17**, a **Pension** calculated as follows:

(a) where the age difference between the **Pensioner** and the **Qualifying Spouse** is five years and less, the benefit as determined in **Special Rule 10.16.2.1** or **10.16.2.2**, as the case may be, shall be payable to such **Qualifying Spouse**;

(b) where the age difference is more than five years, the benefit as determined in **Special Rule 10.16.2.1** or **10.16.2.2**, as the case

may be, is adjusted by multiplying the benefit with a factor that is arrived at by dividing the age of the **Qualifying Spouse** by that of the **Pensioner** provided that the **Pension** shall not exceed that as determined in **Special Rule 10.16.2.1** or **10.16.2.2**, as the case may be.

*[Rule 10.16.2 amended wef 09.09.2011]*

10.16.3 If the **Dependant** in **Special Rule 10.16.1** is someone other than the **Qualifying Spouse** of the deceased **Pensioner**, **Pensions** shall, subject to **Special Rule 10.17**, be paid to the **Dependants** at the discretion of the **Sub-Fund** and on a basis determined by the **Sub-Fund**, but shall not in aggregate exceed 80% of the **Pension** calculated in terms of **Special Rule 10.16.2.1** or **10.16.2.2**, as the case may be.

*[amended wef 09.09.2011]*

10.16.4 The **Sub-Fund Board** may, after consultation with the **Actuary**, and approval by the **Employer** determine the benefit payable from the **Sub-Fund** to a **Dependant** or **Qualifying Spouse** in relation to the death of a **Pensioner** referred to in **Special Rule 10.16.1** who was a **Member** of the Railways and Harbours Pension Fund for Non-White Members who retired on or before 1 April 1986.

*[amended wef 09.09.2011]*

10.16.5 Upon the death of a **Pensioner** to whom a **Pension** was paid upon dismissal or on the ground of impossibility of performance or supervening impossibility of performance after the completion of 20 years service, there shall be paid to the **Dependants** as determined by the **Sub-Fund Board Pensions** referred to in **Special Rule 10.16.2.1**, **10.16.2.2** or **10.16.3**, as the case may be.

*[amended wef 09.09.2011]*

10.16.6 ....*[deleted wef 09.09.2011]*

10.16.7 .... *[deleted wef 09.09.2011]*

10.16.8 The **Pension** (if any) to which a **Qualifying Spouse**, who was in receipt of a **Pension** in respect of such **Pensioner's** contributions to the Railways and Harbours Superannuation Fund constituted under Chapter III of the Railways and Harbours Service Act, 1912 (Act No. 28 of 1912), is entitled upon his death in terms of the provision of section 49 of that act shall be enhanced by an amount equal to 10% of such **Pension**.

*[amended wef 09.09.2011]*

- 10.16.9 In the event that a court of law finds that any **Dependant** in relation to the **Pensioner** caused the death of such a **Pensioner** unlawfully, the **Sub-Fund Board** has the discretion to declare any benefit payable in terms of these **Special Rules** to such a **Dependant** as forfeited.

*[amended wef 09.09.2011]*

#### 10.17 DISPOSAL OF DEATH BENEFITS

- 10.17.1 The aggregate of the benefits payable to **Qualifying Spouses** and **Qualifying Children** in terms of **Special Rule** 10.15 and 10.16, as the case may be, shall not exceed the benefit that would have been payable to the deceased **Member** upon reaching normal **Retirement Age**, or to the deceased **Pensioner** at time of death, as the case may be, subject to the following:

