

**ZIMBABWE**

**ELECTRICITY**

**SUPPLY AUTHORITY**

**STAFF**

**PENSION FUND**

**RULES**



First Issued: 24th January 1986

Reprinted with Amendments: 1st September 1988

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Redrafted and printed to meet minimum regulatory requirements: Circular 5 of 2017

This consolidated version incorporates Amendments effective 1 January 1998, 1 July 2002 and 15 July 2017 and was prepared by Quantum Consultants & Actuaries on 31 August 2017

## CERTIFICATE OF AMENDMENT

### **REDRAFTED RULES**

- A. I, BUSIN Kanyo in my capacity as Principal Officer of **ZESA Staff Pension Fund**, certify that the Redrafted Rules have been made in terms of Circular 5 of 2017 by IPEC.
- B. The effective date of the redrafted rules is 31 August 2017.
- C. The reasons for the changes are explained below:
1. Part I section 1 (d) is amendment to change from old address to new address of the Fund
  2. Part I section 1 (e) amendment is to cater for the multi-currency system from the Zimbabwean currency
  3. Part I section 2 – New or revised definitions used in the Rules but not explained: Accumulated contributions, Category 1 Member, category 2 Member, Board, Commissioner, Date of joining the New Fund, Employer, Employer Regulations, Independent trustee, New Fund, Principal Employer, Rural Electrification Fund.
  4. Part I section 2 added to show that when the Fund closed, some eligible members joined the new Fund. The sponsor used to be called Authority and now where it refers to Authority it's for historic changes with Employer and Principal Employer now being used.
  5. Changes in Part II section 3 were due to align with SI 80 of 2017 which require at least 3 but not more than 9 trustees to be elected and appointed.
  6. Part II Section 9(b) changed quorum at meetings to align with adjusted number of Trustees in the Board.
  7. Part II Section 10 changes made to align with section 3 of circular 5 by IPEC and Statutory Instrument 80 of 2017.
  8. Part III Section 15 is to align with new position since the Fund is closed to new entrants.
  9. Part IV Section 21 is to align the contribution structure to arrangements under the transformed former Fund.
  10. Part IV Section 24 is to amend in line with the Board resolutions and approved amendments.
  11. Part IV Section 25 is aligned to include reference to the Commissioner on disputes.
  12. Part IV Section 29 is to align with definition of accumulated contributions.
  13. Part V Section 48 amendment done to align with section of the act on dissolution of Funds.
  14. Rule 49 incorporated to include Paid Up status

Signature: BUSIN Kanyo  
Principal Officer: ZESA Staff Pension Fund

Date: 20/8/19



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Zimbabwe Electricity Supply Authority  
Staff Pension Fund ("the Fund") Redrafted Rules, 2017

The Zimbabwe Electricity Supply Authority has, in terms of paragraph 19 of the First Schedule to the Electricity Act, 1985, established the Zimbabwe Electricity Supply Authority Staff Pension Fund and made the following Rules and amendments since inception.



## **PART 1: GENERAL**

1. (a) These Rules may be referred as the Zimbabwe Electricity Supply Authority Staff Pension Fund Redrafted Rules, 2017

(b) These Rules shall, subject to the provisions of subsection (11) of section 68 and subsection (17) of section 69 of the Electricity Act, 1985, apply to and bind all eligible employees employed by the Authority on or after 24th January, 1986 and shall be deemed to have come into operation on that date subject to any amendments.

(c) The principal object of the Fund shall be to provide benefits for employees and former employees of the Authority on their retirement through age or ill-health, and for their dependents when they die.

(d) The registered office of the fund shall be at Megawatt House, 44 Samora Machel Avenue, Harare.

(e) Every payment due to or by the Fund shall be made in the currency approved by the Reserve Bank of Zimbabwe;

(f) The Fund was established as a self-administered Defined Benefit Pension Fund

### **Interpretation of Terms**

2. In these Rules;

**"Accumulated contributions"** means for a particular member at a particular date his total contributions together with:

- i. Compound interest thereon at the rate of five per centum per annum in respect of the period up to 30 June 2002; and
- ii. Compound interest at the rate earned on the Fund after 30 June 2002

**"Act"** means the Pension and Provident Funds Act, chapter 24:09;

**"Actuary"** means a fellow of the Institute of Actuaries of London or of the Faculty of Actuaries of Scotland or of any other actuarial body approved by the Commissioner;

**"Actuarial Interest in the Fund"**, in relation to a contributor, means the amount which the Management Committee, on the recommendation of the valuator, determines would be required as at the date on which the accumulated interest in the Fund is to be calculated (hereinafter referred to as the "due date") to ensure that the contributor would be able to acquire a pension with effect from the date he would attain the age of sixty-five years had he continued in that service, calculated in accordance with the provisions of subsection (a) of section 22 in relation to his pensionable service prior to the due date and his estimated average pensionable emoluments when he would attain the age of sixty-five years as calculated by the valuator based on the pensionable emoluments of that contributor at the due date but taking into account the anticipated future salary increments of that contributor in accordance with the assumptions made by the valuator when the Fund was last valued;



**"Auditor"** shall mean a member of a recognized professional accounting body appointed by the Trustees in line with the Rules of the Fund to report on the financial affairs of the Fund.

**"Authority"** means the Zimbabwe Electricity Supply Authority established in terms of the Electricity Act, 1985;

**"Board"** means the appointed and elected trustees of the Fund

**"Category 1 Member"** means a member who had not exercised the option of joining the new Fund by 1 January 2012;

**"Category 2 Member"** means, for a particular member at a particular date after 1 January 2004, a member who had joined the new fund;

**"Common Law"** (also known as judicial precedent or judge-made law, or case law) is that body of law derived from judicial decisions of courts and similar tribunals.

**"Continuous service"** means the period during which an employee is continuously in the service of the Authority, and includes;  
(a) all authorised leave of absence, whether on full pay or not; and  
(b) times spent under suspension, if followed by reinstatement in the same or another office or post;  
and shall not be regarded as interrupted by breaks in service condoned by the Board for the purpose of the Fund;

**"Contributions"** means, for a member, the amounts paid or payable by him to the Fund, exclusive of interest and accrued income;

**"Commissioner"** shall mean the Commissioner of Insurance and Pensions Commission appointed under the Insurance and Pensions Commission Act [Chapter 24:21];

**"Customary Law"** shall mean a recognized source of law within jurisdictions of the civil law tradition, where it may be subordinate to both statutes and regulations

**"Date of joining the New Fund"** means, for a particular member of the fund who joins the New Fund on or after 1 January 2004, the date of joining such fund;

**"Dependent Child"** means an unmarried child of a member or deferred pensioner or pensioner, who is, at the date of death of such member or deferred pensioner or pensioner;  
(a) under the age of 18 years, or is undergoing full-time education and is under the age of 23 years; and

(b) A child to the satisfaction of the Trustees that includes a posthumous child, a stepchild and an adopted child.

