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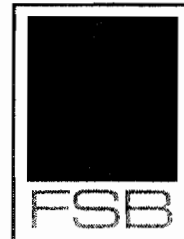
22 Pension Funds Act (24/1956): Surplus apportionment schemes and nil returns ..... 3 31904

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**BOARD NOTICE**

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**NOTICE 22 OF 2009****DIRECTIVE PF No. 3****Effective Date: 13 February 2009****FINANCIAL SERVICES BOARD  
REPUBLIC OF SOUTH AFRICA****PENSION FUNDS ACT (ACT 24 OF 1956)****SECTIONS 15B, 15E, 15F, 15J AND 15K  
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## INTRODUCTION

### PURPOSE

1. This Directive is issued in terms of section 33A of the Pension Funds Act, 1956, as amended.
2. It sets out the conditions of the Registrar of Pension Funds in respect of the provisions embodied in sections 15B, 15E, 15F, 15J and 15K of the Act and provides clarification in respect of other actuarial surplus issues.
3. This Directive takes effect on the date of issue.
4. The Registrar requires that any submissions made after **1 APRIL 2009** must be in the prescribed format as outlined in this Directive.

### REFERENCES & DEFINITIONS

5. The following references are used throughout the Directive:

“Act” Pension Funds Act, 1956, as amended

“Registrar” Registrar of Pension Funds

“SARS” South African Revenue Services

“LRA” Labour Relations Act, No. 66 of 1995

“SAD” Surplus Apportionment Date

“FMR” Former member representative

6. The following defines commonly used terminology in the Forms to the Directive:

“First tier distribution” is where actuarial surplus exists which is sufficient only for allowing partial or full minimum benefit top-ups of pensioners and former members.

“Residual distribution” is where sufficient actuarial surplus exists for apportionment to all stakeholders after allowing for full minimum benefit top-ups of pensioners and former members.

## SECTION I

### GENERAL INFORMATION RELATING TO SURPLUS APPORTIONMENT SCHEMES AND NIL RETURNS

#### INTRODUCTION

1. Section 1 of the Act defines actuarial surplus as follows:

*“actuarial surplus”, in relation to a fund which is -*

*(a) subject to actuarial valuation, means the difference between -*

- (i) the value that the valuator has placed on the assets of the fund less any credit balances in the member and employer surplus accounts; and*
- (ii) the value that the valuator has placed on the liabilities of the fund in respect of pensionable service accrued by members prior to the valuation date together with the value of the amounts standing to the credit of those contingency reserve accounts which are established or which the board deems prudent to establish on the advice of the valuator;*

*(b) exempt from actuarial valuation, means the difference between -*

- (i) the fair value of the assets of the fund less any credit balances in the member and employer surplus accounts; and*
- (ii) the sum of the values of the amounts standing to the credit of all the accounts held for individual members, whether contributory or paid-up, plus the value of any other liabilities plus the amounts standing to the credit of any investment reserve account set up to facilitate the smoothing of fund return credited to member accounts and such contingency reserve accounts which are established or which the board deems prudent to establish:*

*Provided that, for the purpose of quantifying the actuarial surplus in terms of section 15B, the surplus utilised improperly by the employer in terms of section 15B(6) shall be added to the difference calculated in paragraph (a) or (b), as the case may be.*

2. Every registered fund that commenced prior to 7 March 2002 must perform a surplus exercise and such funds cannot be exempted from this requirement.

3. All registered funds reflecting an actuarial surplus at SAD are required to submit a surplus apportionment scheme and funds with no actuarial surplus must submit a nil return as required in terms section 15B(11) of the Act.
4. Where funds were previously valuation exempt, such exemptions expired as at the first financial year-end or fund anniversary following 7 December 2003 (refer to Regulation 36 of the Act). Such funds are therefore accordingly required to submit an actuarial valuation report in terms of section 16 of the Act as at this date.
5. The SAD of any fund cannot precede 7 December 2001.
6. A statutory actuarial valuation report as at the SAD must be submitted before, or together with a surplus apportionment scheme or nil return.
7. A fund must submit its surplus apportionment scheme or nil return to the Registrar within 18 months of its SAD. In terms of section 37(3) of the Act, the Registrar may impose a penalty for the late submission thereof. Furthermore, the Registrar may exercise further remedies as outlined in section 15K(1), read with section 15B(10), of the Act.

#### **STATUTORY ACTUARIAL VALUATION AS AT SAD**

8. Form C1/D1 of the abbreviated nil return is deemed to be acceptable as an actuarial valuation report for purposes of a nil return, provided that the fund complies with the prescribed conditions set out therein and the Registrar is satisfied with the contents thereof. This principle may be extended to abbreviated bulk returns.
9. Valuers should take note of the requirement to be consistent in respect of valuation bases applied both in relation to different funds and over time.
10. Valuations should be performed in line with any standards set by the Registrar for the determination of actuarial surplus at the SAD, as well as the establishment of contingency reserve accounts in line with Regulation 35 of the Act.
11. The Registrar requires the inclusion of an analysis of the change in surplus (or deficit) since the previous statutory valuation in the report submitted as at the SAD.

12. In the case of Defined Contribution funds, in order for the Registrar to assess whether interest or bonus distributions were reasonable or whether actuarial surplus was distributed in line with actual returns, a table should be included in the valuation report indicating the rates of return actually earned on the assets of the fund as well as the rates of interest declared. (Also refer to para. 21 below).
13. Pension increases granted must be disclosed and appropriately motivated in the valuation report in line with the established pension increase policy of a fund.

#### **CONTINGENCY RESERVE ACCOUNTS**

14. In terms of Regulation 35 of the Act, the establishment and magnitude of any contingency reserve account by a fund –
  - (a) must be motivated by the valuator in the relevant report on the statutory actuarial valuation; and
  - (b) may be rejected by the Registrar, where the Registrar is not satisfied with any such motivation.
15. The contingency reserve account, included by a valuator, should contain a reasonable estimate of the likely costs of the surplus apportionment.

#### **SURPLUS APPORTIONMENT SCHEMES & NIL RETURNS**

16. The board of a fund has the right to advance the SAD where the exemption expired prior to the financial year-end or scheme anniversary following 7 December 2003.
17. Where the expiry of valuation exemption occurs earlier than the financial year-end or scheme anniversary following 7 December 2003, the board may elect to perform the surplus exercise at this date rather than the date specified in regulation 36 (section 15B(1)(b) of the Act).
18. The relevant prescribed forms are contained as Annexures to this Directive. Applicants are required, as far as is possible, to adhere to the prescribed formats and not deviate from them when submitting surplus apportionment schemes or nil returns.
19. Where a fund does not have an actuarial surplus as at SAD, a nil return, as required in section 15B(11) of the Act, must be submitted to the Registrar confirming this fact.

20. Any values shown in the surplus submission that differ from the corresponding values shown in the actuarial valuation report as at the SAD must be clearly explained and reconciled with the values in the valuation report. Any tables presented in a surplus submission must be checked and should be sensible (e.g. the numbers must add up; all headings must be consistent with the actual figures quoted).
21. Where a fund has utilised actuarial surplus following 7 December 2001 through bonus declarations or pension increases which are not consistent with established practices of such fund, this must be explained comprehensively as it could have amounted to an unauthorised distribution of surplus.
22. In the case of improper use of surplus, detailed information must be included with the submission.
23. Regulation 36 deals, *inter alia*, with the withdrawal of the valuation exemption status from all funds that were previously valuation exempt. As a consequence of the withdrawal, a recognised valuator is required to complete any document required of a valuator in relation to a surplus submission.

#### **SURPLUS APPORTIONMENT AND SECTION 14 APPLICATIONS**

24. Applications for transfers in terms of section 14 of the Act are independent from submissions of surplus apportionment schemes or nil returns in terms of section 15B of the Act. The Registrar will only consider an application for a full transfer once the surplus apportionment scheme has been approved, or nil return noted in respect of the transferor fund.
25. Until the transferor fund's scheme has been approved or nil return noted the Registrar will only consider the approval of a transfer of accrued liabilities.



**SURPLUS APPORTIONMENT PROCESS IN RESPECT OF UMBRELLA FUNDS**

26. Each employer participating in an umbrella fund that has a surplus must submit a separate surplus apportionment scheme. A combined nil return may be submitted in respect of those participating employers that do not have any surplus to apportion, which combined nil return must clearly show the financial condition of each participating employer separately.
27. An umbrella fund may submit a combined nil return in respect of all the participating employers on condition that such participating employers do not have the ability to accumulate surplus and that each participating employer complies with the requirements for valuation exemption as set out in Regulation 2, as amended.
28. For an umbrella fund where a participating employer has the ability to accumulate surplus or where a participating employer is unable to comply with the requirements for valuation exemption as set out in Regulation 2, as amended, each participating employer is required to submit a separate scheme.
29. After the completion of its surplus exercise (i.e. the Registrar has forwarded a certificate to the fund/sub-funds in terms of section 15B(9)(i) of the Act, or has noted a nil return for all sub-funds), each umbrella fund must submit a schedule to the Registrar, with the details of every sub-fund registered as at the SAD. The fund must confirm that the surplus exercise has been completed (as set out above) for all sub-funds and the board of the fund must certify this.
30. Valuation exemption will be granted at a fund level provided the fund complies with the requirements as set out in Regulation 2, as amended, and the Registrar has received the schedule referred to in para. 29.

**RETIREMENT FUNDS' UTILISATION OF THE FREE SHARES ACQUIRED THROUGH DEMUTUALISATION**

31. Any free shares that have been obtained as a result of the investment of the fund's assets, or the placement of insurance, with a mutual society which has demutualised, is regarded to be an asset of the fund.
32. Unless such free shares had been allocated prior to 7 December 2001 to members and pensioners, it constitutes actuarial surplus.

**STANDARDS FOR THE INFORMATION TO BE INCLUDED IN THE COMMUNICATION TO STAKEHOLDERS**

33. Section 15B(9)(d) of the Act requires that the employer, existing and former members be informed of the scheme for the apportionment of surplus in a manner which is clear and understandable, including inter alia details of the allocation of the actuarial surplus for the benefit of the various stakeholders, the Rand value of amounts of any actuarial surplus which it is intended to credit to the member surplus account and to the employer surplus account, respectively, and the Rand value of costs of any benefit improvements for members and former members. Subsection (i) permits the Registrar to prescribe standards for the information to be included in this communication.
34. The communication shall set out the financial position of the fund prior to the apportionment, stating:
- 34.1 The date of the valuation;
  - 34.2 The fair value of the assets;
  - 34.3 The actuarial value of the assets (where the fund is a defined benefit fund);
  - 34.4 The actuarial value of the liabilities, split between the major classes of beneficiary, namely "active members" (that is, those members who either contribute to the fund or in respect of whom the employer contributes to the fund), "pensioners" and "deferred pensioners";
  - 34.5 Any contingency reserve account balances and, where the fund is a defined contribution fund, the amount of any investment reserve account;
  - 34.6 The actuarial surplus which is to be apportioned;
  - 34.7 The method and assumptions used to determine the actuarial values of the assets and the liabilities;
  - 34.8 A summary of the data, the benefits and the contribution rates used in determining the assets and the liabilities of the fund; and
  - 34.9 A summary of each instance in which surplus was utilised improperly as defined in section 15B(6), together with the current value of such surplus. The summary should further identify where the board will be applying to the Registrar for permission to exclude this use from the amount that will be added to the surplus to be apportioned, and provide the reason why the board feels that such amount should be excluded. The amounts that will be added to the surplus to be apportioned should be stated.