- 10.17.1.1 In the event that there is only one **Qualifying Spouse** and no **Qualifying Children** such **Qualifying Spouse** shall receive the total benefit calculated in terms of **Special Rule** 10.15.1 or 10.16.2, as the case may be;
- 10.17.1.2 In the event that there is more than one **Qualifying Spouse** and no **Qualifying Children** each **Qualifying Spouse** shall receive an equal share of the benefit calculated in terms of **Special Rule** 10.15.1 or 10.16.2 as the case may be;
- 10.17.1.3 In the event that there is one **Qualifying Spouse** and **Qualifying Children** such **Qualifying Spouse** may receive the total benefit referred to in **Special Rule** 10.15.1 or 10.16.2, as the case may be, although the **Sub-Fund Board** will have the discretion to reduce such benefit and allocate any portion thereof to such **Qualifying Children** as the **Sub-Fund Board** may deem fit;
- 10.17.1.4 In the event that there is more than one **Qualifying Spouse** and **Qualifying Children** the total benefit referred to in **Special Rule** 10.15.1 or 10.16.2, as the case may be may be shared equally among each **Qualifying Spouse** although the **Sub-Fund Board** has the discretion to reduce such benefit and allocate any portion thereof to any such **Qualifying Spouse** or **Qualifying Children** as the **Sub-Fund Board** may deem fit;
- 10.17.1.5 In the event that there is no **Qualifying Spouse** who is entitled to a benefit but only **Qualifying Children**, the benefit referred to in **Special Rule**



10.15.1 or 10.16.3, as the case may be shall be reduced to 80% of such benefit and such reduced benefit shall be paid to or on behalf of all or some of such **Qualifying Children** as determined by the **Sub-Fund Board**.

*[Rule 10.17.1 amended wef 09.09.2011]*

10.17.2 The **Sub-Fund Board** may in its discretion, pay any benefit to those **Qualifying Children** who are entitled to a benefit in terms of these **Special Rules**, into a trust as contemplated in the Trust Property Control Act, 1988 (Act No. 57 of 1988), for the benefit of such **Qualifying Children** contemplated in this **Special Rule** and it shall be deemed to be a payment to such **Qualifying Children**.

*[amended wef 09.09.2011]*

10.17.3 The benefit in terms of these **Special Rules** payable in the month, in which the **Pensioner** or **Dependant** who is entitled to a benefit in terms of these **Special Rules** dies, will be paid into their estate.

*[amended wef 09.09.2011]*

10.17.4 In the event that:

10.17.4.1 there are no **Dependants** but the **Member** has appointed a **Nominee**, the **Nominee** shall receive the **Actuarial Value** pertaining to such **Member**. Where there are more than one **Nominee**, the **Sub-Fund Board** may apportion the benefit as it deems fit;

*[amended wef 25.05.2016]*

10.17.4.2 there are no **Dependants** or **Nominees**, the Actuarial Value pertaining to such Member shall be paid into the estate of the deceased **Member**.

*[Rule 10.17.4 amended wef 09.09.2011]*

*[amended wef 25.05.2016]*

10.17.5 Where the benefit in terms of these **Special Rules** has been paid to any **Dependants** or **Nominee**, the **Employer** and the **Fund** shall be exempt from any further claim and no such amounts shall form part of the estate of the deceased **Member**.

*[amended wef 09.09.2011]*

10.17.6 ... *[deleted wef 09.09.2011]*

## 10.18 REDUCTION OF BENEFIT AFTER PAYMENT TO THE DEPENDANTS

10.18.1 If the **Sub-Fund Board** becomes aware of or traces a qualifying **Dependant**, within 12 months of the death of a **Member** or **Pensioner**, a benefit as determined in **Special**

**Rules 10.15.1 or 10.16** as the case may be, shall be paid to such qualifying **Dependant**, from the date the **Sub-Fund Board** becomes aware of or traces such qualifying **Dependant**.

10.18.2 If the **Sub-Fund Board** becomes aware of or traces a qualifying **Dependant**, after 12 months of the death of a **Member** or **Pensioner**, a benefit may be paid to such qualifying **Dependant** in such proportions as may be deemed equitable in the discretion of the **Sub-Fund Board** to such qualifying **Dependant** in accordance with the provisions of **Special Rules 10.15.1 or 10.16**, as the case may be.

10.18.3 In the event that any benefit becomes payable in terms of **Special Rule 10.18.2**, the benefit payable to a qualifying **Dependant** in terms of **Special Rule 10.18.1**, shall be reduced in order to provide for the payment of the benefit as contemplated in **Special Rule 10.15.1 or 10.16**, as the case may be, in order to ensure that the aggregate of the benefits payable to all **Dependants** shall not exceed the aggregate of the benefits determined in terms of **Special Rule Error! Reference source not found.**

*[Rule 10.18 amended wef 09.09.2011]*

#### 10.19 ANNUAL INCREASE

10.19.1 The benefit received by a **Pensioner**, or **Dependant** shall be increased by 2% (two per cent) compounded annually, for each completed year in respect of which the benefit has been or is received: Provided that in the case of a **Dependant**, the 2% (two per cent) enhancement of the benefit shall be calculated from the date on which the benefit first became payable to the **Pensioner**.