**"Eligible Employee"** means a person appointed to the staff of the Employer who is envisaged shall work for a period of more than three months other than on a temporary or casual basis;

**"Employer"** means any one of:

- (a) ZESA Holdings Limited;
- (b) Powertel Communications (Private) Limited;
- (c) ZESA Enterprises (Private) Limited;
- (d) Zimbabwe Electricity Transmission and Distribution Company (Private) Limited;
- (e) Zimbabwe Power Company (Private) Limited;
- (f) Rural Electrification Fund;
- (g) and any other company or organisation which with the consent of the Principal Employer and upon terms agreed between the Principal Employer and the Board has been admitted to the Fund; provided that:
  1. where the context so requires, "Employer" shall mean for any member, employee, deferred pensioner or pensioner the employer employing such member or employee or the employer last employing such deferred pensioner or pensioner; and
  2. prior to 1 January 2004, the Employer means the Authority;

**"Employment Regulations"** means regulations which set forth conditions of employment applicable to an employee or class of employees of each Employer;

**"Final Pensionable Emoluments"** means the annual pensionable emoluments of a member at the date of his retirement or death;

**"Fund"** means the Zimbabwe Electricity Supply Authority Staff Pension Fund;

**"Independent Trustee"** means an expert who in the opinion of the Fund may assist the Board in exercising their duties provided that he is not an employee of the Fund;

**"Member"** means an eligible employee who has been admitted to the membership of the Fund in terms of these Rules;

**"New Fund"** means the Zimbabwe Electricity Industry Pension Fund, established on 1 January 2004;

**"Pension"** means an annual sum payable to a retired member during his lifetime or to his surviving spouse during her lifetime or to his dependent child in terms of these Rules;

**"Pensionable Age"** means the age of sixty years;

**"Pensionable Emoluments"** means:

(a) the salary of a member or of a member who is an employee designated in terms of section 39 of the Audit and Exchequer Act (Chapter 168); or

(b) in the case of a member who is consequently affected by the designation, referred to in paragraph (a), after the 31st December 1980, the salary that he would have received if his salary had been increased by the same percentage as that granted to other employees since the 1st July 1976 in terms of any general increase in salaries; but excludes -



- (i) any additional remuneration which a member may receive for performing special duties or for acting in a vacant post; and
- (ii) payment for overtime work; and
- (iii) fees, honoraria or bonuses of any kind; and
- (iv) any allowance of any nature whatsoever;

Provided that a member shall be deemed to have received his full pensionable emoluments during any period when he is on leave on reduced pensionable emoluments.

**"Pensionable Service"** means years and months of continuous service of a Member from the date of joining the Fund up to the member's date of exit or his date of joining the New Fund, whichever is the earliest, plus any other years and months of service carried over from his previous scheme which has been approved by the Principal Employer as pensionable service, subject to the approval of the Commissioner;

**"Principal Employer"** means ZESA Holdings Limited; provided that prior to 1 January 2004, the Principal Employer means the Authority.

**"Previous Scheme"** means any registered pension scheme in which a member was participating prior to joining the Fund, and which is approved by the Commissioner;

**"Pensioner"** means a retired member in receipt of a pension;

**"Regulations"** means the Pensions and Provident Funds Regulations 1991, as amended.

**"Secretary"** means the secretary appointed in terms of sub rule (d) of Rule 9;

**"Surviving Spouse"** means -

- a) widow of a deceased member or deferred pensioner or pensioner, including the widow of a polygamous person and
- b) widower of a deceased female member or deferred pensioner or pensioner of the Fund.

**"Trustee"** means a trustee by whom the Fund is administered and controlled in terms of Rule 3, or an alternate when acting as trustee.

**"Successor Companies"** means those companies formed to take over the powers and functions of the Authority in terms of section 68 of the Electricity Act, 2002 [Chapter 13:19]

## **PART II: ADMINISTRATION**

### **Number of Trustees**

- 3.** Subject to the provisions of the Act, the Fund shall be controlled and administered by nine Trustees of whom -
- (a) five shall be elected by the members of the Fund and Association of Pensioners of whom -
    - (i) three shall be members of the Fund, elected in terms of rule 5; and
    - (ii) two shall be pensioners appointed by the Association of Pensioners
  - (b) four shall be appointed by the Principal Employer in terms of rule 4.
- 4.** (a) The Principal Employer shall appoint four trustees for the purposes of paragraph (b) of Rule 3 as the occasion requires, and may appoint alternates to such trustees to act during their absence.
- (b) The Principal Employer may, at any time, remove any trustee or alternate referred to in sub rule (a).
- (c) A trustee or alternate referred to in sub rule (a) may resign on giving one month's written notice to the Principal Employer.

### **Term of Office for all Trustees**

- 5.** (a) The trustees shall hold office for a period of 3 years and shall be eligible for re-election or appointment for another period of 3 years.
- (b) The members of the Fund shall elect alternate trustee to the Board.
- (c) A members' trustee or alternate may resign office on giving one month's written notice to the Board.
- (d) Whenever vacancies in the office of a members' trustee or alternate occur, the secretary shall call for nominations for the offices and, if there is more than one nomination for each office, shall arrange a ballot.

### **Procedure for the nomination of members' trustees**

- 6.** In appointing member trustees of the board in line with Rule 3(a)(i), the following procedure shall apply:-
- a) Invitation for nominations
- The Principal Officer shall call for nominations from members of the ZESA Staff Pension Fund and only members who have frozen their service in the fund shall qualify to nominate or be nominated (Members joining after 1 January 2004 do not qualify). Each nomination shall be on a form signed by six (6) nominating members

and indicate their Full names, EC Numbers and Stations. Nominated person is required to append his /her signature on the form as consent to the nomination. The form shall be accompanied by the Nominee's Curriculum Vitae and any support documents required.

b) Sending out of nomination papers

Hard copies of nomination papers shall be send through Human Resources of Sponsoring employers and email of soft copies to members.

c) Receipt of nomination Papers

Completed nomination papers shall be send either through hand delivery, Email, Postal or courier delivery.

d) Vetting of nominations

The Nomination Papers shall be vetted for correctness, fitness or probity by the nomination committee set for that purpose.

e) Preparation of ballot papers

If the number of nominees exceed the required number of trustees then a ballot shall be conducted. Ballot papers shall be prepared bearing Name of voter, EC Number and Station, the names of all successful nominations and space for voter's signature.

f) Dispatch of ballot papers and voting process

Ballot papers shall be send through Human Resources or regional Heads of all the sponsoring employers.

g) Return of ballot papers

The completed ballot papers shall be returned to the fund in locked boxes.

h) Receipt of ballot papers

The ballot bags shall be received by the Principal Officer.

h) Vote counting

A date is set for all ballots to have been received and votes are counted on a set date. Reconciliation of ballots send and ballots returned is done before counting.

i) Announcement of results

The results are announced as soon as counting is completed. The first three highest voted shall be substantive trustees and the next three shall be alternate trustees. Ballot papers shall be kept for inspection for at least one week. The Principal Officer shall notify the winners in writing as well as the Chairman. After confirmation of Trustees the Principal Officer shall notify the Commissioner.

