

AMENDMENT 13

to the Revised RULES of the

TOURISM, HOSPITALITY AND CATERING RETIREMENT FUND

(thacsa)

The BOARD OF TRUSTEES resolved by Written Resolution signed on 26 June 2024 that the **Revised RULES** are amended with effect from **1 September 2024** as follows:

1. The following **new definitions** are added to the **DEFINITIONS section** of the RULES:

COMPONENTS

The MEMBER'S:

- (i) VESTED COMPONENT (if any);
- (ii) SAVINGS COMPONENT; and
- (iii) RETIREMENT COMPONENT.

MEMBER'S INTEREST IN THE RETIREMENT COMPONENT

Includes:

- (i) any amount allocated to the RETIREMENT COMPONENT as set out in Rule C 3.1.1.1, together with any interest as declared by the BOARD OF TRUSTEES in consultation with the VALUATOR; plus
- (ii) any amount credited to the RETIREMENT COMPONENT on or after 1 September 2024 together with any interest as declared by the BOARD OF TRUSTEES in consultation with the VALUATOR;

reduced

- (iii) proportionately by any deductions in terms of section 37D of the ACT and the INCOME TAX ACT.

**MEMBER'S INTEREST
IN THE SAVINGS
COMPONENT**

Includes:

- (i) any amount allocated to the SAVINGS COMPONENT as set out in Rule C 2.1.1.1 and Rule C 2.1.1.2, together with any interest as declared by the BOARD OF TRUSTEES in consultation with the VALUATOR; plus
- (ii) any amount credited to the SAVINGS COMPONENT on or after 1 September 2024 together with any interest as declared by the BOARD OF TRUSTEES in consultation with the VALUATOR;

reduced

- (iii) by SAVINGS WITHDRAWAL BENEFITS; and
- (iv) proportionately by any deduction in terms of section 37D of the ACT and the INCOME TAX ACT.

**MEMBER'S INTEREST
IN THE VESTED
COMPONENT**

Includes:

- (i) the MEMBER'S SHARE that exists immediately prior to 1 September 2024 together with any interest as declared by the BOARD OF TRUSTEES in consultation with the VALUATOR; plus
- (ii) any amount credited to the VESTED

COMPONENT on or after 1 September 2024 together with any interest as declared by the BOARD OF TRUSTEES in consultation with the VALUATOR;

reduced

(iii) by the once-off seeding capital as set out in Rule C 2.1.1.1; and

(iv) proportionately by any deduction in terms of section 37D of the ACT and the INCOME TAX ACT.

**RETIREMENT
COMPONENT**

The retirement component as set out in Rule C 3.

SAVINGS COMPONENT

The savings component as set out in Rule C 2.

**SAVINGS WITHDRAWAL
BENEFIT**

The amounts the MEMBER elects to withdraw from his SAVINGS COMPONENT, in terms of Rule C 2.2 and subject to the provisions of the INCOME TAX ACT.

TAX YEAR

A period of 12 consecutive months commencing on 1 March to 28 or 29 February of the following year.

**TOTAL RETIREMENT
CONTRIBUTIONS**

Any amount contributed to the FUND on or after 1 September 2024 by the MEMBER or on behalf of the MEMBER, excluding any costs, fees and risk premiums in respect of the GROUP INSURANCE BENEFITS.

VESTED COMPONENT

The vested component as set out in Rule C 1.

2. The definition of “**MEMBER’S SHARE**” in the **DEFINITIONS** section of the RULES, is replaced by the following:

MEMBER’S SHARE

In respect of each MEMBER the sum of the amounts in the:

- (i) the MEMBER’S CONTRIBUTIONS ACCOUNT;
- (ii) the MEMBER’S NET EMPLOYER CONTRIBUTIONS ACCOUNT;
- (iii) the MEMBER’S ADDITIONAL CONTRIBUTIONS ACCOUNT; and
- (iv) the EMPLOYER’S ADDITIONAL CONTRIBUTIONS ACCOUNT,

reduced by

- (v) any administration costs that may be payable in terms of Rule B 2.7.2, Rule B 2.7.3 and Rule B 2.7.5;
- (vi) any deductions made as permitted in terms of Section 37D of the ACT.

The MEMBER’S SHARE shall at least be equal to the PRESCRIBED MINIMUM BENEFIT.

The FUND will maintain the following COMPONENTS in the MEMBER’S SHARE:

- (a) VESTED COMPONENT (if applicable); and
- (b) SAVINGS COMPONENT; and
- (c) RETIREMENT COMPONENT.