*[re-numbered wef 09.09.2011]*

10.19.2 The Trustees shall review the level of Pensions being paid by the Fund from time to time and may direct that Pensions be increased. Any increase in Pensions shall be paid in terms of the Pension Increase Policy, provided that:

10.19.2.1 A guaranteed minimum increase of 2% (two per cent) shall apply; and

10.19.2.2 Any increase to Pensions above the 2% (two per cent) minimum increase referred to in 10.19.2.1 shall be subject to affordability, as determined in accordance with the Pension Increase Policy, and the approval of the Employer.

The increases shall be payable from the date stipulated in the Pension Increase Policy.

*[New Rule 10.19.2 inserted wef 09.09.2011]*

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10.19.3 The increase in pensions and/or the payment of *ad hoc* bonuses as provided in **Special Rule 10.19.2** shall be subject to :

10.19.3.1 The **Sub-Fund** being able to afford such increases and/or payment of *ad hoc* bonuses according to the discretion of the **Sub-Fund Board**; and

10.19.3.2 the actuary's written confirmation that such increases and/or payment of *ad hoc* bonuses are affordable by the **Sub-Fund**; and

10.19.3.3 the written approval by the **Employer**.

*[New Rule 10.19.3 inserted wef 09.09.2011]*

#### 10.20 PAYMENT ON BEHALF OF A PERSON ENTITLED TO A BENEFIT

The **Administrator** (or **Sub-Fund Committee**) may, after having considered a report by two medical practitioners regarding the mental condition of any person entitled to a benefit in terms of these **Special Rules**, who is unable to manage his own affairs, order that the benefit be paid to some other person on behalf of the person entitled to benefits in terms of these **Special Rules** upon such conditions as the **Administrator** (or **Sub-Fund Committee**) may determine regarding the administration of the benefit on behalf of such person, provided that no such order shall be made in respect of a person for whom a curator bonis has been appointed and that any such order shall lapse if a curator bonis for a person is appointed.

#### 10.21 PAYMENT TO ESTATE

When the amounts referred to in **Special Rules 10.15** or **10.16**, as the case may be, have been paid to any person mentioned therein other than the person lawfully administering the estate of a deceased **Member** or **Pensioner**, the **Employer** and the **Sub-Fund** shall be exempt from any further claim under any of those **Special Rules**, and no such amount shall be deemed to form part of the estate of the deceased.

*[amended wef 09.09.2011]*

#### 10.22 CIRCUMSTANCES NOT PROVIDED FOR IN THESE RULES

10.22(a) Should the employment of the **Member** be terminated under circumstances not provided for in these **Special Rules**, the **Sub-Fund Committee** may in its discretion and notwithstanding anything contained in these **Special Rules**, pay a benefit in addition to any other benefit payable in terms of these **Special Rules** provided that the **Actuary** has



determined the financial implication thereof and has provided a report in this regard to the **Sub-Fund Committee** and provided further that the prior written consent of the **Principal Employer** attributable to such **Sub-Fund**, has been obtained.

10.22(b) Should provision not be made in these **Rules** to treat a period of employment as pensionable service that should, in the opinion of the **Sub-Fund Board**, be so treated, the **Sub-Fund Board** may authorise the recognition of such employment as pensionable service and prescribe when and in what manner contributions and interest shall be paid in respect thereof.

*[inserted wef 09.09.2011]*

#### 10.23 NON-CONTRIBUTORY PERIODS

Subject to the provisions of **Special Rule 2**, no person shall be entitled to a benefit in respect of a period for which no contribution has been made or will be made by or on behalf of such person.

#### 10.24 RE-EMPLOYMENT

If a **Member** has been granted a benefit (excluding a benefit due to disability) in terms of these **Special Rules** and is thereafter re-employed by the **Employer**, such **Member** shall continue to receive such benefit.