### **Appointment and Functions of the Principal Officer**

7. The principal officer is appointed by and accountable to the board. The role of the principal officer is vital for the proper performance of the board. The principal officer's functions include;

(a) ensuring that decisions of the board are executed;

(b) ensuring that the fund complies with the formal requirements of the law, including directives from the Commissioner, ZIMRA and any other relevant regulatory authority;

(c) liaising on behalf of the board with service providers to the fund, unless where there is a direct contact between the board and the service provider

(d) contributing at board meetings even though, as principal officer, he or she does not have any vote in any decisions of the board.

### **Appointment and functions of Chairman of the Board**

8. (a) The Trustees shall vote for a Chairman from amongst themselves, who shall preside over all meetings convened by the Board of Trustees.

(b) The Chairman shall hold office for such period not exceeding 3 years and be eligible to hold office for another 3 years if he/she is still a trustee.

(c) If the Chairman is absent from a meeting, the Trustees present shall elect an acting Chairman to preside over that meeting.

(d) The Chairman of the Board shall be a Trustee who is experienced and/or knowledgeable in Financial matters, Corporate Governance and conducting of Meetings

(e) The Chairman shall convene at least one meeting of the Board of Trustees every three (3) months, and shall convene a meeting of the Board of Trustees after being requested to do so, in writing by the Principal Officer or by any two Trustees.

(f) The Chairman shall, in voting, have a casting vote in addition to his deliberative vote.

### **Meetings of Board**

9(a) In the absence of the Chairman, the Board shall elect one of their members to act as Chairman.

(b) At any meeting of the Board, six shall form a quorum, of whom three shall be from Employer trustees appointed in terms of Rule 4 and three shall be members or pensioners elected in terms of Rule 5.

(c) The Board shall meet at least once every quarter to discuss the business of the fund.

(d) The Principal Officer shall be the Secretary of the Fund and shall attend all meetings held by trustees.

## **Duties, Powers, Trainings and Assessments of Trustees**

### **Duties of the Board**

**10** (a) The Board of the Fund shall be responsible for directing, controlling and supervising the operations of the Fund in accordance with the Act and the rules of the Fund, and for these purposes the Board shall-

- (i) ensure that proper control systems are put in place so that the Fund complies with the Act and any other Law;
- (ii) ensure that members of the Fund are adequately informed of their rights, benefits and duties in terms of the rules of the Fund;
- (iii) ensure that the rules, operations and administration of the Fund comply with the Act and any other law;
- (iv) take all reasonable steps to ensure that contributions to the fund are paid when they are due;
- (v) where appropriate obtain expert advice on matters on which the Board lack expertise;
- (vi) formulate investment policy to further the objectives and purposes of the Fund and to ensure compliance with regulatory investment guidelines;
- (vii) ensure that records of all its proceedings and of the business of the Fund are kept

### **Powers, Discretion and Dispute Resolution by Board**

(b) (i) The Board shall be entitled, in their absolute discretion, to make any arrangements and regulations for the administration of the Fund, and to do anything not inconsistent with the provisions of these Rules or the Act, which in their opinion, is for the benefit and protection of members and beneficiaries.

(ii) In the discharge of his or her duties and exercise of power the trustee shall-

(a) act honestly and in good faith with a view that is best for the interest of the Fund;

(b) exercise care, due diligence and skill that a reasonable and prudent person would exercise in comparable circumstances;

(c) avoid conflict of interest; and

(d) act impartially towards all members

(iii) Any dispute that may arise between the Fund and a member or former member or any person deriving a claim from a member about any matter arising out or in connection with these rules shall be decided by the Board who, in deciding on any question of fact, may hear and act upon such evidence as deem adequate.

(iv) Any of the persons referred to in sub rule (iii), who is aggrieved by a decision of the Board on a dispute, shall be entitled to refer such dispute to any recognized body for arbitration or to a court of law or may approach the Commission at no cost, as the case may be.

(v) In the event of a dispute being referred for arbitration or to a court of law, in terms of sub rule (iii), the principal officer shall, forthwith and in writing inform the Commissioner of the nature of such dispute.

### **Trainings and Assessments of Trustees**

(c) (i) unless exempted by the Commissioner, every Board shall undergo training on core skills within six months of appointment or election as a trustee;

(ii) any person who, before the coming into effect of relevant current regulations, was a trustee shall unless exempted by the Commissioner, undergo training on core skills within one year from date of publication of the applicable regulation;

(iii) failure to comply with training requirements stated in section 10(c) (i) and (ii) will lead to disqualification to act as a trustee.

(iv) The training providers and curriculum shall be approved by the Commissioner; and;

(v) The Fund shall from time to time determine the initial qualifying form to assess the nominated Board if they meet the minimum requirements for fit and proper standards of handling their office. Periodic or reactionary investigative assessments will also be conducted for Board in office.

### **Indemnification**

**11.** (a) The Board and all officers of the Fund shall be indemnified by the fund against all proceedings, costs and expenses incurred by reason of any claim in connection with the Fund, not arising from their negligence, dishonesty or fraud.

(b) The trustees shall not be required to furnish any security in respect of their administration of the Fund, and any official having jurisdiction under any enactment in force in Zimbabwe is directed to dispense with such security.

(c) The Fund shall protect itself against dishonesty on the part of its officers by way of insurance of such an amount as the secretary may deem adequate.

### **Appointments**

**12.** (a) The Board shall, appoint an actuary and an auditor for such period as they may determine and may withdraw any such appointment and make another appointment in its place.

(b) The Board shall, appoint a secretary who shall be the principal officer of the Fund, and determine his/her emoluments.

(c) If the principal officer is, for any reason, unable to discharge the duties imposed on him in terms of the Act for a period of 30 days or more, the Board shall appoint an acting principal officer for the period in question.

### **Meetings of Members**

13. (a) The secretary shall convene a meeting of members whenever required to do so by the Board or on a requisition in writing stating the object of the meeting and signed by not less than ten members.

(b) A meeting of members shall be convened by the giving of not less than seven days' notice stating the date, time and business of the meeting, and such notice shall be duly exhibited in conspicuous places on the premises of each Employer.

(c) Every meeting of members shall be held at a time and place determined by the Board.

(d) The members present at any meeting shall constitute a quorum and the secretary shall cause minutes of every meeting to be kept.

(e) The members present at a meeting of members shall elect a trustee present to be chairman of such meeting, or if no trustee is present, shall elect one of their number to be chairman.

(f) At a meeting of members each member shall be entitled to one vote. Voting may be by a show of hands, by ballot, or otherwise as may be determined by the Chairman of the meeting and the vote of the majority of the members present or represented at any properly convened meeting shall be the decision of the meeting.

(g) Proxy votes shall be allowed at a meeting of members:

Provided that -

(i) only a member may represent another member; and

(ii) a member shall not hold more than five proxies, and all proxies shall be lodged with the secretary not less than twenty-four hours before the meeting in question.