35. The communication shall identify the former members, by group and date of exit from the fund where appropriate, whom the board has excluded in the apportionment.
36. The communication shall set out the relevant factors which the board has taken into account in determining the apportionment, including the financial history of the fund.
37. The communication shall set out the result of the apportionment by class of beneficiary, identifying each class separately where the manner in which the apportionment will be applied or the relative amount of the apportionment will differ between classes, and differentiating between apportionments of actuarial surplus to members and to the employer:

Class of Beneficiary	Manner in which the apportionment will be applied	Amount of actuarial surplus utilised in this manner for this class of beneficiary	
		Out of amount apportioned to members and former members	Out of amount apportioned to employer

Note:

- (1) The employer, active members, pensioners and deferred pensioners must be included as classes of beneficiary unless there are no beneficiaries in that class (for example, a provident fund in which there are no pensioners). Where former members are included, and the allocation to different tranches of former member according to date of exit differs, each tranche must be identified separately.
- (2) Where the board excludes any class of potential beneficiary, this class should be included in the table with "nil" amounts of surplus allocated to them.

38. The communication shall set out the projected financial position of the fund following the proposed apportionment, stating:
- 38.1 The fair value of the assets;
  - 38.2 The actuarial value of the assets, where the fund is a defined benefit fund;
  - 38.3 The actuarial value of the liabilities, after any benefit improvements envisaged in the scheme, split between the major classes of beneficiary, namely "active members" (that is, those members who either contribute to the fund or in respect of whom the employer contributes to the fund), "pensioners" and "deferred pensioners";
  - 38.4 Any contingency reserve account balances, and, where the fund is a defined contribution fund, the amount of any investment reserve account;
  - 38.5 The actuarial surplus split between:
    - 38.5.1 the member surplus account; and
    - 38.5.2 the employer surplus account.
39. The summary of any statement by the valuator or where an independent actuary has been used, the summary of both the valuator and independent actuary, must be included. Where either the valuator or the independent actuary has qualified his or her opinion with regard to the scheme, such qualification must be included in this summary.
40. A summary of any statement by the former member representative must be included, and where such statement is qualified, the qualification must be included.

#### **ABBREVIATED BULK NIL RETURNS**

41. Bulk applications can be made in respect of underwritten funds in batches not exceeding 100 funds.
42. In addition to the original application, the summary of results must be submitted electronically in an electronic format (e.g. a spreadsheet).
43. The valuator certifying the application will be required to make a declaration in terms of section 15B(9)(b)(ii) of the Act on surplus utilised improperly as required in terms of section 15B(6).

44. A valuator may sign off the bulk application form, provided that he confirms that he has been duly authorised by the relevant boards of the funds to act on their behalf.
45. In addition, the prescribed Bulkform C must be attached to every application, and signed by a duly authorised official of the insurer stating that the insurer takes joint responsibility, together with the valuator, for the contents of the bulk application.

#### **DISTRIBUTION OF AMOUNTS RELEASED FROM CONTINGENCY RESERVE ACCOUNTS AFTER THE SAD OR EFFECTIVE DATE OF A NIL RETURN**

46. Where the board determines, following approval by the Registrar of a surplus apportionment scheme or after the noting of a nil return, that an amount set up as at SAD or the effective date can be released from a contingency reserve account, such amount released creates future surplus and this surplus may be apportioned in terms of section 15C of the Act.
47. Section 15C determines how "future surplus" may be distributed between the member and employer surplus accounts, and will be dealt with in terms of the rules, or, where the rules are silent, by a decision of the board taking into account the interests of all the stakeholders in the fund.
48. Former members may be entitled to benefit from the distribution of actuarial surplus as at the SAD in terms of section 15B, but those former members who left prior to the SAD shall have no enforceable right to benefit from the distribution of any actuarial surplus that arises in the fund thereafter.

#### **DISPOSITION OF AMOUNTS PAYABLE TO FORMER MEMBERS IN TERMS OF AN APPORTIONMENT SCHEME APPROVED BY THE REGISTRAR**

49. Even though the employer, existing members and former members of a fund acquire a right to be considered by the board of that fund for inclusion in the surplus apportionment, provided there is actuarial surplus to be apportioned at the SAD in terms of section 15B of the Act, any amount due to the employer, an existing member, or a former member, in terms of that apportionment scheme, accrues only when the Registrar has issued a certificate approving the apportionment scheme in terms of section 15B(9)(i).
50. Funds should note that any benefit that becomes payable in terms of an approved surplus apportionment scheme must be dealt with in terms of the relevant tax legislation of SARS.

## **SECTION II**

### **INFORMATION REQUIRED AND DOCUMENTS THAT CONSTITUTE A SUBMISSION IN TERMS OF SECTION 15B**

#### **SURPLUS APPORTIONMENT SCHEMES**

1. A surplus apportionment scheme submitted in terms of section 15B(1) of the Act, must include the forms and appendices, as appropriate, set out below:
  - Form A covers the scheme;
  - Form A1 is the schedule of votes by the board;
  - Form A2 is the certificate by the valuator;
  - Form A3 is the certificate by the FMR;
  - Appendix I summarises the notification of outstanding objections; and
  - Appendix II is the application for the exclusion of surplus utilised improperly.
2. A fee is payable in terms of Schedule L.

#### **NIL RETURNS**

3. A nil return submitted in terms of section 15B(11) of the Act must include the forms and appendices, as appropriate, as set out below:
  - Form B covers the filing of a nil return.
  - Form B1 is the certificate by the valuator.
  - Form B2 is the schedule of votes of the board.
  - Appendix II is the application for the exclusion of surplus utilised improperly.
4. No fee is payable.

#### **ABBREVIATED NIL RETURNS**

5. An abbreviated process for the valuation, the nil return, and re-application for valuation exemption may be followed at the effective date where funds satisfy either of the conditions in paras 6 or 7 below.

6. Where the fund was registered prior to 7 March 2002 and satisfies all the following conditions: -

- 6.1 operated a mechanism for the automatic distribution of actuarial surplus at the end of each financial or scheme year;
- 6.2 the fund did not operate any form of reserve account;
- 6.3 the actuary is satisfied that the profits that have arisen on the exit of members in the prior year is less than the cost of a surplus apportionment scheme; and
- 6.4 the fund complies with the conditions of Regulation 2, as amended, with effect from 24 January 2003, and would have complied with those conditions prior to the SAD if they had been in effect,

the attached Forms C, C1 & C2 must be completed and submitted to the Registrar.

7. Where the fund was registered prior to 7 March 2002 and satisfies all the following conditions: -

- 7.1 The fund had a reserve account;
- 7.2 The administrators confirm that such reserve account was not used for the benefit of any individual member or selected group of members or for the reduction of the employer contribution due in respect of any period after 7 December 2001;
- 7.3 The reserve account has been split into an investment reserve and a contingency reserve account to cover the cost of surplus apportionment on a basis that is detailed in Form D1;
- 7.4 The actuary is satisfied that the balance in the contingency reserve account at the SAD is insufficient to meet the costs of a surplus apportionment scheme; and
- 7.5 The fund will comply with the conditions of Regulation 2 as amended with effect from 24 January 2003, and would have complied with those conditions prior to the SAD if they had been in effect,

the attached Forms D, D1 & D2 must be completed and submitted to the Registrar.

**ABBREVIATED RETURNS – BULK APPLICATIONS**

8. Where the funds satisfy either condition A or B below, an abbreviated process for the actuarial valuation, nil return, and re-application for valuation exemption may be followed at the SAD:

**A** The funds were registered prior to 7 March 2002 and meets all of the following conditions –

- (i) Operated a mechanism for the automatic distribution of actuarial surplus at the end of each financial or scheme year;
- (ii) The funds did not operate any form of reserve account;
- (iii) The valuator is satisfied that the profits that have arisen on the exit of members in the prior year is less than the cost of a surplus apportionment scheme; and
- (iv) The funds comply with the conditions of Regulation 2 as amended with effect from 24 January 2003 and would have complied with those conditions prior to the SAD if they had been in effect,

the attached Bulkform A and Bulkform C should be completed and submitted to the Registrar.

**B** The funds were registered prior to 7 March 2002 and meets all of the following conditions –

- (i) The funds have reserve accounts;
- (ii) The administrators confirm that the reserve accounts were not used for the benefit of any individual member or selected group of members or for the reduction of the employer contribution due in respect of any period after 7 December 2001;
- (iii) The reserve accounts have been split into an investment reserve account and a contingency reserve account, the latter to cover the cost of surplus apportionment;
- (iv) The valuator is satisfied that the balance in the contingency reserve accounts at the SAD is insufficient to meet the costs of a fund's surplus apportionment scheme; and
- (v) The fund will comply with the conditions of Regulation 2 as amended with effect from 24 January 2003, and would have complied with those conditions prior to the SAD if they had been in effect,

the attached Bulkform B and Bulkform C should be completed and submitted to the Registrar.



## **SECTION III**

### **INFORMATION REQUIRED AND DOCUMENTS THAT CONSTITUTE A SUBMISSION IN TERMS OF SECTIONS OTHER THAN SECTION 15B**

#### **SECTION 15E**

- 1 Section 15E creates the right to transfer moneys between the employer surplus accounts of two funds in which the same employer participates. Where a transfer is to be effected in terms of section 15E(2), the following must be completed:
  - Forms E, E1 and E2.
2. A fee is payable in terms of Schedule L.

#### **SECTION 15F**

3. Form F sets out the forms to be completed for transfer of an amount from a reserve account to the employer surplus account in terms of section 15F.
4. A fee is payable in terms of Schedule L.

#### **SECTION 15J**

5. This section of the Directive attempts to provide clarity on the prescribed manner required by the Registrar for an application in terms of section 15J of the Act. This applies only to funds with a single participating employer. Where a fund has more than one participating employer, the proposed course of action should first be discussed with the Registrar's Office.
6. The applicant in a section 15J application must submit:
  - 6.1 Proof of negotiations in terms of section 189 of the LRA;
  - 6.2 Certification by an auditor that there is a need for retrenchment.

6.3 Proof of full disclosure to members of:

- 6.3.1 the current financial position of the fund;
- 6.3.2 the proposed distribution to the employer;
- 6.3.3 the need of the employer for additional capital in order to maintain employment;
- 6.3.4 the report of the auditor; and
- 6.3.5 such information as the members may require in order to exercise their rights under the LRA.

Such proof must detail when, where and how such disclosures were made.

6.4 Proof that members had reasonable opportunity to consider the proposal.

Factors influencing what would constitute sufficient opportunity would include the number of members of the fund, the geographical distribution of the members (centralised operation vs multiplicity of branch operations), the level of sophistication of the workforce, etc.

6.5 Proof that at least 75 per cent of the fund members currently employed by the employer, have approved the proposal in writing.

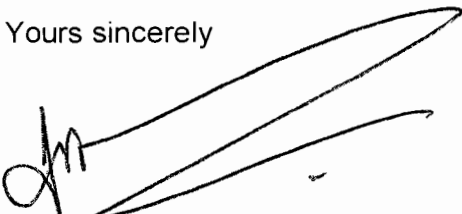
6.6 Proof that negotiations in terms of section 189 of the LRA have confirmed the need to retrench more than 10 per cent of the membership of the fund at the previous financial year-end if the payment is not made.

7. The Registrar does not anticipate that many applications of this nature will be received, and at the same time realises that section 15J can only effectively be used to prevent job losses if every effort is made to deal with each such an application on a relatively speedy basis. Close liaison with the Registrar's Office, combined with short turnaround times by all parties, will therefore be essential.