3. **Rule A 3.2.2 of Rule A 3.2, Payment of withdrawal benefit**, is replaced by the following:

A 3.2.2 The PAID-UP MEMBER may, at any time prior to the MEMBER'S NORMAL RETIREMENT AGE, elect to:

A 3.2.2.1 retain his whole withdrawal benefit in the FUND; or

A 3.2.2.2 transfer his whole withdrawal benefit to another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND; or

A 3.2.2.3 take in cash his full VESTED COMPONENT and his full SAVINGS COMPONENT, and either:

(a) retain his RETIREMENT COMPONENT in the FUND; or

(b) transfer his RETIREMENT COMPONENT to another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND; or

A 3.2.2.4 take in cash a portion of his VESTED COMPONENT and a portion of his SAVINGS COMPONENT and transfer his full remaining withdrawal benefit to another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND; or

A 3.2.2.5 take in cash his full VESTED COMPONENT, and either:

- (a) retain his full remaining withdrawal benefit in the FUND; or
- (b) transfer his full remaining withdrawal benefit to another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND; or

A 3.2.2.6 take in cash a portion of his VESTED COMPONENT and transfer his full remaining withdrawal benefit to another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND; or

A 3.2.2.7 take in cash a portion or his full SAVINGS COMPONENT, and either:

- (a) retain his full remaining withdrawal benefit in the FUND; or
- (b) transfer his full remaining withdrawal benefit to another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND,

subject to the provisions of the INCOME TAX ACT and Rule C 2.2, where applicable.

In the event of transfers to more than one APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND in terms of the INCOME TAX ACT, the COMPONENTS will be transferred proportionately to such other funds.

Such an election notification must be given to the FUND in writing by the PAID-UP MEMBER and must include details of the option selected. The notification will only be regarded as having been given once all the required and fully completed documents are received by the ADMINISTRATOR.

4. The following **new rule** is added to **Rule A 3.2, Payment of withdrawal benefit**:

A 3.2.11 A PAID-UP MEMBER may, prior to his ELECTION DATE, elect payment of a portion or his full:

A 3.2.11.1 RETIREMENT COMPONENT and/or his VESTED COMPONENT, if the PAID-UP MEMBER:

- (a) ceased to be a South African resident for an uninterrupted period of three years or longer on or after 1 March 2021; or
- (b) departed from the Republic of South Africa at the expiry of a work or visit visa; or

(c) was a South African resident who emigrated from the Republic of South Africa; and

A 3.2.11.2 SAVINGS COMPONENT, subject to the provisions of Rule C 2.2,

if allowed in terms of the INCOME TAX ACT.

5. **Rule A 4.2, Amount of retirement benefit**, is replaced by the following:

A 4.2 Amount of retirement benefit

The amount of retirement benefit payable to a MEMBER who retires shall be equal to a retirement benefit as set out in the SCHEDULE.

6. **Rule A 4.3.9 of Rule A 4.3, Payment of the retirement benefit**, is replaced by the following:

A 4.3.9 On the ELECTION DATE and after receiving RETIREMENT BENEFIT COUNSELLING:

A 4.3.9.1 the DEFERRED RETIREE may elect to:

- (a) purchase an annuity from an INSURER with his retirement benefit; or
- (b) transfer his retirement benefit to another APPROVED PRESERVATION PENSION FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND, if allowed in terms of the INCOME TAX ACT;

provided that the DEFERRED RETIREE may also exercise any of the options described below:

A 4.3.9.2 the DEFERRED RETIREE may elect to take as a lump sum from the MEMBER'S INTEREST IN THE VESTED COMPONENT:

- (a) the whole or any portion of his VESTED BENEFIT, if any, and

- (b) 1/3rd or any smaller portion of the MEMBER'S INTEREST IN THE VESTED COMPONENT (excluding his VESTED BENEFIT, if any) as a lump sum, if allowed in terms of the INCOME TAX ACT, in which case the annuity so purchased in terms of Rule A 4.3.9.1(a) or the benefit so transferred in terms of Rule A 4.3.9.1(b) shall be correspondingly reduced.

A 4.3.9.3 the DEFERRED RETIREE may elect the following in respect of the MEMBER'S INTEREST IN THE SAVINGS COMPONENT:

- (a) take the whole or any portion of the MEMBER'S INTEREST IN THE SAVINGS COMPONENT as a lump sum, if allowed in terms of the INCOME TAX ACT; in which case the annuity so purchased in terms of Rule A 4.3.9.1(a) or the benefit so transferred in terms of Rule A 4.3.9.1(b) shall be correspondingly reduced; and/or
- (b) transfer the whole or any portion of the MEMBER'S INTEREST IN THE SAVINGS COMPONENT to his RETIREMENT COMPONENT.