(h) A resolution passed at a meeting of members, other than for the removal of a members' trustee or his alternate, shall be treated as a recommendation to the Board who shall deal with it as they consider fit.



### **TERMINATION OF OFFICE OF A TRUSTEE**

**14.** A Trustee shall cease to hold office if -

- (i) he is removed or resigns in accordance with Rule 4; or
- (ii) he becomes insane or incapable of acting; or
- (iii) his estate is sequestrated, surrendered, assigned for the benefit of his creditors; or
- (iv) he is removed by a court of law on account of misconduct from any office of trust; or
- (v) he is convicted of any offence and sentenced to imprisonment without the option of a fine; or
- (vi) he is convicted of theft, fraud, forgery or perjury; or
- (vii) he is dismissed or resigns from the Company.



### **PART III: MEMBERSHIP**

#### **Admission to Membership**

15. (a) With effect from 1 January 2004, the Fund shall be closed to new entrants.

(b) Apart from members in cases covered under subparagraph (b) of rule 28(c), a member shall not be permitted to withdraw from membership of the fund while he remains in the service of an Employer.

#### **Termination of Membership**

16. A member who, for any reason, leave the service of the Employer except for deferred members shall forthwith cease to be a contributory member of the Fund.

#### **Information By Members**

17. Every member shall produce to the Fund evidence of his age and of the age of his spouse and dependent children, if any, together with such information as the Fund may require for the purposes of the Fund and in the absence of any such evidence or information the Board shall at its discretion determine the age of a member, his spouse and dependent children.

18. Every member shall be bound in writing that these Rules and all amendments thereto are binding upon him and every person whose claim upon the Fund is derived from him.

19. If any member fails to comply with the provisions of Rule 17 or 18, the Board may withhold payment of any benefit due to or in respect of him until the provisions of those Rules have been complied with.

#### **Account and Reports**

20. Every member shall be entitled to receive free on demand a copy of the Rules of the Fund, the last accumulated Fund account and balance sheet and to inspect, at the registered office of the Fund and on payment of such sum as the Board may prescribe, a copy of the report on the last actuarial valuation.

#### **PART IV: CONTRIBUTIONS AND BENEFITS**

**21.** (a) The Fund stopped remitting contributions on behalf of active members on 31 December 2011. Members were given option to join the New Fund from January 2012 up to 31 December 2014.

(b) Prior to 1 January 2012 and subject to provisions of rule 40, members contributed as follows;

- (i) seven *per centum* of his pensionable emoluments, up to 31 August 1988; and
- (ii) six and quarter *per centum* of his pensionable emoluments, as from the 1<sup>st</sup> of September 1988

of which contribution shall be deducted by the Employer from each payment of his pensionable emoluments and paid immediately to the Fund.

(c) If the pensionable emoluments of a member are reduced, he may elect, subject to the consent of the Authority, to contribute to the Fund while his pensionable emoluments are less than before the reduction, at such increased rate as will make his contributions during the period of reduction equal to, but not greater than, his contributions immediately before such reduction.

(d) For the purpose of securing an additional pension, a member may, on such terms and conditions as the trustee may determine, by notice in writing to the Board, elect to pay to the Fund additional monthly contributions at a rate not exceeding 10% of his pensionable emoluments.

(e) A member who has made an election in terms of sub rule (d) shall not revoke such election.

#### **Pension on or after attaining the Pensionable age**

**22.** (a) A member shall have the right to retire in terms of the employment regulations on attaining the pensionable age:

Provided that, if the employment regulations so permit, the Employer may, with the member's consent, retain his services for a further period not exceeding five years.

(b) A member who retires in terms of the employment regulations on attaining the pensionable age prior to 1st September 1988 shall be entitled to a pension equal to one six-hundred and sixtieth of his final pensionable emoluments for each completed month of his pensionable service.

(c) A member who retires in terms of the employment regulations on attaining the pensionable age after 1 September 1988 shall be entitled to a pension which depends on his category at the date of such retirement: However, to note is that Category 1 is no longer applicable. Therefore in the case of Category 2 Member a pension equal to one six-hundred and sixteenth of his final pensionable

emoluments, calculated at the date of retirement, for each completed month of pensionable service up to the date of joining the New Fund.

(d) A member who retires in terms of the employment regulations after attaining the pensionable age shall be entitled to a pension equal to the pension calculated in terms of sub-rule (c) as at the pensionable age, increased by two-fifths of one per centum or such other percentage as may be recommended by the actuary for each complete month by which his age at retirement exceeds the pensionable age.

### **Pension on retiring before attaining the Pensionable Age**

23. (a) Notwithstanding the provisions of rule 22, a member may retire in terms of the employment regulations on or after attaining an age five years less than the pensionable age.

(b) A member who retires in terms of this rule shall be entitled to a pension calculated in terms of sub rule (c) of rule 22 in respect of his pensionable service up to the date of his retirement reduced by two-fifths of one *per centum*, or such other percentage as may be determined by the Board acting on the advice of the actuary, for each month by which his age of retirement is less than the pensionable age, with part of a month being taken as one whole month.

### **Pension upon Discharge through Ill-Health or Physical Incapacity**

24. (a) As from 1st September 1988, if a member is discharged on account of continued ill-health or physical unfitness or incapacity occasioned without his default, he shall, on production of a medical certificate to the Board showing that he is permanently incapable of performing his normal gainful employment or any other occupation for which he is reasonably suited by education, training and experience, be entitled, upon discharge -

(i) If he joined the Fund before 1 January 1988 and his pensionable service is five years or more, to a pension equal to one six-hundred and sixteenth of his final pension emoluments for each completed month of pensionable service up to date of joining the New Fund, if he joined the Fund before 1 January 1988 and his pensionable service is 10 years or more, to a pension equal to one six-hundred and sixteenth of his final pensionable emoluments on his discharge for each completed month of pensionable service up to the date of joining the New Fund.

(ii) if he joined the Fund on or after 1 January 1988 and his pensionable service is 10 years or more, to a pension equal to one six-hundred and sixteenth of his final pensionable emoluments on his discharge for each completed month of pensionable service up to the date of joining the New Fund.

(iii) If he joined the Fund before 1 January 1988 and his pensionable service is less than 5 years, to a lump sum equal to one one-hundred and thirty second of his final pensionable emoluments on his discharge for each completed month of pensionable service up to the date of joining the New Fund.

(iv) If he joined the Fund on or after 1 January 1988 and his pensionable service is less than 10 years, to a lump sum equal to one hundred and thirty second of his final pensionable emoluments on his discharge for each completed month of pensionable service up to the date of joining the New Fund

(v) If a person who is receiving a pension in terms of subsection (i) and who has not attained the pensionable age is, within two years of his discharge, certified in terms of sub rule (24b) to be fit for duty, he may, subject to the provisions of sub rule (iv), be required by the Employer to resume duty in his former or any other office or post.