8. For an application in terms of section 15J, the following forms must be completed:

- Form J
- Form J1
- Form J2

Yours sincerely



**JA BOYD**  
**FOR: REGISTRAR OF PENSION FUNDS**

# 15B

# FORM A

FOR OFFICIAL USE ONLY
SERVICE FEE PAID
(SCHEDULE L)

**SURPLUS APPORTIONMENT SCHEME OF THE ..... FUND (12/8/.....) IN TERMS OF SECTION 15B(1)**

1 At the meeting of the board of the Fund held at ..... on ..... the board voted in favour of the following scheme for the apportionment of actuarial surplus to be submitted to the Registrar for approval: **OR**

The liquidator of the Fund / specialist tribunal, has determined the following scheme for the apportionment of actuarial surplus to be submitted to the Registrar for consideration.

*(Delete whichever is not applicable)*

2 The actuarial surplus apportionment is only sufficient to provide minimum benefits to former member and pensioners. ("**First tier**" distribution only); **OR**

The actuarial surplus apportionment is sufficient that a balance will remain to be equitably split between active members, pensioners, former members and the employer. ("**Residual**" distribution)

*(Delete whichever is not applicable)*

3 The surplus apportionment date (SAD) is ..... (insert date) and was determined as follows..

*(Tick appropriate box and insert the requested date as appropriate)*

	Tick	Insert date
Statutory actuarial valuation date after 7 Dec 2001	<input type="checkbox"/>	
Effective date of liquidation	<input type="checkbox"/>	
Conversion Date	<input type="checkbox"/>	
Effective date of cancellation	<input type="checkbox"/>	
Advanced	<input type="checkbox"/>	

4. If the date was advanced, kindly furnish reasons for such advancement:

.....  
 .....

5. The Fund is / is not a Bargaining Council Fund.
6. The membership of the Fund, including the number of eligible former members, as at the SAD is as follows:

	Number
Active members	.....
Pensioners	.....
Deferred pensioners	.....
Former members	.....

7 The Fund is a defined benefit / defined contribution / hybrid fund. An actuarial valuation as at SAD reflects the financial position of the Fund as the following:

		R'000	R'000
<b>ASSETS</b>			
7.1	Fair value of assets		
7.2	Actuarial value of assets* (justify if this is different from fair value)		
7.3	Investment reserve account*		
<b>TOTAL ASSETS</b>			
<b>LIABILITIES</b>			
7.4	Active members		
7.5	Pensioners		
7.6	Deferred pensioners		
<b>TOTAL LIABILITIES</b>			
<b>CONTINGENCY RESERVES</b>			
7.7	Surplus apportionment cost reserve		
7.8	Purpose A (specify)*		
7.9	Purpose B (specify)* etc.		
...	...		
<b>TOTAL CONTINGENCY RESERVES</b>			
<b>SURPLUS<sup>1</sup></b>			

\* These items need to be justified in the statutory actuarial valuation report, attached to this application.

1 Surplus equals Total Assets – Total Liabilities – Total Contingency Reserves

8. The board has investigated the financial history of the Fund and determined the utilisation of actuarial surplus which falls within the uses defined in terms of section 15B(6).

The investigation was conducted for the time period commencing on ..... (insert date) until the surplus apportionment date of the Fund.

Acting on the board's instructions, the actuary has determined the amount of surplus utilised at the effective date of each such instance, and accumulated such amount to the surplus apportionment date:

Description	Effective Date	Paragraph in section 15B(6) under which the instance falls	Amount of surplus utilised at the effective date accumulated to the surplus apportionment date. (note 1)	Whether the board is applying for this to be excluded from the apportionment (Yes / No) (note 2)
(instance to be described)				
(instance to be described)				
.....	.....		.....	.....
Total excluding items for which the board will be applying for exemption				

Notes:

- (1) This is the amount of surplus utilised at the effective date of use increased or decreased by fund return from the effective date of the use until the surplus apportionment date.
- (2) Where the board is of the opinion that this utilisation of surplus may be excluded on the basis that it was approved by the members, or by trade unions representing the members, after a clear and comprehensive communication exercise as part of a negotiated utilisation of surplus by stakeholders, the board may apply in terms of section 15B(6)(c) to have this use excluded. If "yes", the board must apply to the Registrar for each instance separately, using the forms in Appendix II.

9. The actuarial surplus available for apportionment is therefore as follows:

	R'000
<b>SURPLUS AS REVEALED IN THE VALUATION<sup>2</sup></b>	
<b>SURPLUS UTILISED IMPROPERLY<sup>3</sup></b>	
<b>ACTUARIAL SURPLUS<sup>4</sup></b>	

<sup>2</sup> Refer to § 7

<sup>3</sup> Refer to § 8

<sup>4</sup> Actuarial surplus equals surplus as revealed in the valuation plus surplus utilised improperly

10. The cost to top up former members and pensioners to minimum benefit levels as a prior charge against actuarial surplus is:

	R'000
Pensioners	
Former Members	
<b>TOTAL TOP-UP COST</b>	

Where the total top-up cost equals or exceeds the actuarial surplus that is available to be apportioned, and the Act gives pensioners and former members priority in enjoying this top up, there will be no apportionment to the employer or active members.

As the full top-up cannot be afforded, the top-up to the pensioners and former members has been reduced by a factor of ..... to give a result equal to the adjusted actuarial surplus available, and it will be allocated between pensioners and former members as follows:

	R'000
Pensioners	
Former Members	
<b>TOTAL TOP-UP COST</b>	

(Delete if not required)

- 11 The actuarial surplus will be apportioned between the stakeholder classes as follows, giving the estimated Rand shares and the proportion of the total:

	R'000	%
<b>FIRST TIER DISTRIBUTION</b>		
Pensioners		
Former members		
<b>RESIDUAL DISTRIBUTION</b>		
Former members <sup>5</sup>		
Active members		
Pensioners		
Deferred pensioners		
Employer		
<b>TOTAL<sup>6</sup></b>		<b>100%</b>

12. The amounts apportioned will be applied as follows:

Class of stakeholder	Manner in which the actuarial surplus will be applied for their benefit
Former members	
Active members	
Pensioners	
Deferred pensioners	
Employer	

13. Any stakeholder included in the apportionment of actuarial surplus who is an active member as at SAD and no longer an active member as at the date of approval of this scheme, will have the actuarial surplus be applied for their benefit in the same manner as that of former members as at SAD. If not, kindly explain how these members' surplus will be applied for their benefit:
- .....
- .....

<sup>5</sup> It may be necessary to split the residual surplus apportioned to former members between different tranches of former members

<sup>6</sup> The total must equal the actuarial surplus as determined in § 9

14. The surplus due to any stakeholder as a result of a surplus apportionment scheme approved by the Registrar shall be increased or decreased with fund return from the surplus apportionment date until the surplus is awarded, paid or allocated.
15. The members of the Board voted as follows and the schedule of votes is included as Form A1.

	Employer appointed	Member elected
In favour:		
Against:		
Abstained / absent:		

- 16 The person appointed by the board to represent the interests of former members:

Full Name:	
Address:	
Telephone number:	
Mobile number:	
E-mail address:	
Occupation:	
Relation to Fund:	

- 17 The steps taken to identify and contact former members and obtain sufficient information to enable the calculations of any top up benefit were as follows:
- .....
- .....

A copy of any advertisements placed by the board should be enclosed. Where radio advertisements were used, a typescript should be included. Where advertisements were placed in a number of different languages, copies of each such advertisement should be included.

18. Former members were taken into account as follows:

	Number	%
Former members for whom the calculations could be performed and who could be traced to make payment:		
Former members for whom the calculations could be performed but who cannot be traced:		
Former members, who have been traced but in respect of whom insufficient information could be obtained to enable the calculations to be performed (note 3):		
Former members, who have neither been traced, nor in respect of whom the board has obtained sufficient information to enable the calculations to be performed (note 3):		
Total		100%

Notes:

- (1) The board is required to provide its best estimate of the total number of former members who left the fund between 1 January 1980 and the surplus apportionment date.
  - (2) The board may have been able to obtain sufficient data from the administrators of the fund or the employer to enable the calculations to be performed, but cannot trace the former members. The top up benefits due to these former members should be reflected in the accounts of the fund as outstanding benefits. The board of the Fund is required to explain the further steps envisaged in tracing these former members:  

.....

.....
  - (3) Where the fund has not been able to trace the members at all, and the fund has insufficient information to enable the calculations to be performed, or the fund has traced the members but has not been successful in obtaining sufficient information to enable the benefit to be calculated, the board may set aside a contingency reserve or may offer these members an amount in settlement of any claim they might have.
19. The report by the person who represented the interests of former members on the steps taken to identify former members and obtain sufficient information to enable the calculations of any top up benefit, and on the equity of the apportionment to them, is enclosed with this application.

20. Is the apportionment directly or indirectly based on any written agreement between the employer, the fund, the members and / or any third party?

Yes / No

*(delete whichever is not applicable)*

Note: If the answer is yes, certified copies of the relevant agreement should be included.

21. The employers, former members, pensioners and the active members have been informed of the scheme in a manner consistent with the criteria set out in the Section 15 Directive, and have been given at least 12 (twelve) weeks in which to object to the scheme.

Start date of 12-week period: ..... *(insert date)*

End date of 12-week period: ..... *(insert date)*

22. A copy of the information pack given to members, including any written statements and a copy of any presentation made to them is included with this scheme documentation.
23. The objections have been considered by the board of management of the fund. The complaints are summarised in Appendix I which also contains the response by the board.
24. The apportionment described above is, in the opinion of the board, reasonable and equitable in respect of all classes of stakeholders.
25. The following claims<sup>7</sup> against the fund were not taken into account when determining the distribution of actuarial surplus:  

.....

.....

(noting that such claims should exclude any claims which have been recognised as liabilities by the board and the valuator)
26. Surplus apportioned to former members who cannot be traced shall constitute unclaimed benefits.
27. Any over budgeted amounts shall be included in distributable surplus within the bounds of practicality, prior to the final payments being made.
28. The surplus due to any stakeholder as a result of a surplus apportionment scheme approved by the Registrar shall be increased or decreased with fund return from the surplus apportionment date until the surplus is awarded, paid or allocated.

<sup>7</sup> These do not refer to outstanding benefits or creditors, both of which should be taken into account as liabilities if transferred; these refer to pending litigation or complaints in which members or former members are demanding adjustment to amounts previously paid or to accrued liabilities which are being transferred.

**DECLARATION**

I, in my capacity as chairperson of the board, liquidator, specialist tribunal or duly-authorised member of the board, of the ..... Fund (12/8/.....) declare that the information given above and in the Forms hereto is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
CAPACITY

\_\_\_\_\_  
FULL NAME IN PRINT

\_\_\_\_\_  
DATE

**SUPPLEMENTARY INFORMATION TO THE SURPLUS APPORTIONMENT SCHEME**

1. The Registrar requires the Fund to keep on file, as part of its fund records, a schedule containing a detailed breakdown of the surplus apportionment benefit awarded to each stakeholder, including the employer. Such a schedule should include the name (initials and surname) of every individual stakeholder as well as the amount of benefit apportioned to such stakeholder. This schedule must be presented to the Registrar upon request or inspection.
2. The Fund may submit such schedule to the Registrar as part of its surplus application and for a very large fund, the Registrar will accept electronic schedules, subject to prior agreement.
3. The schedule must be prepared so as to reconcile with the total amount of surplus available for distribution for which the fund requires the Registrar's approval.

**FORM A1 – SCHEDULE OF VOTES DATED .....**

**SURPLUS APPORTIONMENT SCHEME OF THE ..... FUND (12/8/.....) IN TERMS OF SECTION 15B(1)**

Notes.

- (1) Where the fund has been exempted from some of the conditions of section 7A of the Act, the nature and conditions of that exemption should be stated below, as well as a copy of the Registrar's exemption certificate in this regard:

**SCHEDULE OF VOTES IN FAVOUR OF THE SCHEME SUMMARISED IN FORM A**

FULL NAME IN PRINT	CAPACITY <sup>8</sup>	SIGNATURE

<sup>8</sup> Member-elected, Employer-appointed or representing a constituency (give details) if elected by Constituency in terms of rules

**SCHEDULE OF VOTES AGAINST THE SCHEME SUMMARISED IN FORM A**

There were no votes against the proposal.