A 4.3.9.4 the value of:

- (a) the MEMBER'S INTEREST IN THE VESTED COMPONENT, less any commutation thereof in terms of Rule A 4.3.9.2, if any, plus
- (b) the total value of a MEMBER'S INTEREST IN THE RETIREMENT COMPONENT,

shall purchase an annuity from an INSURER for the DEFERRED RETIREE, except where:

- (i) 2/3rds of the MEMBER'S INTEREST IN THE VESTED COMPONENT (excluding his VESTED BENEFIT, if any), plus
- (ii) the MEMBER'S INTEREST IN THE RETIREMENT COMPONENT,

does not exceed the *de minimis* as set out in the INCOME TAX ACT, in which case the DEFERRED RETIREE may take the combined value in cash.

Such an election notification must be given to the FUND in writing by the DEFERRED RETIREE and must include details of the option selected. The notification will only be regarded as having been given once all the required and fully completed documents are received by the ADMINISTRATOR.

- 7. **Rule A 4.4, Commutation of the retirement benefit, and all references** thereto are deleted.
- 8. The following **new rule** is added to **Rule B 2.12, Deduction from benefits**:

B 2.12.4 Notwithstanding anything to the contrary contained elsewhere in these RULES, deductions in terms of section 37D of the ACT and deductions as permitted by the INCOME TAX ACT, will be made proportionately from the COMPONENTS, and consequently, the benefit will be reduced by the deduction or adjustment.

- 9. **Rule B 3.2.4.3 of Rule B 3.2, Dissolution of the FUND**, is replaced by the following:

B 3.2.4.3 the value of a FORMER MEMBER'S or a MEMBER'S RETIREMENT COMPONENT will be transferred to an APPROVED PENSION FUND (other than for a DEFERRED RETIREE), APPROVED PROVIDENT FUND (other than for a DEFERRED RETIREE), APPROVED PRESERVATION PENSION FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND for his benefit.

With the agreement of the LIQUIDATOR, the value of a FORMER MEMBER'S or a MEMBER'S VESTING COMPONENT and/or SAVINGS COMPONENT will either be:

- (a) transferred to an APPROVED PENSION FUND (other than for a DEFERRED RETIREE), APPROVED PROVIDENT FUND (other than for a DEFERRED RETIREE), APPROVED PRESERVATION PENSION FUND, APPROVED PRESERVATION PROVIDENT FUND or APPROVED RETIREMENT ANNUITY FUND for his benefit; or
- (b) paid to him in cash;

10. **New Rule C 1, VESTED COMPONENT, Rule C 2, SAVINGS COMPONENT and Rule C 3, RETIREMENT COMPONENT,** are added to the RULES respectively:

C 1 VESTED COMPONENT

C 1.1 Composition of VESTED COMPONENT

C 1.1.1 The MEMBER'S VESTED COMPONENT will comprise of the following:

C 1.1.1.1 the value of the MEMBER'S SHARE that exists immediately prior to 1 September 2024.

The above value, after taking into account the allocation of the seeding capital in Rule C 1.1.1.2, is subject to and must be paid in accordance with the RULES and the tax regime that existed immediately prior to 1 September 2024;

C 1.1.1.2 reduced by the once-off seeding capital allocated to the SAVINGS COMPONENT, as determined in Rule C 2.1.1.1;

C 1.1.1.3 no contributions may be made to the VESTED COMPONENT on or after 1 September 2024, except arrear contributions relating to the period before 1 September 2024;

C 1.1.1.4 any vested component amounts transferred from another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND or APPROVED PRESERVATION PROVIDENT FUND in terms of Rule B 2.14 and as allowed in terms of the INCOME TAX ACT;

C 1.1.1.5 reduced by a portion of or the full value in his VESTED COMPONENT which a MEMBER elected to transfer into his RETIREMENT COMPONENT subject to Rule C 1.2;

C 1.1.1.6 any interest as declared by the BOARD OF TRUSTEES in consultation with the VALUATOR.

C 1.2 Intra-fund transfers from VESTED COMPONENT

C 1.2.1 A MEMBER may transfer a portion of or the full value in his VESTED COMPONENT to his RETIREMENT COMPONENT, once every FINANCIAL YEAR, subject to the approval of the BOARD OF TRUSTEES. Such transfer is irrevocable, and the decision cannot be reversed.