(b) A certificate of the majority of three medical practitioners, of whom two shall be selected by the Employer and one by the person concerned, shall be conclusive evidence of a person's fitness or unfitness to resume duty, and if the person on being ordered by the Employer refuses to submit himself to medical examination, his right to a pension in terms of sub rule (a) shall cease with effect from the date on which he fails to present himself for medical examination.

#### **Pension on Abolition of Office**

**25. (a) If -**

(i) A member is retired -

(a) Owing to the abolition of his office or to any reduction in or reorganization or readjustment of departments or offices of the Employer; or

(b) In order to facilitate improvements in the organization of the department or office to which he belongs by which greater efficiency or economy can be effected; or

(ii) the Employer is wound up and reconstituted in similar form and the reconstituted organization takes the place of the Employer for the purposes of Rule 49, or if the Employer transfers to or amalgamates with some other organization, and if a member leaves the service of the Employer with its consent because his office is detrimentally affected by such reconstitution, transfer or amalgamation;

such member, shall be entitled to a pension at the date of leaving equal to the pension he would have been entitled to under Rule 18 had he retired on attaining pensionable age on the date of his discharge with final pensionable emoluments calculated at the date of retirement and with pensionable service equal to the number of completed months of his actual pensionable service at such date plus one-third of such actual pensionable service calculated to the nearest month: Provided that the number of months added to the actual pensionable service under this section shall not exceed such number as would, if added to the actual age of the member in completed months on the date of his retirement, make up seven hundred and twenty.

(b) The Employer or a member shall have the right to refer any dispute arising between them, as to whether the provisions of sub rule (a) apply to such member, to a recognized body for arbitration or to a court of law for settlement or approach

the Commissioner at no cost.

(c) In the event of a dispute being referred for arbitration or to a court of law, in terms of sub rule (b), the principal officer shall, forthwith and in writing, inform the Commissioner of the nature of such dispute.

### **Payment of Benefits from Revenue**

26. (a) Every pension to which a member becomes entitled in terms of either Rule 22 or Rule 24 shall be charged and paid out of the Fund.

(b) A sum equal to the pension payable to the member in terms of either Rule 22 or Rule 24 shall be charged and paid out of the general revenues and assets of the Employer and transferred into the Fund immediately upon notification by the Fund of the amounts due from the member's date of discharge until the date he attains pensionable age.

### **Benefits on Resignation before Attaining the Pensionable Age**

27. (a) A member who resigned from the service of an Employer before 1 January 2012 shall be entitled, upon such resignation, to the following benefits;

(i) A refund of his/her own accumulated contributions;

(ii) If he resigns after completing any period of continuous service specified in the first column of the Second Schedule, payment of an additional amount not less than the appropriate percentage of his contribution specified in the second column of the Second Schedule. This portion is financed by the Fund like any other benefit.

(b) The benefits payable to a member under sub rule (a) may, at such member's option, be paid out in one of the following ways -

(i) by transferring the total benefit to a retirement annuity fund selected by the member or to a pension fund of which he becomes a member, with the approval of the Board of such fund; or

(ii) By using the total benefit to purchase a deferred annuity from a registered insurer or to provide for a deferred pension in the Fund; or

(iii) By paying him his own contributions together with interest thereon as a lump sum benefit, and as regards any additional benefit payable in terms of paragraph (ii) of sub rule (a) -

(a) Using it to purchase a deferred annuity from a registered insurer; or

(b) Converting it into a deferred pension in the Fund; or

(c) Transferring it to a retirement annuity fund selected by him or to a registered pension fund of which he becomes a member, with the approval of the Board of such fund.

(c) The lump sum benefit, referred to in paragraph (iii) of sub rule (b), shall be paid to the member on leaving service:

Provided that -

(i) The Board may, in their absolute discretion, pay the whole or part of the lump sum on the date of leaving service; and

(ii) If the Board defer payment of the lump sum, interest at the rates specified in the definition of accumulated contributions shall be added to the deferred benefit, for the period of such deferment.

(d) A member who, as at the 1st February 1993, was a member and whose pensionable service is not less than five years may, instead of receiving the benefits specified in sub rule (b), elect to become a deferred pensioner and his deferred pension shall be calculated from the date of leaving service, in terms of rule 22.

(e) A member who becomes a deferred pensioner shall be entitled, on attaining pensionable age, to a pension secured by the amount converted into a deferred pension, in terms of sub rule (b) (ii) or (iii) (b), as calculated by the actuary from the date of frozen service, or a pension calculated in terms of sub rule (d), as may be appropriate:

Provided that -

(i) such pension shall, where applicable, be increased in terms of rule 43;

(ii) such member shall be entitled to commence drawing his pension before attaining pensionable age, if he retires in terms of rule 23 and the provisions of that rule shall *mutatis mutandis* apply in the calculation of the pension to him;

(iii) such member shall be entitled to commence drawing pension after attaining pensionable age, if he retires in terms of sub rule (d) of rule 22 which shall *mutatis mutandis* apply in the calculation of the pension payable to him;

(iv) in terms of rule 35, the Board shall be empowered to commute part of any pension that becomes payable to or in respect of such member.

### **Transfer**

**28.** (a) If a member leaves the service of an Employer and elects to become a member of a registered pension fund, the Board shall, at the request of such member, pay to that fund the value, as determined by the actuary, of the benefits which had accrued to the member in terms of these rules.

(b) If, for any person who becomes a member, the full benefit from a registered pension or provident fund is transferred to the Fund, the Board may permit a period before the date on which he becomes a member to be reckoned as pensionable on terms, determined by the Board after consulting the actuary, which are acceptable to the Commissioner.



(c). Options available to members who joined the New Fund;

Members who joined the New Fund from Category 2 were granted at such time or times as the Board and the Principal Employer may decide, the following options regarding their benefits under the Fund:

(i) to elect to defer their benefits within the Fund. Such deferred benefits shall be calculated in the same way as before the date of joining the New Fund and shall be payable in the same circumstances but pensionable service shall cease to accrue after the date of joining the New Fund; it is specifically provided that final pensionable emoluments shall be the member's annual pensionable emoluments earned at an Employer at the date of his retirement or death.

(ii) to transfer to the New Fund the value of the benefits they have accrued under the Fund up to the date of joining the New Fund, the basis of calculation of such transfer values to be decided by the Board and the Principal Employer in consultation with the actuary.

### **Effects of Labour Relations Act**

**29.** If a member ceases to be a member and the total of -

(a) his accumulated contributions; and

(b) the gratuity that would have been paid to or in respect of him in terms of an agreement or determination or employment regulations declared binding in terms of the Labour Act, 1985, had he not become a member of the Fund;

exceeds the total of the lump sum and the capital value, as determined by the actuary, of any pension or annuity payable from the Fund to or in respect of him, then the Employer shall pay an amount equal to the excess direct to the member or, if he has died, to either his dependents as determined by the Board or, failing dependents, his estate.

### **Refund of Contribution to Employee**

#### **Discharged for Misconduct**

**30.** Subject to the provisions of rule 46, if a member is dismissed from service for fraud, dishonesty or other misconduct or if he resigns in order to avoid such dismissal he shall be entitled to the appropriate benefits specified in sub rule (a) of rule 27.