10.25 The **Pension** payable to a **Pensioner** or **Qualifying Spouse** respectively will cease at the death of such **Pensioner** or **Qualifying Spouse**. The **Pension** payable to a **Qualifying Child**, may on his or her death be allocated to other **Qualifying Children** of the deceased **Member** or **Pensioner** as may be determined by the **Sub-Fund Board**.

*[inserted wef 09.09.2011]*

**SPECIAL RULE 11 : PAYMENT OF BENEFITS**

11

- 11.1 Whenever a benefit becomes payable to any **Member, Pensioner, Dependant or Nominee**, the benefit will be paid by means of an electronic fund transfer to the **Member, Pensioner, Dependant or Nominee's** account with a banking institution, the details of which have been furnished by the **Employer** or the **Member, Pensioner, Dependant or Nominee** to the **Administrator**, provided that the **Member, Pensioner, Dependant or Nominee** may instruct the **Fund** in writing to instead pay all or a portion of such benefit directly to another **Approved Fund** or to an insurer which is the issuer of an investment product that has been selected by the **Member, Pensioner, Dependant or Nominee** for the benefit of such **Member, Pensioner, Dependant or Nominee**.

*[amended wef 25.05.2016]*

- 11.2 The **Employer** or the **Member, Pensioner, Dependant or Nominee** may however specifically request that the benefit be paid by means of a cheque posted to such **Member, Pensioner, Dependant or Nominee's** registered postal address as notified by the **Employer** and/or the **Member, Pensioner, Dependant or Nominee** to the **Administrator**.
- 11.3 The payment referred to in **Special Rule 11.2** shall be on such terms and conditions as advised by the **Sub-Fund Committee** in writing to the **Member, Pensioner, Dependant or Nominee** and the **Employer** and it shall be deemed that the postal services will be the agent of the **Member, Pensioner, Dependant or Nominee** as the case may be.

**SPECIAL RULE 12 : INTEREST ON LATE PAYMENTS**

- 12 In the event that any benefit is not paid within 30 days from the date on which such benefit becomes payable to a **Member, Pensioner, Dependant or Nominee**, the **Sub-Fund** attributed such **Member, Pensioner, Dependant or Nominee**, shall pay interest on such benefit at a rate equal to the **Interest Payment** reckoned from the first day on which the **Member, Pensioner, Dependant or Nominee** becomes entitled to such benefit.



**SPECIAL RULE 13 : ESTABLISHMENT OF EXISTENCE**

- 13 The **Sub-Fund** shall be entitled to establish from time to time whether the **Pensioner** or **Dependant** is still alive and in the event that the **Sub-Fund** cannot establish whether such **Pensioner** or **Dependant** is still alive or where the **Sub-Fund** obtains proof that the **Pensioner** or **Dependant** is no longer alive, the **Sub-Fund** shall be entitled to suspend or terminate payment of the benefit.

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**SPECIAL RULE 14 : PROCEDURE: RETIREMENT ON GROUND OF PERMANENT ILL HEALTH OR PHYSICAL DISABILITY**

- 14
- 14.1 When it is decided that consideration should be given to the retirement of an **Member** on ground of permanent ill-health or physical disability in terms of the **Service Condition 11**, the **Member** shall be given the opportunity of completing and signing a declaration. Should the **Member** be incapable by reason of mental illness of managing his or her own affairs and a *curator bonis* has been appointed, the *curator bonis* shall be invited to complete and sign the form on behalf of the **Member**. Should the **Member** or the *curator bonis*, as the case may be, refuse or fail to complete and sign the form, it may be dispensed with. If the **Member** is incapable of managing his or her own affairs by reason of mental illness and no *curator bonis* has been appointed the form shall be dispensed with.
- 14.2 A memorandum shall be completed by the **Member's** supervisor in connection with the state of health of the **Member** based on such **Member's** sickness record and medical and other relevant reports available to the supervisor. It should be stated in which respect the **Member**, as a result of the ill-health or physical disability, is unable to perform the duties of his or her position and why provision cannot be, or has not been, made for the **Member** in some other suitable position.
- 14.3 Arrangements shall be made, after **Special Rules 14.1** and **14.2** have been complied with, for the **Member** to be medically examined by a general practitioner or specialist who should be provided with the declaration referred to in **Special Rule 14.1**, if completed and signed, the memorandum referred to in **Special Rule 14.2** and any other relevant medical and other information available, and requested to complete a confidential report. Should there be no medical information available, the general practitioner or the specialist, as the case may be, shall be informed specifically to such effect.
- 14.4 The medical report completed by the general practitioner or specialist, as the case may be, may be based on –
- 14.4.1 the examination of the **Member** by the general practitioner or specialist; or
- 14.4.2 any examination of the **Member** made by any medical practitioner whose report has been submitted to the general practitioner or specialist by the **Employer**; or
- 14.4.3 any medical report obtained by the general practitioner or specialist or specialist in the course of treatment of the **Member**; or
- 14.4.4 any medical report from any medical practitioner whom the general practitioner or specialist might decide to consult before completing the report; or