C 1.2.2 Legislation in effect prior to 1 September 2024 will no longer apply to the amount so transferred from the MEMBER'S VESTED COMPONENT.

C 2 SAVINGS COMPONENT

C 2.1 Composition of SAVINGS COMPONENT

C 2.1.1 The MEMBER'S SAVINGS COMPONENT will comprise of the following:

C 2.1.1.1 a once-off seeding capital of 10% of the total value of the MEMBER'S VESTED COMPONENT as at 31 August 2024, limited to R30 000.00, is allocated to his SAVINGS COMPONENT on or after 1 September 2024;

C 2.1.1.2 1/3rd of his TOTAL RETIREMENT CONTRIBUTIONS on or after 1 September 2024;

C 2.1.1.3 any savings component amounts transferred from another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND or APPROVED PRESERVATION PROVIDENT FUND in terms of Rule B 2.14 and as allowed in terms of the INCOME TAX ACT;

C 2.1.1.4 reduced by a portion of or the full value in his SAVINGS COMPONENT which a MEMBER elected to transfer into his RETIREMENT COMPONENT, subject to Rule C 2.3;

C 2.1.1.6 less any SAVINGS WITHDRAWAL BENEFIT payments;

C 2.1.1.7 any interest as declared by the BOARD OF TRUSTEES in consultation with the VALUATOR.

C 2.2 Withdrawals from SAVINGS COMPONENT

C 2.2.1 A MEMBER may prior to the termination of his membership of the FUND, elect once in a TAX YEAR a SAVINGS WITHDRAWAL BENEFIT, the value of which is subject to a minimum amount as prescribed by the INCOME TAX ACT before taking into account any charges or transaction costs.

C 2.2.2 Where a MEMBER has taken a SAVINGS WITHDRAWAL BENEFIT and he terminates his membership of the FUND in the same TAX YEAR, and the remaining value of the MEMBER'S INTEREST IN THE SAVINGS COMPONENT is less than the minimum amount as prescribed by the INCOME TAX ACT, the MEMBER may be allowed a second SAVINGS WITHDRAWAL BENEFIT in that TAX YEAR from the total balance in his SAVINGS COMPONENT.

C 2.3 Intra-fund transfers from SAVINGS COMPONENT

C 2.3.1 A MEMBER may transfer a portion of or the full value of the MEMBER'S SAVINGS COMPONENT to his RETIREMENT COMPONENT once every FINANCIAL YEAR, subject to the approval of the BOARD OF TRUSTEES. Such transfer is irrevocable, and the decision cannot be reversed.

C 3 RETIREMENT COMPONENT

C 3.1 Amounts allocated to RETIREMENT COMPONENT

C 3.1.1 The MEMBER'S RETIREMENT COMPONENT will comprise of the following:

C 3.1.1.1 $\frac{2}{3}$ ^{rds} of the MEMBER'S TOTAL RETIREMENT CONTRIBUTIONS on or after 1 September 2024;

C 3.1.1.2 any retirement component amounts transferred from another APPROVED PENSION FUND, APPROVED PRESERVATION PENSION FUND, APPROVED PROVIDENT FUND or APPROVED PRESERVATION PROVIDENT FUND in terms of Rule B 2.14 and as allowed in terms of the INCOME TAX ACT;

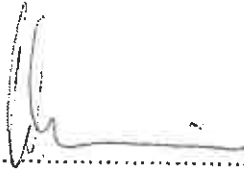
C 3.1.1.3 allocations received from the MEMBER'S SAVINGS COMPONENT and VESTED COMPONENT;

C 3.1.1.4 any interest as declared by the BOARD OF TRUSTEES in consultation with the VALUATOR.

The reasons for the amendments are to give effect to:

- **the Two-component system changes in terms of the the Revenue Laws Amendment Bill 2023 to the Income Tax Act; and**
- **the Pensions Law Amendment Bill 2023 to the Pensions Funds Act.**

Certified that the above resolution has been adopted in accordance with the provisions of the RULES of the FUND.



CHAIRPERSON: BOARD OF TRUSTEES

26th JUNE 2024

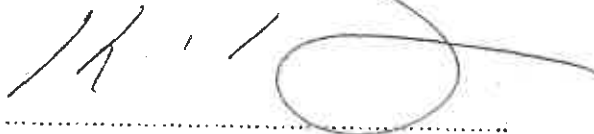
DATE



TRUSTEE

26 June 2024

DATE



PRINCIPAL OFFICER

26 JUNE 2024

DATE