#### **Benefits payable on Death of a Member before Attaining Pensionable Age**

**31.** (a) If a member dies before attaining the pensionable age and leaves a spouse, such spouse shall be entitled to a pension equal to sixty-five per centum of the pension to which the member would have been entitled in terms of paragraph (i) or paragraph (ii) of sub rule (b) of Rule 27 had he been discharged in terms of that Rule on the date of his death and had the requirement of five years' or ten years'

pensionable service not existed, as appropriate.

(b) If a member dies before attaining the pensionable age and leaves a dependent child, there shall be paid in respect of each of his dependent children, up to a maximum of four, a pension equal to twenty-five per centum of the pension referred to in subsection (a):

Provided that -

(i) if such member leaves no spouse, the pension payable to a dependent child in terms of this sub rule shall be equal to fifty per centum of the pension which would have been payable to a spouse in terms of sub rule (a); and

(ii) the total pension payable under sub rule (a) and (b) shall not exceed the amount of pension that would have been payable to the member calculated in terms of paragraph (i) of sub rule (a) of Rule 27 if he had retired on the day before he died.

(c) If a member dies before attaining the pensionable age and leaves no spouse or dependent children, there shall be paid into his estate a refund of such member's accumulated contributions.

#### **Benefits Payable on Death of a Member after Attaining Pensionable Age**

**32.** If a member dies after attaining the pensionable age, the provisions of rule 33 shall, *mutatis mutandis*, apply as if such member had retired on the day before he died.

#### **Benefits Payable on Death of a Pensioner or Deferred Pensioner**

**33.** (a) If a pensioner dies five or more years after retirement, and leaves a spouse or a dependent child -

(i) there shall be paid, in respect of that spouse a pension equal to sixty-five per centum of the pension which would have been payable at the date of death to such pensioner had he not commuted part of his pension in terms of Rule 35;

(ii) there shall be paid, in respect of each of his dependent children if any, up to a maximum of four, a pension equal to twenty-five per centum of the spouse's pension referred to in paragraph (i):

Provided that -

(iii) if such pensioner leaves no spouse, the pension payable to a dependent child in terms of paragraph (ii) shall be equal to fifty *per centum* of the pension which would have been payable to a spouse in terms of paragraph (i); and

(b) the sub rule pension payable under paragraphs (i) and (ii) shall not exceed the pension that would have been paid to the pensioner at the date of his death had he not commuted part of his pension.

(c) If a pensioner dies less than five years after retirement, the pension payable

at the date of death of such pensioner shall be paid to his surviving spouse and dependent children, if any, during the period between the death of the pensioner and the fifth anniversary of his retirement. Thereafter pensions, in terms of paragraph (i) and (ii) of sub-rule (a) calculated as though the fifth anniversary of his retirement were his date of death, shall be payable to the surviving spouse and dependent children, if any.

(d) If a pensioner dies and leaves no spouse or dependent children there shall be paid into his estate a lump sum equal to the sub rule additional pension payments that he would have received had he survived to the fifth anniversary of his retirement and had the pensioner received no further increases in pension.

(e) If a deferred pensioner dies before his pension becomes payable and leaves a spouse or a dependent child -

(i) there shall be paid, in respect of a spouse, a pension equal to sixty-five per centum of his deferred pension at the date of his death;

(ii) there shall be paid in respect of each of his dependent children, if any, up to a maximum of four, a pension equal to twenty-five per centum of the pension referred to in paragraph (i):

Provided that -

(a) if such deferred pensioner leaves no spouse, the pension payable to a dependent child in terms of paragraph (ii) shall be equal to fifty per centum of the pension which would have been payable to a spouse in terms of paragraph (i); and

(b) The sub rule pension payable under paragraphs (i) and (ii) shall not exceed the amount of the member's deferred pension.

(f) If a deferred pensioner dies before his pension becomes payable and leaves no spouse or dependent children, there shall be paid into his estate the lump sum that would have been payable in terms of sub rule (a) of rule 27 had the member not elected to take a deferred pension, together with compound interest thereon at the rate specified in the definition of accumulated contributions..

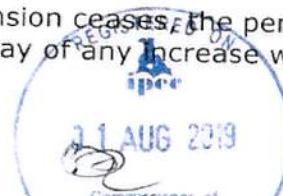
### **Pensions where more than one widow Exists**

**34.** If a male member or pensioner dies and leaves more than one widow;

(a) Any pension payable in terms of these Rules shall be calculated as if there had only been one widow; and

(b) Any pension payable in terms of these Rules to a widow shall be apportioned between all the widows in equal shares:

Provided that if, owing to the death of one widow her pension ceases, the pension payable to any widow shall not be increased except by way of any increase which accrues in terms of Rule 43.



### **Commutation of Pension**

**35.** (a) Subject to the limits prescribed in the Regulations, the Board may, in their absolute discretion, commute for a lump sum the whole or part of a pension for members who have attained pensionable age.

(b) (i) In the case of the lump sum payable on medical grounds in terms of sub rule (a) shall be calculated by the actuary and for this purpose the Board may, if the member retires before attaining pensionable age, require him to be medically examined by a medical board specially convened by them for the purpose.

(ii) In the case of the lump sum payable on other circumstances such as request for assistance to pay school fees in terms of sub rule (a) shall be calculated by the actuary for this purpose the Board may require proof for the reasons for financial support.

(iii) For members earning pension below the minimum IPEC threshold full commutation shall be granted to the member.

(c) If part of a member's pension is commuted in terms of sub rule (a) the pension that may become payable to a spouse or dependent children of the member shall be unaffected if it is based on pre-commuted principal member's pension.

(d) If the whole of a pension is commuted in terms of sub rule (a), no pension shall be payable to the member's surviving spouse or dependent children.

### **Maximum Benefit on Death**

**36.** (a)(i) On the death of a member or pensioner the total amount of the benefits paid as a lump sum from all funds operated by the Principal Employer and registered under the Act or approved by the Commissioner of Taxes shall not exceed twice the pensionable emoluments that he received during the twelve months preceding the date of his death or retirement, whichever is earlier or, if he was not a member for twelve months, the pensionable emoluments that he would have received during the first twelve months of membership if he had remained in the service of the Employer and his pensionable emoluments had remained unchanged.

(ii) If on the death of a member or pensioner the total amount of the benefit payable as a lump sum exceeds the amount allowed in terms of sub rule (a), the balance of the lump sum shall be paid as an annuity of an amount determined by the Board on the recommendation of the actuary and subject to the provisions of section 25 of the Regulations.

### **Benefit Payments to be made within specified periods**

(b). Benefits shall be paid from the Fund within a maximum period of time from

the date that a person becomes entitled to the benefit and such maximum period shall be:

- (i) in the case of a benefit other than a periodic benefit, 60 days;
- (ii) in the case of a periodic benefit, 14 days;

provided that if for any reason, it proves impossible to pay the benefit within the specified time periods, the fund shall remain liable to pay the benefit together with interest based on unsecured overdraft lending rate applied by the Fund's bank from the end of the maximum time period to the date of final payment.