- 14.4.5 any combination of the examinations and reports referred to in **Special Rules** 14.4.1 to 14.4.3 above.
- 14.5 If it is impracticable for the general practitioner or specialist to complete a report by reason of the **Member's** refusal to submit to medical examination by or at the instance of the medical practitioner or specialist, the report may be endorsed accordingly and may be completed as far as practicable on the basis of the knowledge of the medical history of the **Member** possessed by the general practitioner or specialist arising out of personal knowledge of the case, prior medical examination or the reports referred to in **Special Rules** 14.4.1, 14.4.2 and 14.4.3.
- 14.6 In the event of there being insufficient information contained in the report of the general practitioner or specialist by reasons of the fact that the **Member** refused to submit to medical examination, or should the general practitioner or specialist refuse to examine the **Member** or submit the report, any decision may be based on the medical examinations and reports referred to in **Special Rules** 14.4.1, 14.4.2 and 14.4.3.
- 14.7 The documents shall then be submitted to the **Member's** supervisor and a vocational and welfare (or similar) officer for reports.
- 14.8 Thereafter the documents shall be considered by the **Employer** and should the **Employer** decide that consideration of the **Member's** retirement on either of the grounds referred to in this **Special Rule** should be proceeded with, the **Employer** shall submit all the relevant papers, together with any comments considered necessary, to the **Sub-Fund Committee** with a request that such committee consider the matter and make a recommendation as to whether the retirement should be proceeded with or not.
- 14.9 In a case where there is doubt on the part of the **Sub-Fund Committee** regarding the retirement of a **Member**, the Secretary may obtain a further report from an independent medical practitioner or **Sub-Fund Committee**. If the independent medical practitioner or **Sub-Fund Committee** so desires, the **Member** may be subjected to a further medical examination, if the **Member** agrees.
- 14.10 The recommendation of the **Sub-Fund Committee** shall be conveyed to the **Employer**.
- 14.11 The **Employer** shall take the recommendation of the **Sub-Fund Committee** into account when arriving at a decision.
- 14.12 Fees due in respect of a medical examination conducted in terms of **Special Rule** 14.9 shall be for the **Employer's** account.

**SPECIAL RULE 15: REFUND TO THE FUND OF SPECIAL CONTRIBUTIONS PAID ON BEHALF OF MEMBERS AND INCLUSION OF SUCH SPECIAL CONTRIBUTIONS IN CALCULATION OF PAYMENTS MADE IN CERTAIN CIRCUMSTANCES TO MEMBERS OR DEPENDENTS**

15

15.1 Whenever a payment to or in respect of a **Member** is made from the **Sub-Fund** in terms of **Special Rules** 10.1.8.2, 10.9, 10.10, 10.11, 10.12, 10.13 or 10.14, there shall be paid to the **Employer** from the **Sub-Fund** an amount equal to the special contributions, if any, paid by the **Employer** on behalf of such **Member** in terms of section 8(2) of the Railways and Harbours Superannuation Fund Act, 1925 (Act No. 24 of 1925).

15.2 In the application of 10.3, 10.8 and 10.15.1, the expression "contributions" shall be deemed to include, in the case of a **Member** to whom the provisions of **Service Condition** 15(1)(c) apply or applied, any special contributions paid by the employer on behalf of such **Member** in terms of section 8(2) of the Railways and Harbours Superannuation Fund Act, 1952 (Act No. 24 of 1925).

