

Enquiries: Benjamin Ashikoto

15 August 2018

Ref No: 25/7/7/107

Mr. Trevor Colmer
Elite Consulting Namibia
Erioloba Unit 1
9 Hugo Hahn Street
Klein Windhoek
Namibia

BY HAND

Dear Mr Colmer,

**RE: RETIREMENT FUND FOR LOCAL AUTHORITIES AND UTILITY SERVICES IN
NAMIBIA RULE AMENDMENT NO.5**

We refer to your application as received by this office on 29 June 2018 for the approval of the Revised Special Rules, in accordance with the Pension Funds Act, 1956 (Act No. 24 of 1956), Regulations and Directives passed.

In terms of Section 12 of the Pension Funds Act, the Authority hereby confirms that the application for the amendment to the Revised Rules has been approved.

Attached please find the endorsed Revised Special Rules.

Kindly contact Mr. Benjamin Ashikoto on telephone number (061) 290 5014 or e-mail bashikoto@namfisa.com.na, should you have any further queries in this regard.

Yours sincerely,



Lovisa Indongo-Namandje
General Manager: Pension Fund and Friendly Societies
For the Registrar of Pension Funds

**RETIREMENT FUND FOR LOCAL AUTHORITIES AND
UTILITY SERVICES IN NAMIBIA**

Amendment No. 5

The Trustees of the Retirement Fund for Local Authorities and Utility Services in Namibia resolved at Windhoek on 20/06/2018 that with effect from 1 July 2018 the Rules of the Retirement Fund for Local Authorities and Utility Services in Namibia shall be amended for the reasons set out below:

- (1) *To make it clear that Employer representatives may be persons who are in senior positions in business organisations that are Participating Employers in the Fund and do not have to be Councillors in a Local Authority;*
- (2) *To provide that late payment interest is paid at the rate earned by the portfolio or bank account in which the benefit is invested or kept pending payment;*
- (3) *To clarify that late payment interest on the part of the death benefit that has been insured with a Registered Insurer is payable from the first day of the month following the date on which the amount payable by the Registered Insurer has been received by the Fund and not from the actual date on which the money is received;*
- (4) *To clarify the practice of the Fund regarding payment of unclaimed benefits;*

by:

- (i) *adding the following definitions to Rule 2:*

“Late Payment Interest” shall mean the Investment Return determined with reference to the portfolio in which the benefit is invested, or the interest rate applicable to the bank account in which the benefit is kept, pending payment, as directed by the Trustees from time to time.

“Senior Executive” shall mean a person who is designated as such by the body ultimately responsible for overseeing and directing the business of a commercialised venture, a joint business venture or a regional electricity distributor that is a Participating Employer in the Fund.



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(ii) replacing Rule 12.1.1 with the following:

12.1.1 The control, management and administration of the Fund shall vest in a Board of Trustees, who shall be elected in terms of this Rule 12.1.1 and Rule 12.1.2. Each Region participating in the Fund shall be represented by one representative of the Participating Employer and one representative for the Members. The following shall apply:

- (a) a representative of the Participating Employers shall be:
- (i) in the case of a local authority, a serving local authority Councilor; or
 - (ii) in the case of a commercialised venture, a joint business venture or a regional electricity distributor, a Senior Executive;

provided that representatives of the Participating Employer shall be elected in each Region where at least one local authority council is a Participating Employer;

- (b) the representatives of the Members shall be elected by the Members in each Region where at least one local authority council is a Participating Employer;

provided that

- (i) an additional Councilor or in the case of a commercialised venture, a joint business venture or a regional electricity distributor, a Senior Executive, to represent the Participating Employers and an additional Member representative shall be elected in the Khomas Region; and
- (ii) an alternate shall be elected for each Trustee.

(iii) replacing Rule 12.2.3 (f) with the following:

12.2.3(f) in the case of an Employer representative who is:



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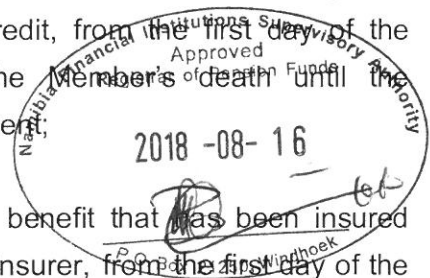
- (i) a Councillor, he ceases to serve as a Councillor on a participating local authority council; or
- (ii) a Senior Executive, he ceases to act in the capacity of a director or equivalent position of a commercialised venture, a joint business venture or a regional electricity distributor.

(iv) replacing Rule 13.6 with the following:

13.6 Late Payment Interest on Benefits

Late Payment Interest shall be payable on any benefit due to a Member or Beneficiary on such Member's retirement, leaving Service in terms of Rule 5, Rule 7 or on death, in accordance with the following:

- (a) in the case of a claim arising on withdrawal or retirement, Late Payment Interest shall be payable on the benefit payable to the Member with effect from the first day of the month following the date of termination of membership until the actual date of payment;
- (b) in the case of a claim arising on the death of a Member Late Payment Interest shall be payable;
 - (i) on that part of the benefit constituting the Member's Fund Credit, from the first day of the month following the Member's death until the actual date of payment;
 - (ii) on the part of the benefit that was been insured with a Registered Insurer, from the first day of the month following the date on which the amount payable by the Registered Insurer has been received by the Fund until the actual date of payment;



provided that Late Payment Interest shall be payable on unclaimed benefits in accordance with the provisions of Rule 17.4.

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(v) replacing Rule 17.4 with the following:

17.4 If a benefit due under the Fund, other than a benefit payable in terms of Section 37C of the Act, is not claimed within six months after the date on which it became due for payment the following shall apply:

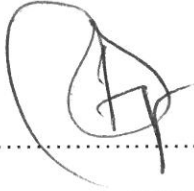
- (a) the benefit shall be deemed to be an unclaimed benefit, shall be identified as such in the Fund's financial records and shall be recorded in a register of unclaimed benefits maintained by the Fund;
- (b) the benefit shall be increased by Late Payment Interest as set-out in Rule 13.6;

Notwithstanding the foregoing provisions of this Rule, where the Trustees have been unsuccessful to in tracing a designated Beneficiary within 5 years of the date of accrual of the benefit to the designated Beneficiary in terms of these Rules, despite having made every effort, including advertising in appropriate media, such benefit including Late Payment Interest, shall be paid to the Guardian's Fund for the benefit of the Beneficiary concerned after expiry of the five year period, where after the Fund will have no further liability toward such Beneficiary.



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



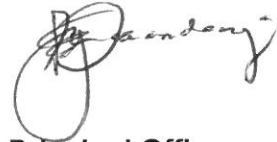
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Chairperson of Trustees



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Trustee



Principal Officer

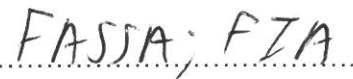
Certified that the above amendments are financially sound.



Actuary to the Fund



Signature



Qualifications

May 2018

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