## **PART V: FINANCIAL PROVISIONS**

**37.** (a) The Board shall have power, subject to the provisions of section 18 of the Act and this rule, to invest in immovable property or otherwise invest, lend, put out at interest, place on deposit, make advances of or otherwise deal with all the moneys of the fund upon such securities and in such manner as they may from time to time determine, and to dispose of immovable property, realize, vary, reinvest, or otherwise deal with such securities and other investments as they may from time to time determine.

(b) If in their opinion it is necessary, desirable or beneficial for the protection or benefit of members or for the improvement or protection of the capital or investments of the Fund, the Board shall have power to sell, dispose of or vary the movable and immovable property of the Fund or any portion thereof upon such terms and for such consideration, if any, as they may from time to time determine.

(c) A loan may be made to the Employer, or stock issued by the Employer purchased, subject to section 18 of the Act.

(d) All the assets of the fund, including any policy of insurance, shall be controlled and held in the name of -

(i) The Fund or a nominee approved in terms of regulations made under the Exchange Control Act (Chapter 170); or

(ii) A nominee which is a company registered in terms of the Banking Act (Chapter 188).

(e) Every cheque, contract or other document pertaining to the Fund shall be signed by such person as the Board may by resolution appoint.

### **Expenses**

**38.** The expenses of the Fund, including the cost of audit and actuarial investigations and other professional fees, shall be borne and paid by the Fund.

### **Accounts**

**39.** The Board shall cause accounts of the Fund to be kept, to be made up annually and audited by the auditor.



### **Actuarial Valuation**

40. (a) The fund shall be valued by the actuary by not later than the 30th June, 1988 and thereafter at intervals not exceeding three years, for the purpose of determining whether it can continue to provide the benefits stated in these Rules.

(b) The actuary shall submit a report on the valuation to the Board, who shall forward copies to the Principal Employer and the Commissioner within thirty days of receipt.

(c) If the actuary, in his report, certifies that there is a substantial surplus in the assets of the Fund, the contributions payable by the Employer may be reduced or the benefits increased in such manner as the Board, with the consent of the Principal Employer and on the advice of the actuary, may decide.

(d) If the actuary, in his report, certifies that there is a substantial deficiency in the assets of the Fund, the contributions payable by the Employer and by the members may be increased or the benefits reduced (subject to the provisions of Rule 50) in order to restore the solvency of the Fund in such manner as the Board, with the consent of the Principal Employer and on the advice of the actuary, may decide.

(e) No part of any surplus disclosed by a valuation of the Fund shall be applied to make a refund to the Employer or a member.

### **Preservation of Pension Rights**

41. The Board shall have power, after consulting the actuary, to enter into reciprocal agreements with other public and local authorities to provide for the preservation of the pension rights of any person who leaves the service of the Employer and joins the service of another Employer or vice versa, either immediately or within an agreed period, and for the payment and receipt of the amounts required for this purpose.





## **PART VI: MISCELLANEOUS PROVISIONS**

### **Effect on terms of Employment**

**42.** (a) Nothing in these Rules shall in any way restrict the right of the Employer to terminate the employment of any member.

(b) No person shall have any claim concerning the Fund either upon the Fund or against the Board or the Employer except in accordance with these Rules.

### **Increase in Pensions**

**43.** All pensions in payment and in deferment may be increased from time to time by such amount as the Board may determine -

(a) With the approval of the Principal Employer and the Commissioner; and

(b) Taking into account the advice of the actuary;

and the Employer shall pay to the Fund such amount, if any as the Board, after consulting the actuary, may determine.

### **Payment of Pensions**

**44.** (a) Every person entitled to a pension shall inform in writing to the secretary of his address and of any change of address.

(b) The monthly amount of each pension shall be determined to the nearest cent.

(c) Payments of pension shall be made to the beneficiary monthly on the last day of each month, unless otherwise agreed, upon such evidence of his survival and continued eligibility as the Board require, and if such evidence is not produced, the Board, in their absolute discretion, may defer payment of the pension until such evidence is produce.

### **Payment of Benefit by Installments**

**45.** (a) If the Board decide that it is not desirable to make payment of a benefit, other than a pension, in the manner elsewhere provided for in these Rules, they may, in their absolute discretion, pay the benefit in whole or in part or by installments -

(i) To the beneficiary; or

(ii) To the dependents of the beneficiary, or

(iii) To some other person either for the benefit of the beneficiary, or of his

dependents; or of both, or

(iv) In any combination of paragraphs (i), (ii) and (iii).

(b) If the Board make payment of a lump sum benefit by installments, they shall add to the part retained by them interest at the rate of five per centum per annum, or such other rate of interest as the Board, after consulting the actuary, may adopt.

(c) If any beneficiary is a minor or under any other legal disability the trustee may pay the benefit to any person who has legal custodianship to act on his/her behalf.

(d) Any decision of the Board in terms of this rule may be varied from time to time.

### **Deductions from Benefits**

**46.** (a) subject to the authorization of the Commissioner in terms of section 52 of the Regulations, that a member of the fund -

(i) who has left the service of his employer and has not fully repaid any loan such as is referred to in subsection (4) of section 18 of the Act from the fund or from his employer and has pledged his rights to benefits from the fund as security thereof; or

(ii) Has left the service of an employer because of dishonesty which has resulted in the employer suffering loss;

The fund may withhold any benefits payable to that member until such time as the loan together with interest has been repaid or the loss has been made good as the case may be.

(b) where any benefits have been withheld in terms of subsection (a) subject to the Commissioner's authority the fund shall utilize the benefits so withheld or such portion thereof as is requisite for the purpose of making repayment or making good the loss, as the case may be, or a portion thereof and if the benefit is payable in the form of a pension, then the Fund shall allow commutation of the pension or a portion thereof for the purpose.

(c) If any tax or other payment is levied on any benefit payable under the Fund, the Board shall be entitled to deduct such payment (including interest paid in respect of, and the costs of making such payment) from the benefit payable)

### **Prohibition from Cession of Benefits**

**47.** (a) subject to the provisions of Section 52 of the Regulations, no right in respect of any benefit payable under these Rules shall be capable of being ceded or hypothecated.

(b) If any person attempts to cede or hypothecate any rights in respect of any benefit to which he is entitled under these Rules, the Board may withhold, suspend

or discontinue such benefit:

Provided that the Board may pay such benefit or part thereof to one or more of the dependents of such person or to a trustee for such person or his dependents during such period as they may determine.

(c) If the estate of any member or beneficiary is sequestrated or assigned, the benefit to which such member or beneficiary is entitled shall not form part of the assets of his insolvent or assigned estate, but shall revert to the fund and, if the Board think fit, they may deal with it in part or in whole, in a manner calculated in their opinion to benefit such member or beneficiary or his dependents.