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**SPECIAL RULE 16 : NO DIFFERENTIATION IN THE CASE OF A MEMBER WHO IS NOT A SOUTH AFRICAN CITIZEN**

- 16 There shall be no differentiation in treatment in respect of contributions or benefits in the case of a **Member** who is not a South African citizen and is employed outside the borders of the Republic of South Africa, unless such differentiation is required in any foreign country by virtue of legal or other requirements, in which event any additional cost or loss flowing from such differentiation shall not be borne by the **Sub-Fund** but shall be borne by the **Employer**.

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**SPECIAL RULE 17 : UNCLAIMED BENEFITS**  
*[re-numbered wef 09.09.2011]*

- 17 In the event that any benefit payable in terms of the **Special Rules** has not been claimed by the **Member, Pensioner, Dependant or Nominee** within 36 months from the date that such **Member, Pensioner, Dependant or Nominee** became entitled to the benefit, it shall be deemed that such person's right to such benefit has prescribed and such person shall have no further right or claim against the **Fund or Sub-Fund** in respect to such benefit. Notwithstanding the aforementioned the **Sub-Fund** may in its discretion after the expiry of the aforementioned 36-month period, upon written request by the **Member, Pensioner, Dependant or Nominee**, decide to pay such prescribed benefit or portion thereof.



**SPECIAL RULE 18 : ALLOCATION OF SURPLUS**

- 18.1 There is established in the accounts of the **Sub-Fund** the following special accounts:
- 18.1.1 The **Pensioner Surplus Account**; and
  - 18.1.2 The **Employer Surplus Account**.
- 18.2 If, in the opinion of the **Actuary**, it would be imprudent to do so, the **Sub-Fund Board**, with the consent of the **Principal Employer**, may each year allocate any portion of any **Actuarial Surplus** the **Actuary** deems reasonable to make available for allocation, to the **Pensioner Surplus Account**, to the **Employer Surplus Account**, or to both in such a manner as the **Sub-Fund Board**, with the consent of the **Principal Employer**, determines.
- 18.3 Subject to **Special Rule 18.7**, monies standing to the credit of the **Pensioner Surplus Account** may be used at the discretion of the **Sub-Fund Board** –
- 18.3.1 To provide for improved benefits for **Pensioners** and/or **Dependants** provided that the **Special Rules** are amended insofar as may be necessary to facilitate this;
  - 18.3.2 To grant increases to **Pensioners** and **Dependants** in receipt of **Pensions** funded out of the assets assigned to the **Sub-Fund** as contemplated in **Special Rule 10.18.2**.
- 18.4 If monies are transferred from the **Employer Surplus Account** to the **Pensioner Surplus Account** for the benefit of specific **Pensioners** and/or **Dependants** or specific categories of **Pensioners** and/or **Dependants** as determined by the **Principal Employer**, the **Sub-Fund Board** must use those monies for the benefit of those **Pensioners** and/or **Dependants** as directed by the **Principal Employer**.
- 18.5 Subject to **Special Rule 18.7**, monies standing to the credit of the **Employer Surplus Account** may at the discretion of the **Sub-Fund Board** –
- 18.5.1 be transferred to the **Pensioner Surplus Account** for the benefit as determined by the **Principal Employer** of specific **Pensioners** and/or **Dependants** or specific categories of **Pensioners** and/or **Dependants**;
  - 18.5.2 be applied in *lieu* of the contributions that would otherwise be payable by the **Principal Employer** in terms of these **Special Rules**.

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- 18.6 The return, positive or negative, earned on the investment of the monies standing to the credit of the **Pensioner Surplus Account** or the **Employer Surplus Account** must be allocated to the **Pensioner Surplus Account** or the **Employer Surplus Account**, as applicable.
- 18.7 If, following a valuation of the **Sub-Fund** the **Actuary** determines that it is under-funded and is unlikely within a reasonable period of time to be restored to full funding, then – the monies then standing to the credit of the **Pensioner Surplus Account** and the monies then standing to the credit of the **Employer Surplus Account** shall be reduced in the same proportion by the amount of the deficit, provided that no credit balance shall be reduced by more than the amount to which the account was in credit.

*[New special rule 18 inserted wef 09.09.2011]*

*Mike  
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