OR (*deleting whichever is not required*)

The following members voted against the proposal:

FULL NAME IN PRINT	CAPACITY <sup>9</sup>	SIGNATURE

<sup>9</sup> Member-elected; Employer-appointed or representing a constituency (give details) if elected by Constituency in terms of rules

**ABSTENTIONS OR ABSENTEES FROM VOTING IN RESPECT OF THE SCHEME SUMMARISED IN FORM A:**

There were no abstentions and no absentees.

OR (*deleting whichever is not required*)

The following members abstained or were not present when the voting took place:

FULL NAME IN PRINT	CAPACITY <sup>10</sup>

<sup>10</sup> Member-elected; Employer-appointed or representing a constituency (give details) if elected by Constituency in terms of rules



**FORM A2 – CERTIFICATE BY THE VALUATOR**

**SURPLUS APPORTIONMENT SCHEME OF THE ..... FUND (12/8/.....) IN TERMS OF SECTION 15B(1)**

- 1 I am the valuator to the Fund and in order to enable me to issue the certificate requested by the board of the Fund in accordance with section 15B(9)(b) of the Act, I have performed the following procedures.  
.....  
.....  
and have been provided with the following information  
.....  
.....
- 2. I will bear no responsibility for any matter of any nature relating to this certificate in respect of information which has not been made available to me or of which I could not reasonably have had knowledge in issuing this certificate
- 3. Subject to the afore-going, and except for the qualifications set out in paragraph 4 below, I certify that
- 3.1 the process of apportionment complied with the Act,
- 3.2 where it has been necessary for the board of the fund to apply its discretion in relation to the proposed apportionment of the actuarial surplus, the exercise of that discretion was, in my opinion, not unreasonable taking into account the demands of equity within the bounds of practicality and the circumstances of the fund
- 4. This certificate is subject to the following qualifications (if space is insufficient, a separate report on the valuator's letterhead may be used)  
.....  
.....  
(if none, state nil).

**DECLARATION**

I, in my capacity as valuator to the Fund declare that the information given above is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
FULL NAME IN PRINT

\_\_\_\_\_  
DATE

**FORM A3 - CERTIFICATE BY THE FORMER MEMBER REPRESENTATIVE**

**SURPLUS APPORTIONMENT SCHEME OF THE ..... FUND (12/8/.....) IN TERMS OF SECTION 15B(1)**

- 1 I am satisfied that
  - 1.1 the steps taken by the board to include former members in terms of subsection 15B(4) of the Act, as described in Form A, were reasonable and
  - 1.2 where the board applied its discretion with regard to the inclusion of former members and the apportionment of actuarial surplus to such former members, the exercise of such discretion was reasonable taking into account the demands of equity within the bounds of practicality and the circumstances of this particular fund
  - OR**
  - 2 I am not satisfied that
  - 2.1 the steps taken by the board to include former members, as described in Form A were reasonable for the following reasons  
.....  
.....
  - 2.2 where the board applied its discretion with regard to the inclusion of former members and the apportionment of actuarial surplus to such former members, the exercise of such discretion was reasonable taking into account the demands of equity within the bounds of practicality and the circumstances of this particular fund, for the following reasons  
.....  
.....
- (Delete whichever is not applicable)*
- 3 I enclose a copy of my report to the board.

**DECLARATION**

In my capacity as the person appointed by the board of the Fund to represent the interests of former members in terms of Section 15B(3)(b) I declare that the information given above is, to the best of my knowledge and belief, correct and complete and that I have personal knowledge of all facts stated in this declaration

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
FULL NAME IN PRINT

\_\_\_\_\_  
DATE

# NIL RETURN

## FORM B

### NIL RETURN OF THE ..... FUND (12/8/.....) IN TERMS OF SECTION 15B(11)

1. The Fund is / is not a Bargaining Council Fund.
2. The Fund is a defined benefit / defined contribution / hybrid fund.
3. The effective date of the nil return is ..... (insert date) and it was determined as follows:

(Tick appropriate box and insert the requested date as appropriate)

	Tick	Insert date
Statutory actuarial valuation date after 7 Dec 2001	<input type="checkbox"/>	<input type="checkbox"/>
Effective date of liquidation	<input type="checkbox"/>	<input type="checkbox"/>
Conversion Date	<input type="checkbox"/>	<input type="checkbox"/>
Effective date of cancellation	<input type="checkbox"/>	<input type="checkbox"/>
Advanced	<input type="checkbox"/>	<input type="checkbox"/>

If the date was advanced, kindly furnish reasons for such advancement:

.....  
 .....

4. The Fund is a defined contribution fund which operates no reserve accounts (distributing any actuarial surplus which arises at least annually amongst the surviving members) or which operates in such a way that no actuarial surplus may arise.

OR

5. The Fund is a defined contribution fund which has no reserve accounts other than an employer surplus account and / or an investment reserve account which cannot hold a debit balance in terms of the rules and method of operation of the fund (distributing any actuarial surplus which arises outside of the investment reserve account at least annually amongst the surviving members), and in which any member will receive a proportionate share of the investment reserve account on ceasing to be a member of the fund.

OR

6. The Fund is a defined benefit fund which has no actuarial surplus. After investigation of its financial history with assistance of the valuator,

6.1 there are no past utilisations of actuarial surplus as defined in section 15B(6);

OR

6.2 there are such past utilisations but even after adding back such utilisations the fund remains in deficit;

OR

6.3 there are such utilisations but the fund will be applying for exemption in terms of section 15B(6), and:

I enclose applications in terms of Appendix II; and

I enclose a certificate from the valuator.

(Delete whichever is not applicable)

7. The employer and members have been informed. A copy of the communication to them is attached. A copy of this communication will be supplied to former members upon request.
8. The board has instructed me to inform the Registrar that no surplus apportionment scheme is therefore required in terms of section 15B(1). Please note this.
9. To my knowledge, the information contained in the reports on the financial history of the Fund and on the apportionment scheme is correct.

### DECLARATION

I, in my capacity as chairperson of the board, liquidator or duly-authorised member of the board, of the .....Fund (12/8/.....) declare that the information given above and in the Forms hereto is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
 SIGNATURE

\_\_\_\_\_  
 CAPACITY

\_\_\_\_\_  
 FULL NAME IN PRINT

\_\_\_\_\_  
 DATE

**FORM A2 – CERTIFICATE BY THE VALUATOR**

**SURPLUS APPORTIONMENT SCHEME OF THE ..... FUND (12/8/.....) IN TERMS OF SECTION 15B(1)**

- 1 I am the valuator to the Fund and in order to enable me to issue the certificate requested by the board of the Fund in accordance with section 15B(9)(b) of the Act, I have performed the following procedures  
  
.....  
  
and have been provided with the following information:  
.....  
.....
- 2. I will bear no responsibility for any matter of any nature relating to this certificate in respect of information which has not been made available to me or of which I could not reasonably have had knowledge in issuing this certificate
- 3. Subject to the afore-going, and except for the qualifications set out in paragraph 4 below, I certify that:  
  
3.1 the process of apportionment complied with the Act,  
  
3.2 where it has been necessary for the board of the fund to apply its discretion in relation to the proposed apportionment of the actuarial surplus, the exercise of that discretion was, in my opinion, not unreasonable taking into account the demands of equity within the bounds of practicality and the circumstances of the fund
- 4. This certificate is subject to the following qualifications (if space is insufficient, a separate report on the valuator's letterhead may be used)  
  
.....  
  
(if none, state nil)

**DECLARATION**

I, in my capacity as valuator to the Fund declare that the information given above is, to the best of my knowledge and belief, correct and complete

SIGNATURE

\_\_\_\_\_  
FULL NAME IN PRINT

\_\_\_\_\_  
DATE

**FORM A3 - CERTIFICATE BY THE FORMER MEMBER REPRESENTATIVE**

**SURPLUS APPORTIONMENT SCHEME OF THE ..... FUND (12/8/.....) IN TERMS OF SECTION 15B(1)**

- 1 I am satisfied that  
  
1.1 the steps taken by the board to include former members in terms of subsection 15B(4) of the Act, as described in Form A, were reasonable and  
  
1.2 where the board applied its discretion with regard to the inclusion of former members and the apportionment of actuarial surplus to such former members, the exercise of such discretion was reasonable taking into account the demands of equity within the bounds of practicality and the circumstances of this particular fund
- OR**
- 2 I am not satisfied that  
  
2.1 the steps taken by the board to include former members, as described in Form A, were reasonable for the following reasons  
  
.....  
  
2.2 where the board applied its discretion with regard to the inclusion of former members and the apportionment of actuarial surplus to such former members, the exercise of such discretion was reasonable taking into account the demands of equity within the bounds of practicality and the circumstances of this particular fund, for the following reasons.  
  
.....  
  
(Delete whichever is not applicable)
- 3 I enclose a copy of my report to the board

**DECLARATION**

In my capacity as the person appointed by the board of the Fund to represent the interests of former members in terms of Section 15B(3)(b), I declare that the information given above is, to the best of my knowledge and belief, correct and complete and that I have personal knowledge of all facts stated in this declaration.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
FULL NAME IN PRINT

\_\_\_\_\_  
DATE

# NIL RETURN

## FORM B

### NIL RETURN OF THE ..... FUND (12/8/.....) IN TERMS OF SECTION 15B(11)

- The Fund is / is not a Bargaining Council Fund.
- The Fund is a defined benefit / defined contribution / hybrid fund.
- The effective date of the nil return is ..... (insert date) and it was determined as follows:

(Tick appropriate box and insert the requested date as appropriate)

	Tick	Insert date
Statutory actuarial valuation date after 7 Dec 2001	<input type="checkbox"/>	<input type="checkbox"/>
Effective date of liquidation	<input type="checkbox"/>	<input type="checkbox"/>
Conversion Date	<input type="checkbox"/>	<input type="checkbox"/>
Effective date of cancellation	<input type="checkbox"/>	<input type="checkbox"/>
Advanced	<input type="checkbox"/>	<input type="checkbox"/>

If the date was advanced, kindly furnish reasons for such advancement:

.....  
 .....

- The Fund is a defined contribution fund which operates no reserve accounts (distributing any actuarial surplus which arises at least annually amongst the surviving members) or which operates in such a way that no actuarial surplus may arise.

OR

- The Fund is a defined contribution fund which has no reserve accounts other than an employer surplus account and / or an investment reserve account which cannot hold a debit balance in terms of the rules and method of operation of the fund (distributing any actuarial surplus which arises outside of the investment reserve account at least annually amongst the surviving members), and in which any member will receive a proportionate share of the investment reserve account on ceasing to be a member of the fund.

OR

- The Fund is a defined benefit fund which has no actuarial surplus. After investigation of its financial history with assistance of the valuator,

6.1 there are no past utilisations of actuarial surplus as defined in section 15B(6);

OR

6.2 there are such past utilisations but even after adding back such utilisations the fund remains in deficit;

OR

6.3 there are such utilisations but the fund will be applying for exemption in terms of section 15B(6), and:

I enclose applications in terms of Appendix II; and  
 I enclose a certificate from the valuator.

(Delete whichever is not applicable)

- The employer and members have been informed. A copy of the communication to them is attached. A copy of this communication will be supplied to former members upon request.
- The board has instructed me to inform the Registrar that no surplus apportionment scheme is therefore required in terms of section 15B(1). Please note this.
- To my knowledge, the information contained in the reports on the financial history of the Fund and on the apportionment scheme is correct.