(d) Unless otherwise in these Rules expressly provided, no right in respect of any benefit under these Rules shall become an asset in the deceased estate of any person.

### **Winding up of Fund**

**48.** (1) If the Board agrees to wind up the Fund, it shall

Appoint a liquidator approved by the Commissioner for the purpose of winding up this Fund.

(2) The liquidator appointed in terms of subsection (1) shall dispose of the moneys in the Fund in the following manner and priority-

(a) The discharge of all necessary expenses incurred by the liquidator

(b) Providing for the continued payment of pensions to persons in receipt of a pension in terms of this Fund.

(c) Providing each member with-

(i) A lump sum or a pension as the member may elect, by notice in writing to the liquidator, equal to his Actuarial Reserve in the Fund.

(iii) A transfer value equal to his Actuarial Reserve in the Fund which shall be paid to another pension fund in Zimbabwe.

(3) Any deficit in the Fund arising from the winding up of this Fund shall be apportioned amongst the members on an equitable basis approved by the actuary and Commissioner.

### **Paid-Up Status**

**49.** (a) The Board shall through the Principal Officer notify the Commissioner to have the Fund Paid Up in the following circumstances:

- i. the Employer decides to discontinue payment of contributions
- ii. the Fund is closed to new entrants

iii. In line with a signed resolution making the Pension Fund paid up.

(b) The Employer shall;

i. Advise the Commissioner on the failure to remit the contributions.

ii. Formally write to the Board of Trustees indicating the reasons for failure to remit the contributions and choose paid up period.

iii. Engage the members of the Fund on the proposal to make the Fund Paid Up.

iv. make a payment plan for outstanding contributions to be submitted and all arrear contributions should be increased by interest charged based on Pension Fund's bankers' unsecured overdraft rate.

(c) Payment of Benefits & Expenses

(i) Benefits will be paid on the funded portion of the Fund.

(ii) The Employer will be required to meet the Fund expenses such as administration, audit, actuarial, bank charges.

(d) If the employer fails to honour payment

(i) The Board can sue the Employer

(ii) The Commissioner can order the attachment of Employer assets.

### **Alterations to Rules**

**50.** (a) The Board may amend these Rules;

Provided that any such amendment shall not be to the general disadvantage of existing members and beneficiaries in respect of benefits already accrued at the date of such amendment.

(b) Every proposed amendment to these Rules affecting the financial basis of the Fund shall be reported upon by the actuary before being adopted.

(c) Every amendment to these Rules shall be submitted to the Commissioner within thirty days of its adoption and shall not take effect until it has been registered.

(d) The Board shall notify the members of every amendment to these Rules within two months of its approval by the Commissioner.

### **Unclaimed Balances**

**51.** A benefit remaining unclaimed for five years after the date on which a member leaves the service of the Employer, other than by death, shall be passed on to the Guardian Fund unless the benefits are preserved.

### **Transferees from Other Schemes - Special Provisions**

**52.** Notwithstanding Rule 11, an employee who on the transfer date is a member of a relevant scheme (as defined in the First Schedule to these Rules) shall be eligible to transfer and to be admitted to the Fund on the transfer date. Members of the Fund who are admitted under this Rule shall be subject to the provisions set out in First Schedule to these Rules.

Provided that for the purpose of achieving the objective of ensuring that all employees of the Employer become members of this Fund, the Board, in consultation with the actuary and with the approval of the Commissioner may make determinations in particular cases where special circumstances are clearly shown to exist.



## FIRST SCHEDULE (Section 52)

### Definitions

1. For the purpose of Rule 52 and this Schedule -

a) "Transfer date" means the 1st January 1989 or, in the case of employees who immediately prior to the 1st January 1989 were members of the Electricity Supply Commission Staff Pension Fund, such later date not later than the 31st December 1992;

b) "Transferring date" means a member who is admitted to the Fund in accordance with Rule 52;

c) "Relevant scheme" means one of the following Funds or Schemes as applicable -

Electricity Supply Commission Weekly - Paid Staff Pension Fund;  
Electricity Supply Commission Staff Pension Fund;  
Scheme A of the Local Authorities Employees Principal Pension Scheme;  
Scheme B of the Local Authorities Employees Principal Pension Scheme;  
Electricity Supply Commission Staff Pension Fund;  
Central African Power Corporation Gratuity Scheme;  
Central African Power Corporation Pension and Life Assurance Fund.



## Special Provisions

2. The following special provisions apply to transferring members

(a) Pensionable age shall mean the age of 60 except for female members who were members of the Electricity Supply Commission Staff Pension Fund who so elect on the transfer date whose pensionable age shall mean the age of 55;

(b) Pensionable service shall include the percentage of service up to the transfer date that was pensionable under the appropriate relevant scheme as shown in the following table -

### Relevant Scheme Percentage

Electricity Supply Commission Weekly - Paid Staff Pension Fund	100
Electricity Supply Commission Staff Pension Fund	100
Scheme A of the Local Authorities Employees Principal Pension Scheme	85
Scheme B of the Local Authorities Employees Principal Pension Scheme	80
Electricity Supply Commission Staff Pension Fund	varies
Central African Power Corporation Gratuity Scheme	varies
Central African Power Corporation Pension and Life Assurance Fund	varies

Where the percentage is shown to vary the member will be notified by the Principal Officer of the period of service to be credited as pensionable service based on the transfer payment available to the Fund and after taking the advice of the actuary;

c) The contributions of a member to the Fund shall be deemed to include the contributions the member paid to the relevant scheme with interest as defined in the rules of that scheme at the transfer date;

d) For transferring members who were immediately prior to the transfer date members of the Electricity Supply Commission Weekly - Paid Staff Pension Fund, the benefit under Rule 27 (a) shall be increased for each four per centum of the member's final pensionable emoluments for each complete year of continuous service with the Electricity Supply Commission prior to 1st January 1965;

e) For, the transferring members who, immediately prior to the transfer date, were members of the Electricity Supply Commission Staff Pension Fund, pensionable service shall be increased by ten *per centum* (10%) of service up to the 31st December, 1992 that was pensionable under that Fund;

f) For transferring members who, immediately prior to the transfer date, were members of the Electricity Supply Commission Weekly - Paid Staff Pension Fund or the Electricity Supply Commission Staff Pension Fund increases in pensions payment under rule 43 shall not be less than five *per centum* (5%) per annum;

g) Those with housing loans under the ESC Staff Pension Fund will continue to hold such loans which will be ceded to the ZESA Pension Fund.



## SECOND SCHEDULE (RULE 23)

### MEMBER'S ENTITLEMENT TO THE ADDITIONAL BENEFITS

Completed years of continuous service	Percentage (%) of his/her contribution
5 years or more but less than 6	25
6 years or more but less than 7	30
7 years or more but less than 8	35
8 years or more but less than 9	40
9 years or more but less than 10	45
10 years or more but less than 11	50
11 years or more but less than 12	60
12 years or more but less than 13	70
13 years or more but less than 14	80
14 years or more but less than 15	90
15 years or more	100



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