### DECLARATION

I, in my capacity as chairperson of the board, liquidator or duly-authorized member of the board, of the .....Fund (12/8/.....) declare that the information given above and in the Forms hereto is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
 SIGNATURE

\_\_\_\_\_  
 CAPACITY

\_\_\_\_\_  
 FULL NAME IN PRINT

\_\_\_\_\_  
 DATE

**FORM B1 – CERTIFICATE BY THE VALUATOR**

**NIL RETURN OF THE ..... FUND (12/8/.....) IN TERMS OF SECTION 15B(11)**

1 The membership of the Fund as at ... (the effective date) is as follows:

	Number
Active members	
Pensioners	
Deferred pensioners	
Former members	

2 An actuarial valuation as at SAD reflects the financial position of the Fund as the following:

	R'000	R'000
<b>ASSETS</b>		
2.1 Fair value of assets		
2.2 Actuarial value of assets* (justify if this is different from fair value)		
2.3 Investment reserve account*		
<b>TOTAL ASSETS</b>		
<b>LIABILITIES</b>		
2.4 Active members		
2.5 Pensioners		
2.6 Deferred pensioners		
<b>TOTAL LIABILITIES</b>		
<b>CONTINGENCY RESERVES</b>		
2.7 Surplus apportionment cost reserve		
2.8 Purpose A (specify)*		
2.9 Purpose B (specify)* etc.		
...		
<b>TOTAL CONTINGENCY RESERVES</b>		
<b>SURPLUS<sup>11</sup></b>		

\* These items need to be justified in a separate report, attached to this application.

3. The board has investigated the financial history of the Fund and determined the utilisation of actuarial surplus which falls within the uses defined in terms of section 15B(6).

The investigation was conducted for the time period commencing on ..... (insert date) until ..... (insert date), the effective date of the Fund.

Acting on the board's instructions, the valuator has determined the amount of surplus utilised at the effective date of each such instance, and accumulated such amount to the surplus apportionment date.

Description	Effective Date	Paragraph in section 15B(6) under which the instance falls	Amount of surplus utilised at the effective date accumulated to the surplus apportionment date. (note 1)	Whether the board is applying for this to be excluded from the surplus apportionment (Yes / No) (note 2)
(instance to be described)				
(instance to be described)				
Total excluding items for which the board will be applying for exemption				

Notes:

- (1) This is the amount of surplus utilised at the effective date of use increased or decreased by fund return from the effective date of the use until the surplus apportionment date.
- (2) Where the board is of the opinion that this utilisation of surplus may be excluded on the basis that it was approved by the members, or by trade unions representing the members, after a clear and comprehensive communication exercise as part of a negotiated utilisation of surplus by stakeholders, the board may apply in terms of section 15B(6)(c) to have this use excluded. If "yes", the board must apply to the Registrar for each instance separately, using the forms in Appendix II.

<sup>11</sup> Surplus equals Total Assets – Total Liabilities – Total Contingency Reserves

4. The actuarial surplus available is therefore as follows:

	R'000
<b>SURPLUS AS REVEALED IN THE VALUATION<sup>12</sup></b>	
<b>SURPLUS UTILISED IMPROPERLY<sup>13</sup></b>	
<b>ACTUARIAL SURPLUS<sup>14</sup></b>	

5. The sum of the actuarial surplus and the surplus utilised for the benefit of the employer, excluding instances where the board believes that exemption is warranted and for which it has applied in terms of Appendix II, does not exceed zero.

**DECLARATION**

I, as valuator to the Fund declare that the information given above is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
FULL NAME IN PRINT

\_\_\_\_\_  
DATE

**FORM B2 – SCHEDULE OF VOTES DATED .....**

**SURPLUS APPORTIONMENT SCHEME OF THE ..... FUND (12/8/.....) IN TERMS OF SECTION 15B(1)**

Notes:

(1) Where the fund has been exempted from some of the conditions of section 7A of the Act, the nature and conditions of that exemption should be stated below:

.....  
.....  
.....

**SCHEDULE OF VOTES IN FAVOUR OF THE SCHEME SUMMARISED IN FORM B**

FULL NAME IN PRINT	CAPACITY <sup>15</sup>	SIGNATURE

<sup>12</sup> Refer to § 2

<sup>13</sup> Refer to § 3

<sup>14</sup> Actuarial surplus equals surplus as revealed in the valuation plus surplus utilised improperly

<sup>15</sup> Member-elected; Employer-appointed or representing a constituency (give details) if elected by Constituency in terms of rules

**SCHEDULE OF VOTES AGAINST THE SCHEME SUMMARISED IN FORM B**

There were no votes against the proposal.

OR *(deleting whichever is not required)*

The following members voted against the proposal:

FULL NAME IN PRINT	CAPACITY <sup>16</sup>	SIGNATURE

<sup>16</sup> Member-elected; Employer-appointed or representing a constituency (give details) if elected by Constituency in terms of rules

**ABSTENTIONS OR ABSENTEES FROM VOTING IN RESPECT OF THE SCHEME SUMMARISED IN FORM A:**

There were no abstentions and no absentees.

OR *(deleting whichever is not required)*

The following members abstained or were not present when the voting took place:

FULL NAME IN PRINT	CAPACITY <sup>17</sup>

<sup>17</sup> Member-elected; Employer-appointed or representing a constituency (give details) if elected by Constituency in terms of rules

# ABBREVIATED NIL RETURN

## FORM C

NIL RETURN IN RESPECT OF THE .....FUND (12/8/.....) WHERE THE FUND DISTRIBUTED ANY SURPLUS OR DEFICIT ARISING DURING THE YEAR AUTOMATICALLY AT THE END OF EACH YEAR AND NEVER HAD A RESERVE ACCOUNT OF ANY FORM

### CERTIFICATE BY THE FUND

1. The effective date<sup>18</sup> of the nil return is ..... (insert date) and it was determined as follows:

(Tick appropriate box and insert the requested date as appropriate)

	Tick	Insert date
End of financial year following 7 Dec 2003	<input type="checkbox"/>	<input type="checkbox"/>
Effective date of liquidation	<input type="checkbox"/>	<input type="checkbox"/>
Effective date of cancellation	<input type="checkbox"/>	<input type="checkbox"/>
Advanced	<input type="checkbox"/>	<input type="checkbox"/>

If the date was advanced, kindly furnish reasons for such advancement:

.....  
 .....

2. The Fund is a defined contribution fund.
3. No pensions are paid from the Fund. On retirement, the member's individual account balance, less any amount paid in cash, is used to purchase an annuity policy from a registered insurer.

OR

Any pensions paid from the fund are fully secured through annuity policies purchased from insurers and owned by the Fund.

(Delete which is not applicable)

4. All liabilities of the Fund, to the extent that they exceeded the value of the members' individual accounts were fully underwritten by one or more registered insurers

5. As far as can be established, the fund has never had an account to which surplus assets could be allocated and therefore it may safely be assumed that there has been no improper use of actuarial surplus by the employer, as described in section 15B(6)(b) of the Act, since the inception of the Fund.
6. In terms of its rules, any surplus or deficit which arose in the Fund during a financial / scheme year was distributed to the surviving members at the end of the financial / scheme year. The only actuarial surplus available as at the surplus apportionment date to be apportioned was the total of any profits enjoyed on the exit of members in the year prior to the surplus apportionment date. This was quantified and is less than the cost of surplus apportionment.
7. The information given to the valuator is accurate and complete.

### DECLARATION

I, in my capacity as chairperson of the board, liquidator or duly-authorised member of the board, of the .....Fund (12/8/.....) declare that the information given above and in the Forms hereto is, to the best of my knowledge and belief, correct and complete.

.....  
 SIGNATURE

.....  
 CAPACITY

.....  
 FULL NAME IN PRINT

.....  
 DATE

<sup>18</sup> This is the equivalent of the surplus apportionment date.



FORM C1

**CERTIFICATE BY A VALUATOR IN RESPECT OF THE VALUATION OF THE ..... FUND (12/8/.....) AS AT THE EFFECTIVE DATE AND VALUATION-EXEMPTION FOR THE PERIOD FROM INCEPTION OF THE FUND, OR DATE OF LAST EXPIRY OF VALUATION-EXEMPTION**

1. Date of the valuation: .....
2. The purpose of the valuation is to confirm that there is no actuarial surplus after allowing for the cost of a surplus apportionment exercise, at the effective date and that the principles of operation of the Fund over the period from inception of the Fund, or date of last expiry of valuation-exemption, whichever is the later, satisfied the requirements for valuation-exemption in terms of Regulation 2.
3. I have used information supplied by the administrators of the Fund concerning the rules of the Fund, the systems with which it is administered, the assets, the members' individual accounts, the value of withdrawal profits earned by the Fund in the year prior to the valuation and the estimated cost of surplus apportionment. I have confirmed that the data matches the information provided to the board of the Fund at the corresponding year-end.
4. The only contingency reserve account holds the lower of the estimated cost of a surplus apportionment scheme and the value of the withdrawal profits earned by the Fund in the year prior to the valuation date.
5. The membership of the Fund is as follows:

	Number
Active members	.....
Paid-up members	.....

6. The valuation result (in R'000) is as follows:

Assets at fair value	A
Current liabilities	C
Assets available to meet past service liabilities	$D = A - C$
Total of members' individual account balances	E
Contingency reserve account for the cost of surplus apportionment	F
Accrued liabilities	$G = E + F$
Actuarial surplus	$D - G$ (which should equal zero)

7. The board has certified that there are no instances of improper utilisation of surplus by the employer in terms of section 15B(6)(c) of the Act.
8. I declare, that, to the best of my knowledge and belief, there is no actuarial surplus available for distribution.
9. I have scrutinised the rules and the method of operation of the Fund since the issue of the previous certificate of valuation-exemption / the inception of the Fund (*delete which is not applicable*) and declare that, effective .....(the effective date), to the best of my knowledge, the Fund has complied with the following requirements, as contemplated by Regulation 2:
  - (a) all members of the Fund, other than pensioners, were entitled to a defined contribution type benefit;
  - (b) all liabilities of the Fund, to the extent that they exceeded the value of the member's individual accounts were fully underwritten by one or more registered insurers;
  - (c) any pensions paid from the Fund are fully secured through annuity policies purchased from insurers and owned by the Fund; and
  - (d) the Fund did not have any reserve accounts other than those allowed in terms of Regulation 2(d) as published on 24 January 2003
10. In respect of the period since the issue of the previous certificate / the inception of the Fund (*delete which is not applicable*):
  - (a) The method used to allocate investment returns to individual accounts is based on sound principles, and has been as follows:
 

.....

.....
  - (b) The rate of investment return is not smoothed, i.e. the full fund returns are allocated to member accounts in the Fund. The implementation of this policy does not endanger the financial soundness of the Fund.

OR

The rate of investment return passed on to members is smoothed, and I am satisfied that:

- (i) the rate is reasonable in relation to the gross investment return earned by the fund, net of reasonable expenses, and
- (ii) the mechanism used to smooth the rate does not endanger the financial soundness of the fund i.e. in the event of negative investment return, benefits will be reduced accordingly.

(Delete which is not applicable)

- (c) The treatment of expenses (including the premiums paid for the insurance of death and disability risks) is based on sound principles and has been as follows:

.....  
 .....

#### DECLARATION

I, in my capacity as valuator declare that the information given above is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
 SIGNATURE

\_\_\_\_\_  
 FULL NAME IN PRINT

\_\_\_\_\_  
 DATE

#### FORM C2

#### CERTIFICATE BY THE VALUATOR IN SUPPORT OF THE RENEWAL OF VALUATION-EXEMPTION FOR THE .....FUND (12/8/.....) FOR A THREE YEAR PERIOD AFTER THE EFFECTIVE DATE.

1. I have scrutinised the rules and declare that, as at ..... (the effective date), the Fund complies with the following requirements, as contemplated in Regulation 2:
  - 1.1 all members of the Fund, other than pensioners, were entitled to a defined contribution type benefit;
  - 1.2 all liabilities of the Fund, to the extent that they exceeded the value of the member's individual accounts were fully underwritten by one or more registered insurers;
  - 1.3 any pensions paid from the Fund are fully secured through annuity policies purchased from insurers and owned by the Fund; and
  - 1.4 the Fund did not have any reserve accounts other than those allowed in terms of Regulation 2(d) as published on 24 January 2003.
2. To the best of my knowledge, there is no danger of the Fund not complying with conditions 1.1 to 1.4 in paragraph 1.
3. The assets are suitable considering the liabilities of the Fund.
4. In my opinion, continued exemption from the appointment of a valuator and triennial valuations as contemplated in sections 9A and 16 of the Act respectively is warranted.

#### DECLARATION

I, in my capacity as valuator declare that the information given above is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
 SIGNATURE

\_\_\_\_\_  
 FULL NAME IN PRINT

\_\_\_\_\_  
 DATE

# ABBREVIATED NIL RETURN

## FORM D

**NIL RETURN IN RESPECT OF THE .....FUND (12/8/.....) WHERE THE FUND HELD, AT THE EFFECTIVE DATE, A RESERVE ACCOUNT WHICH IS INSUFFICIENT TO FUND THE COST OF SURPLUS APPORTIONMENT BUT THE FUND IS OTHERWISE COMPLIANT WITH REGULATION 2, AND THERE IS NO HISTORY OF TRANSACTIONS THAT WOULD INDICATE ANY IMPROPER UTILISATION OF SURPLUS IN TERMS OF SECTION 15B(6)(b)**

### CERTIFICATE BY THE FUND

1 The effective date of the nil return is ..... (insert date) and it was determined as follows

*(Tick appropriate box and insert the requested date as appropriate)*

	Tick	Insert date
End of financial year following 7 Dec 2003	<input type="checkbox"/>	<input type="checkbox"/>
Effective date of liquidation	<input type="checkbox"/>	<input type="checkbox"/>
Effective date of cancellation	<input type="checkbox"/>	<input type="checkbox"/>
Advanced	<input type="checkbox"/>	<input type="checkbox"/>

If the date was advanced, kindly furnish reasons for such advancement:

.....  
 .....

2. The Fund is a defined contribution fund
3. No pensions are paid from the Fund. On retirement, the member's individual account balance, less any amount paid in cash, is used to purchase an annuity policy from a registered insurer.

OR

Any pensions paid from the fund are fully underwritten in terms of annuity policies purchased from insurers and owned by the Fund

*(Delete which is not applicable)*

4. The liabilities of the Fund, to the extent that they are not funded by the amounts standing to the credit of members' individual account balances are fully underwritten in terms of policies purchased by the Fund from one or more insurers.
5. The Fund has a reserve account. With effect from 7 December 2001, this reserve account has been split into an investment reserve account, an expenses reserve account to cover the Fund's actual liabilities for expenses and a contingency reserve account to cover the Fund's contingent liabilities including the cost of surplus apportionment. This split was based upon the history of transactions in the Fund and the basis used is detailed in Form D1 signed by a valuator
6. There is no actuarial surplus or amounts in respect of improper utilisation of surplus by the employer in terms of section 15B(6)(b) of the Act.
7. The information given to the valuator is correct and complete.

### DECLARATION

I, in my capacity as chairperson of the board, liquidator or duly-authorised member of the board, of the .....Fund (12/8/.....) declare that the information given above and in the Forms hereto is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
CAPACITY

\_\_\_\_\_  
FULL NAME IN PRINT

\_\_\_\_\_  
DATE

**FORM D1**

**CERTIFICATE BY THE VALUATOR IN RESPECT OF THE VALUATION OF THE .....FUND (12/8/.....) AS AT THE EFFECTIVE DATE**

1. I valued the Fund as at ..... (the effective date) in order to determine any actuarial surplus at this date.
2. I investigated the principles of operation of the Fund over the period from inception of the Fund, or date of last expiry of valuation-exemption, whichever is the later.
3. I have used information supplied by the administrators of the Fund concerning the rules of the Fund, the systems upon which it is administered, the assets, the members' individual accounts, the balance in the reserve account and the estimated cost of surplus apportionment. I have confirmed that the data matches the information provided to the board of the Fund at the corresponding year-end.
4. The only contingency reserve account/s held provision/s for anticipated expenses for the cost of the surplus apportionment scheme. The investment reserve account held a provision to smooth investment returns in future and its method of operation prevented it from ever having a debit balance. I am satisfied that the amounts included in such accounts are reasonable. *(Delete what is not applicable)*
5. The basis used to determine the split in the reserve account between the investment reserve account, the expense reserve account and the contingency reserve account to cover the cost of the surplus apportionment was as follows:  
.....  
.....

6. The membership of the Fund is as follows:

	Number
Active members	
Paid-up members	

7. The valuation result (in R'000) is as follows:

Assets at fair value	A
Investment reserve account	B
Current liabilities	C
Assets available to meet past service liabilities	D = A - B - C
Total of members' individual account balances	E
Contingency reserve account for the cost of surplus apportionment	F
Accrued liabilities	G = E + F
Actuarial surplus	D - G (which should equal zero)

8. The board has certified that there are no instances of improper utilisation of surplus by the employer in terms of section 15B(6)(c) of the Act.
9. I declare, that, to the best of my knowledge and belief, there is no actuarial surplus available for distribution.
10. I have scrutinised the rules and the method of operation of the Fund since the issue of the previous certificate of valuation-exemption / the inception of the Fund (*delete which is not applicable*) and declare that, effective .....(the effective date), to the best of my knowledge, the Fund has complied with the following requirements, as contemplated by Regulation 2:
  - (a) all members of the Fund, other than pensioners, were entitled to a defined contribution type benefit;
  - (b) all liabilities of the Fund, to the extent that they exceeded the value of the member's individual accounts were fully underwritten by one or more registered insurers;
  - (c) any pensions paid from the Fund are fully secured through annuity policies purchased from insurers and owned by the Fund; and
  - (d) the Fund did not have any reserve accounts other than those allowed in terms of Regulation 2(d) as published on 24 January 2003.
11. In respect of the period since the issue of the previous certificate / the inception of the Fund (*delete which is not applicable*):
  - (a) The method used to allocate investment returns to individual accounts is based on sound principles, and has been as follows:  
.....  
.....
  - (b) The rate of investment return is not smoothed, i.e. the full fund returns are allocated to member accounts in the Fund. The implementation of this policy does not endanger the financial soundness of the Fund.

OR

The rate of investment return passed on to members is smoothed, and I am satisfied that:

- (i) the rate is reasonable in relation to the gross investment return earned by the fund, net of reasonable expenses, and
- (ii) the mechanism used to smooth the rate does not endanger the financial soundness of the fund i.e. in the event of negative investment return, benefits will be reduced accordingly.

*(Delete which is not applicable)*

(c) The treatment of expenses (including the premiums paid for the insurance of death and disability risks) is based on sound principles and has been as follows:

.....  
.....

**DECLARATION**

I, in my capacity as valuator declare that the information given above is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
FULL NAME IN PRINT

\_\_\_\_\_  
DATE

**FORM D2**

**CERTIFICATE BY THE VALUATOR IN SUPPORT OF THE RENEWAL OF VALUATION-EXEMPTION FOR THE .....FUND (12/8/.....) FOR A THREE YEAR PERIOD AFTER THE EFFECTIVE DATE.**

1. I have scrutinised the rules and declare that, with effect from ..... (the effective date), the Fund complies with the following requirements, as contemplated in Regulation 2:
  - 1.1 all members of the Fund, other than pensioners, were entitled to a defined contribution type benefit;
  - 1.2 all liabilities of the Fund, to the extent that they exceeded the value of the member's individual accounts were fully underwritten by one or more registered insurers;
  - 1.3 any pensions paid from the Fund are fully secured through annuity policies purchased from insurers and owned by the Fund; and
  - 1.4 the Fund did not have any reserve accounts other than those allowed in terms of Regulation 2(d) as published on 24 January 2003.
2. To the best of my knowledge, there is no danger of the Fund not complying with conditions 1.1 to 1.4 in paragraph 1.
3. The assets are suitable considering the liabilities of the Fund.
4. In my opinion, continued exemption from the appointment of a valuator and triennial valuations as contemplated in sections 9A and 16 of the Act respectively is warranted.

**DECLARATION**

I, in my capacity as valuator declare that the information given above is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
FULL NAME IN PRINT

\_\_\_\_\_  
DATE

# ABBREVIATED NIL RETURN

## BULK

### BULKFORM A

NIL RETURN IN RESPECT OF A COLLECTION OF FUNDS WHERE THE FUNDS DISTRIBUTED ANY SURPLUS OR DEFICIT ARISING DURING THE YEAR AUTOMATICALLY AT THE END OF SUCH YEAR AND HAVE NEVER HAD A RESERVE ACCOUNT OF ANY KIND

#### CERTIFICATE

1. The funds are all defined contribution funds.
2. One of the following conditions is applicable:
  - 2.1 No pensions are paid from the funds. On retirement, the member's individual account balance, less any amount paid in cash, is used to purchase an annuity policy from a registered insurer; or
  - 2.2 Any pensions paid from the funds are fully secured through annuity policies purchased from insurers and owned by the funds.
3. All liabilities of the funds, to the extent that they exceeded the value of the members' individual accounts were fully underwritten by one or more registered insurers.
4. As far as can be established, the funds have never had accounts to which surplus assets could be allocated and therefore it may safely be assumed that there has been no improper use of actuarial surplus by the employer, as described in section 15B(6) of the Act.
5. In terms of its rules, any surplus or deficit which arose in the funds during a financial / scheme year was distributed to the surviving members at the end of the financial / scheme year. The only actuarial surplus available as at the surplus apportionment date to be apportioned was the total of any profits enjoyed on the exit of members in the year prior to the surplus apportionment date. This was quantified and is less than the cost of surplus apportionment.
6. There is no actuarial surplus or amounts in respect of "past improper utilisation of surplus" to be distributed in terms of section 15B(6) of the Act.

#### Valuation

7. The purpose of the valuation is, *inter alia*, to confirm that there is no actuarial surplus at the surplus apportionment date and that the principles of operation of the funds over the period from inception of the funds, or date of last expiry of valuation-exemption, whichever is the later, satisfied the requirements for valuation-exemption in terms of Regulation 2 made in terms of the Act.
8. I have used information supplied by the administrators of the funds concerning the rules of the funds, the systems with which it is administered, the assets, the members' individual accounts, the value of withdrawal profits earned by the funds in the year prior to the valuations and the estimated cost of surplus apportionment. I have confirmed that the data matches the information provided to the boards of the funds at the corresponding year-end.
9. The only contingency reserve accounts hold the lower of the estimated cost of a surplus apportionment scheme and the value of the withdrawal or expense profits earned by the funds in the year prior to the valuation date.
10. The valuation results are as follows:

Fund Details				Number of		Valuation Results (R'000)						
No	PF No (12/8/...)	Fund Name	Surplus Apportionment Date	Active Members	Paid-up Members	Assets Fair Value	Current Liabilities	Assets to meet past service liabilities	Total of members' individual account balances	Contingency reserve account	Accrued Liabilities	Actuarial Surplus
						A	C	D = A - C	E	F	G = E + F	D - G (which should equal zero)
1												
2												
3												
...												
100												

11. An electronic copy of the table above is included with this submission.

12. I have scrutinised the rules and the method of operation of the funds since the issue of the previous certificates of valuation-exemption, or since the inception of the funds, and declare that, effective the surplus apportionment dates of the funds, to the best of my knowledge, the funds have complied with the following requirements, as contemplated by Regulation 2:

- (a) All members of the funds, other than pensioners, were entitled to a defined contribution type benefit;
- (b) All liabilities of the funds, to the extent that they exceeded the value of the members' individual accounts were fully underwritten by one or more registered insurers;
- (c) Any pensions paid from the funds are fully secured through annuity policies purchased from insurers and owned by the funds; and
- (d) The funds did not have any reserve accounts other than those allowed in terms of Regulation 2(d) as amended with effect 1 January 2003.

13. In respect of the period since the issue of the previous certificates, or the inception of the funds:

13.1 The method used to allocate investment returns to individual accounts is based on sound principles and has been as follows

.....  
.....

AND one of the following conditions is applicable:

13.2 The rate of investment return is not smoothed, i.e. the full net investment returns are allocated to members' accounts in the funds. The implementation of this policy does not endanger the financial soundness of the funds; or

13.3 The rate of investment return passed on to members is smoothed, and I am satisfied that:

- (a) the rate is reasonable in relation to the gross investment return earned by the funds, net of reasonable expenses, and
- (b) the mechanism used to smooth the rate does not endanger the financial soundness of the funds, i.e. in the event of negative investment returns, benefits will be reduced accordingly.

AND

13.4 The treatment of expenses (including the premiums paid for the insurance of death and disability risks) is based on sound principles and has been as follows:

.....  
.....

14. There are no instances of past improper uses of surplus by the employer (section 15B(6) of the Act) in the history of the funds.

15. I have scrutinised the rules and declare that, with effect from the effective date for the funds, the funds comply with the following requirements, as contemplated in Regulation 2:

15.1 All members of the funds, other than pensioners, were entitled to a defined contribution type benefit;

15.2 All liabilities of the funds, to the extent that they exceeded the value of the members' individual accounts were fully underwritten by one or more registered insurers;

15.3 Any pensions paid from the funds are fully secured through annuity policies purchased from insurers and owned by the funds; and

15.4 The funds did not have any reserve accounts other than those allowed in terms of Regulation 2(d) as amended with effect 1 January 2003.

16. To the best of my knowledge, there is no danger of the funds not complying with conditions (a) to (d) in paragraph 15 above.

17. The assets are suitable considering the liabilities of the funds.

18. In my opinion, continued exemption from the appointment of a valuator and triennial valuations as contemplated in sections 9A and 16 of the Act respectively is warranted.

**DECLARATION**

I, in my capacity as valuator declare that the information given above is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
FULL NAME IN PRINT

\_\_\_\_\_  
DATE

**BULKFORM B**

**NIL RETURN IN RESPECT OF A COLLECTION OF FUNDS, WHERE THE FUNDS AS AT THE EFFECTIVE DATE HELD RESERVE ACCOUNTS WHICH ARE INSUFFICIENT TO FUND THE COST OF SURPLUS APPORTIONMENT IN TERMS OF SECTION 15B OF THE ACT, AND THERE IS NO HISTORY OF TRANSACTIONS THAT WOULD INDICATE ANY PAST SURPLUS UTILISED IMPROPERLY IN TERMS OF SECTION 15B(6).**

**CERTIFICATE**

1. The funds are all defined contribution funds.
2. One of the following conditions are applicable:
  - 2.1 No pensions are paid from the funds. On retirement, the members' individual account balance, less any amount paid in cash, is used to purchase an annuity policy from a registered insurer; or
  - 2.2 Any pensions paid from the funds are fully secured through annuity policies purchased from insurers and owned by the funds.
3. All liabilities of the funds, to the extent that they exceeded the value of the members' individual accounts were fully underwritten by one or more registered insurers.
4. The funds do have reserve accounts but have previously been exempted from valuation as they have complied with the requirements set out in Regulation 2 of the Act as it read prior to 1 January 2003.
5. There is no actuarial surplus or amounts in respect of "past improper utilisation of surplus" to be distributed in terms of section 15B(6) of the Act.

**Valuation**

6. The purpose of the valuation is, *inter alia*, to confirm that there is no actuarial surplus at the surplus apportionment date and that the principles of operation of the funds over the period from inception of the funds, or dates of last expiry of valuation-exemption, whichever is the later, satisfied the requirements for valuation-exemption in terms of Regulation 2 of the Act as it read prior to 1 January 2003.
7. I have used information supplied by the administrators of the funds concerning the rules of the funds, the systems with which it is administered, the assets, the members' individual accounts and the estimated cost of surplus apportionment. I have confirmed that the data matches the information provided to the boards of the funds at the corresponding year-end.

8. The contingency reserve accounts hold actuarial surplus that is insufficient to cover the costs of surplus apportionment.
9. The valuation results are as follows:

Fund Details				Number of		Valuation Results (R'000)							
No	PF No (12/8/...)	Fund Name	Surplus Apportionment Date Regulation 2 application (yes/no)	Active Members	Paid-up Members	Assets Fair Value	Investment Reserve Account	Current Liabilities	Assets to meet past service liabilities	Total of members' individual account balances	Contingency reserve account	Accrued Liabilities	Actuarial Surplus
						A	B	C	D = A - B - C	E	F	G = E + F	D - G (which should equal zero)
1													
2													
3													
100													

10. An electronic copy of the table above is included with this submission.
11. I have scrutinised the rules and the method of operation of the funds since the issue of the previous certificates of valuation-exemption, or since the inception of the funds, and declare that, effective the surplus apportionment dates of the funds, to the best of my knowledge, the funds have complied with the following requirements, as contemplated by Regulation 2 of the Act as it read prior to 1 January 2003:
  - (a) All members of the funds, other than pensioners, were entitled to a defined contribution type benefit;
  - (b) All liabilities of the funds, to the extent that they exceeded the value of the members' individual accounts were fully underwritten by one or more registered insurers; and
  - (c) Any pensions paid from the funds are fully secured through annuity policies purchased from insurers and owned by the funds.



12. In respect of the period since the issue of the previous certificates, or the inception of the funds:

12.1 The method used to allocate investment returns to individual accounts is based on sound principles, and has been as follows:

.....  
.....

AND one of the following conditions is applicable:

12.2 The rate of investment return is not smoothed, i.e. the full net investment returns are allocated to members' accounts in the funds. The implementation of this policy does not endanger the financial soundness of the funds; or

12.3 The rate of investment return passed on to members is smoothed, and I am satisfied that

- (i) the rate is reasonable in relation to the gross investment return earned by the funds, net of reasonable expenses; and
- (ii) the mechanism used to smooth the rate does not endanger the financial soundness of the funds, i.e. in the event of negative investment returns, benefits will be reduced accordingly.

AND

12.4 The treatment of expenses (including the premiums paid for the insurance of death and disability risks) is based on sound principles and has been as follows:

.....  
.....

13. There are no instances of past improper uses of surplus by the employer (section 15B(6) of the Act) in the history of the funds.

14 I have scrutinised the rules and declare that, with effect from the effective dates for the funds requiring exemption as indicated in the table in paragraph 9 above, the funds comply with the following requirements, as contemplated in Regulation 2:

- (a) All members of the funds, other than pensioners, were entitled to a defined contribution type benefit;
- (b) All liabilities of the funds, to the extent that they exceeded the value of the members' individual accounts were fully underwritten by one or more registered insurers;
- (c) Any pensions paid from the funds are fully secured through annuity policies purchased from insurers and owned by the funds; and
- (d) The funds did not have any reserve accounts other than those allowed in terms of Regulation 2(d) as amended with effect 1 January 2003.

15 To the best of my knowledge, there is no danger of the funds requiring exemption as indicated in the table in paragraph 9, not complying with conditions (a) to (d) in paragraph 14 above

16. The assets are suitable considering the liabilities of the funds.

17 In my opinion, exemption from the appointment of a valuator and triennial valuations as contemplated in sections 9A and 16 of the Act respectively, for each of the funds requiring exemption as indicated in the table in par. 9, is warranted.

#### DECLARATION

I, in my capacity as valuator declare that the information given above is, to the best of my knowledge and belief, correct and complete.

SIGNATURE

.....  
FULL NAME IN PRINT

.....  
DATE

**BULKFORM C**

**NIL RETURN IN RESPECT OF A COLLECTION OF FUNDS**

**CERTIFICATE**

(to be signed by a duly authorised official of the registered insurer)

1. This is to certify that we have scrutinised the information presented in the attached Bulkform A / Bulkform B (delete which is not applicable) and confirm that the information contained therein is correct.
2. We accept joint responsibility, with the valuator, for the contents of this bulk application.
3. I, ..... (Full name), duly authorised by ..... (Registered insurer) declare that the information given above is correct to the best of my knowledge and belief.

Signed

Name in block letters

Designation

Date

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**APPENDIX I**

**SUMMARY OF OBJECTIONS TO THE SURPLUS APPORTIONMENT SCHEME OF THE ..... FUND (12/8/.....) IN TERMS OF SECTION 15B(9)(g)**

- 1 The board / liquidator received the following complaints which have been satisfactorily resolved

Name, address and telephone number of the complainant	Summary of the complaint	Action taken

Evidence should be attached to support the resolution of the objection.

2 The board / liquidator received the following complaints which have not been resolved

Name, address and telephone number of the complainant	Summary of the complaint	Reason why in the opinion of the board the complaint does not have merit or why the Complaint has not been resolved

**Note**

Supporting information in respect of each complaint should be attached to this schedule. This includes all objections lodged and the responses provided by the Fund / Former member representative

SIGNATURE

CAPACITY

FULL NAME IN PRINT

DATE

**APPENDIX II**

**APPLICATION FOR THE EXCLUSION OF SURPLUS UTILISED IMPROPERLY IN TERMS OF SECTION 15B(6)(c)**

(A separate application should be supplied in respect of each particular use of actuarial surplus as defined in section 15B(6) which the board / liquidator wishes to exclude )

1. Effective date of the particular utilisation of actuarial surplus: .....
2. Description of the particular utilisation of actuarial surplus  
.....  
.....  
.....
3. Paragraph under section 15B(6) under which the instance falls: .....
4. Describe why the board / liquidator believes that the particular use of surplus was approved by members, or by representative bodies on behalf of members, as part of a negotiated utilisation of surplus:  
  
(Enclose a copy of any agreement signed between stakeholders, as well as any other documents that the board may deem relevant.)  
.....  
.....  
.....

FOR OFFICIAL USE ONLY

SERVICE FEE PAID

(SCHEDULE I)

# 15E FORM E

5. Was the result of any vote by members audited or confirmed by an independent party?

Yes / No

*(delete whichever is not applicable)*

If "Yes", who was the independent party:

.....  
 .....  
 .....

*(Kindly provide a name, address and telephone number.)*

Please provide a certificate from the independent party confirming the number of members eligible to make an election, and those who supported the proposal, distinguishing between pensioners and members still in active service.

6. Please describe the communication to members and / or representative bodies acting on behalf of members prior to the particular utilisation of surplus.

Attach the communication material provided to members (copies of written material and any audio-visual presentation).

**DECLARATION**

I, in my capacity as chairperson of the board, liquidator, specialist tribunal or duly-authorised member of the board, of the .....Fund (12/8/.....) declare that the information given above and in the attachments hereto is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
CAPACITY

\_\_\_\_\_  
FULL NAME IN PRINT

\_\_\_\_\_  
DATE

**TRANSFER OF ALL OR PART OF THE CREDIT BALANCE IN AN EMPLOYER SURPLUS ACCOUNT FROM ONE FUND TO ANOTHER AT THE REQUEST OF THE EMPLOYER**

**SECTION 15E(2): SCHEME FOR THE PROPOSED TRANSFER FROM THE EMPLOYER SURPLUS ACCOUNT OF THE ..... (TRANSFEROR FUND) (12/8/.....) TO THE EMPLOYER SURPLUS ACCOUNT IN ..... (TRANSFeree FUND) (12/8/.....)**

[to be signed by a duly authorised employer appointed member of the board of the transferor fund and a duly authorised official of the Employer requesting the transfer]

1. Details of the Employer applying for approval of this transfer:  
 .....
2. Effective date of the transfer: .....
3. The financial impact of the transfer as at the effective date, if approved, will be as follows:

	Transferor Fund	Transferee Fund
Balance in the employer surplus account prior to the transfer		
Amount to be transferred		
Balance in the employer surplus account after the transfer		

4. Motivation for the transfer:  
 .....  
 .....

- 5 We certify that the following conditions are satisfied:
- 5.1 The employer who has control of the employer surplus account in terms of the rules of the Fund has similar control of the employer surplus account in the transferee fund;
- 5.2 Employees of the employer are members or former members of the fund to which the transfer is made; and
- 6 Kindly provide full details to satisfy the Registrar that the transfer is necessary in order to achieve an equitable distribution of the surplus between the transferor and the transferee funds:
- .....
- 7 Copies of the resolution by the employer appointed members of the board of the transferor fund (Form E1) approving the transfer and the special reports by the valuator to the transferor fund (Form E2) and the valuator to the transferee fund (Form E3) are enclosed.
- 8 We declare that the information above and the forms hereto are, to the best of our knowledge and belief, correct and complete

\_\_\_\_\_  
 DULY AUTHORISED EMPLOYER  
 APPOINTED MEMBER OF THE  
 BOARD

\_\_\_\_\_  
 DULY AUTHORISED OFFICIAL OF  
 THE EMPLOYER

\_\_\_\_\_  
 FULL NAME IN PRINT

\_\_\_\_\_  
 FULL NAME IN PRINT

\_\_\_\_\_  
 DATE

\_\_\_\_\_  
 DATE

Note: No fund that contains actuarial surplus in an employer surplus account is eligible for exemption from actuarial valuation. The certificates by the valutors to the transferor and transferee funds are therefore mandatory.

**FORM E1**

**SPECIAL RESOLUTION BY THE EMPLOYER APPOINTED MEMBERS OF THE BOARD OF THE ..... (TRANSFEROR FUND) (12/8/.....)**

**SECTION 15E(2): SCHEME FOR THE PROPOSED TRANSFER FROM THE EMPLOYER SURPLUS ACCOUNT OF THE ..... (TRANSFEROR FUND) (12/8/.....) TO THE EMPLOYER SURPLUS ACCOUNT IN ..... (TRANSFEE FUND) (12/8/.....)**

[To be signed by the chairperson and one other duly authorised employer appointed member of the board of the transferor fund]

- 1 The employer appointed members of the board of the Fund, at its meeting on ..... at ..... approved the transfer of actuarial surplus in the employer surplus account to the employer surplus account of the ..... (Transferee Fund) (12/8/.....) on the terms set out below:

1.1 Amount to be transferred:  
 .....

1.2 Motivation for the transfer:  
 .....  
 .....

1.3 Effective date of transfer: .....

1.4 Assets to be transferred:  
 .....  
 .....

(where scrip / title is to be transferred, a schedule may be attached)

The assets transferred will include any investment income earned on the instruments listed above from the effective date of transfer to the date upon which transfer actually occurs.

1.5 Where payment will be made in cash, the amount to be transferred will have interest added at the following rate to the amount determined at the effective date of transfer:

Fund return OR Fixed rate of interest

*(Delete and initial whichever is not applicable)*

If a fixed rate of interest is payable, describe the steps that have been taken to protect the fund against loss if the investment return earned on the assets of the fund is lower than the fixed rate of interest payable:

.....  
 .....

2. A reconciliation of the balance in the Employer Surplus Account from the Fund's surplus apportionment date until the effective date of transfer is attached.
3. We declare that the information above is, to the best of our knowledge and belief, correct and complete.

\_\_\_\_\_  
 CHAIRPERSON OF THE BOARD

\_\_\_\_\_  
 DULY AUTHORISED EMPLOYER  
 APPOINTED MEMBER OF THE  
 BOARD

\_\_\_\_\_  
 FULL NAME IN PRINT

\_\_\_\_\_  
 FULL NAME IN PRINT

\_\_\_\_\_  
 DATE

\_\_\_\_\_  
 DATE

**FORM E2**

**SPECIAL REPORT OF THE VALUATOR TO THE ..... (TRANSFEROR FUND) (12/8/.....) IN TERMS OF SECTION 15E(2) IN RESPECT OF THE TRANSFER FROM THE EMPLOYER SURPLUS ACCOUNT OF THE TRANSFEROR FUND TO THE EMPLOYER SURPLUS ACCOUNT IN THE ..... (TRANSFeree FUND) (12/8/.....)**

1. The transfer will not render the transferor fund unable to meet the requirements of the Pension Funds Act (No. 24 of 1956), as amended, or to remain in a sound financial condition.

OR

The transferor fund will cease to exist after the transfer has been effected.

*(Delete and initial whichever is not applicable)*

2. I, valuator to the transferor fund, declare that the information above is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
 SIGNATURE

\_\_\_\_\_  
 FULL NAME IN PRINT

\_\_\_\_\_  
 DATE

# 15F

# FORM F

FOR OFFICIAL USE ONLY
SERVICE FEE PAID
(SCHEDULE L)

**TRANSFER OF ACTUARIAL SURPLUS FROM AN EXISTING RESERVE ACCOUNT AS DEFINED IN THE RULES TO THE EMPLOYER SURPLUS ACCOUNT FOR THE ..... FUND (12/8/.....)**

1. Effective date of the transfer: .....
2. Amount of actuarial surplus to be transferred: .....
3. Describe why the board believes that this amount of actuarial surplus within the reserve account was properly apportioned for the benefit of the employer. The motivation should include detail as to the process followed in the negotiation together the results of any election by the members:

(Enclose a copy of any agreement signed between stakeholders and the material provided to members on the basis of which they approved the apportionment.)

- 3.1 Process followed in the negotiation:  
.....  
.....
- 3.2 Description of the stakeholders included in the negotiation:  
.....  
.....  
.....

3.3 Apportionment of actuarial surplus, as negotiated, between the classes of stakeholder:

	Rand amount of surplus allocated	Percentage of the total surplus
Employer		
Active members		
Former members (split by class where there is more than one)		
Pensioners		
Total		

(The total actuarial surplus should correspond to that revealed in the corresponding actuarial valuation, a copy of which should be enclosed. In addition proof is required to show that members were aware of the Rand amount being allocated to the employer )

Reasons for the particular apportionment:  
.....  
.....

3.4 Results of the election:

	Active members	Pensioners	Former members
In favour			
Against			
Abstentions			
Total			

4. Was the result of the vote audited or confirmed by an independent party?  
Yes / No  
(delete whichever is not applicable)  
  
If "Yes", who was the independent party:  
.....  
.....  
(Please give a name, address and telephone number.)

If the vote was audited or confirmed by the independent party, please attach a certificate from the independent party confirming the voting result recorded above.

5. Please describe the communication to members and / or representative bodies acting on behalf of members prior to the particular utilisation of surplus.

.....  
 .....  
 .....

Attach the communication material provided to members (copies of written material and any audio-visual presentation).

**DECLARATION**

I, in my capacity as chairperson of the board, liquidator or duly-authorised member of the board, of the .....Fund (12/8/.....) declare that the information given above and in the attachments hereto is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
 SIGNATURE

\_\_\_\_\_  
 CAPACITY

\_\_\_\_\_  
 FULL NAME IN PRINT

\_\_\_\_\_  
 DATE

# 15J

## FORM J

**APPLICATION FOR PERMISSION TO PAY ANY CREDIT BALANCE IN AN EMPLOYER SURPLUS ACCOUNT TO AN EMPLOYER WHERE NEGOTIATIONS IN TERMS OF SECTION 189 OF THE LABOUR RELATIONS ACT, 1995, HAVE CONFIRMED THE NEED TO RETRENCH EMPLOYEES IF ADDITIONAL CAPITAL IS NOT OBTAINED FOR THE ..... FUND (12/8/.....)**

1. Effective date of the envisaged payment: .....
2. Amount of actuarial surplus in the employer surplus account to be paid to the employer: .....
3. Remaining credit balance in the employer surplus account: .....
4. Describe the consultation conducted in terms of section 189 of the Labour Relations Act, 1995.  
 .....  
 .....
5. Was an independent auditor used to confirm the need to retrench members?  
 Yes / No (Delete whichever is not applicable).

If the answer is yes, provide the name, address and telephone number of the independent auditor, and attach the certificate from the independent auditor.

Name: .....

Address: .....

.....

.....

Telephone number: .....

6. Members were informed as follows:  
 .....  
 .....  
 (Include a copy of any material provided to members.)



7 Members currently in employment were given the following period in which to consider the proposal: .....

8. Members currently in employment voted as follows:

	Members currently in employment
In favour	
Against	
Abstentions	
Total	

9. Was the result of the vote audited or confirmed by an independent party?

Yes / No

*(delete whichever is not applicable)*

If "Yes", who was the independent party:

Name: .....

Address: .....

Telephone number: .....

If the vote was audited or confirmed by the independent party, please attach a certificate from the independent party confirming the voting result recorded above.

#### DECLARATION

I, in my capacity as chairperson of the board, liquidator or duly-authorised member of the board, of the .....Fund (12/8/.....) declare that the information given above and in the attachments hereto is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
CAPACITY

\_\_\_\_\_  
FULL NAME IN PRINT

\_\_\_\_\_  
DATE

#### FORM J1

#### CERTIFICATE BY THE INDEPENDENT AUDITOR IN RESPECT OF AN APPLICATION TO TRANSFER THE CREDIT BALANCE IN AN EMPLOYER SURPLUS ACCOUNT TO THE EMPLOYER IN TERMS OF SECTION 15J FOR THE ..... FUND (12/8/.....)

1 I am satisfied that

- 1.1 the employer will need to terminate the services, on operational grounds, of at least 10 per cent of the members of the fund who were in employment as at the last financial year end if the employer does not receive R..... in cash from the employer surplus account in the fund.
- 1.2 the members currently in employment have been properly consulted in terms of section 189 of the Labour Relations Act, 1995, on the need for such termination and on the possibility of avoiding such termination if the above payment is made.

#### DECLARATION

I, in my capacity as independent auditor employed by the board of the Fund declare that the information given above is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
FULL NAME IN PRINT

\_\_\_\_\_  
DATE

**FORM J2**

**CERTIFICATE BY THE INDEPENDENT AUDITOR IN RESPECT OF THE RESULTS OF THE VOTE BY MEMBERS CURRENTLY IN EMPLOYMENT ON AN APPLICATION TO TRANSFER THE CREDIT BALANCE IN AN EMPLOYER SURPLUS ACCOUNT TO THE EMPLOYER IN TERMS OF SECTION 15J FOR THE ..... FUND (12/8/.....)**

1. I am satisfied that, prior to voting, members were informed of the proposal to pay R..... to the employer from the credit balance in the employer surplus account, in the manner set out in the schedule to which this certificate is attached.
2. I have checked the tabulation of the vote by the members currently in employment, and am satisfied that they voted as follows:

	Members currently in employment
In favour	
Against	
Abstentions	
Total	

**DECLARATION**

I, in my capacity as independent auditor employed by the board of the Fund declare that the information given above is, to the best of my knowledge and belief, correct and complete.

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
FULL NAME IN PRINT

\_\_\_\_\_  
DATE