



EQUAL RE-DISTRIBUTION OF REMAINING FORMER MEMBER SURPLUS

Please note that the Rössing Pension Fund Board of Trustees have resolved to continue to re-distribute the remainder of the Former Members Surplus.

BACKGROUND

The Rössing Pension Fund ("the Fund") went through a detailed surplus apportionment scheme effective 31st March 2012. In this surplus scheme, 15% of the total surplus was allocated to former members, being members who exited the Fund between 1975 and 31st March 2012.

Prior to the surplus scheme, former members who had exited the Fund and received their due benefits in terms of the Fund rules, had no further entitlement to benefits from the Fund, even if surplus was distributed thereafter. The Trustees, however, out of goodwill felt that former members should be included in the 31st March 2012 surplus scheme and therefore amended the Fund rules to include them as they were not entitled to participate under the Rules then.

The formula applied by the Fund was to attempt to make up for any shortfall that former members could have received compared to the Rule benefits paid based on the available information. A maximum surplus amount of N\$50,000 was applied, and a minimum of N\$5,000. Unfortunately for many who left before 1995 too little data was available, so most received the minimum of N\$5,000. However, given the number of potential former members (profiles), the Fund could only list between 9,000 to 10,000 former members profiles and the amount of surplus available was distributed amongst them.

The registration of former members process has been closed in terms of the Fund Rules, and a sizeable amount of surplus remained in the Former Members Surplus Reserve account (see data below). This is as a result of approximately 3344 former members (profiles) claiming their surplus successfully.

In order to include all former members, dating back to the start of the Fund in the 31st March 2012 surplus distribution scheme, the Fund Rules had to be amended to cater for the Former Members.

The definition of a former member in the Rules implies a conditional payment. The former member, in order to be eligible for a surplus amount, had to "*contact the Fund within 5 years of the Distribution Date, or such extended period as the Trustees allow*" or be traced by the Fund within the prescribed period. This implies that the Fund no longer has a liability to any former members, and, as stated in rule 19.6.3.5, any surplus remaining "*will revert to the Fund.*"

However, the data in respect of former members left prior to 1995 was very limited, with no dates of birth or identity numbers, thus tracing was limited. Tracing was conducted via advertising in the media, having regional road shows (including South Africa), contacting regional council offices, sharing data with colleagues and ex-colleagues, word of mouth and radio, etc.

The approach that any surplus remaining "*will revert to the Fund*", was factored into the amended and registrar approved Fund Rules which was communicated to various stakeholders during the distribution process duration.

Board decision on equal redistribution of former member surplus

The Board of Trustees of the Rössing Pension Fund had an extraordinary meeting on the 10th June 2022 to consider the former member remaining surplus re-distribution options in consultation with the Fund Actuary.

During this meeting the Board resolved to not allow the unpaid surplus to "*revert to the Fund*", but to make a second payment to the registered former members who benefited from the 31st March 2012 surplus, and to equally re-distribute the amount standing to the credit of the Former Member Surplus Account of those former members. The consent from the Principal Employer, as required by the Fund Rules, was subsequently also successfully obtained.

This equates to:

3,344 registered former members / N\$27,500 each, before tax/ total N\$91. 96 million which is much higher than the reported figures due to investment returns.

This tally of beneficiaries includes former members who successfully registered their eligibility for the distribution as at 31 March 2012, but have upon successful registration passed on. In these cases, the amount will be paid to the individual's estate or beneficiaries as directed by the Letter of Authority from the Master of High Court.

The deductible tax will be capped at 18% as per the directive of Inland Revenue.

Future Rule amendment will be considered when dealing with the Rule consolidation to remove former members' future claims in the Fund subsequent to the full payment or zeroing of the former members surplus account.

Process

Former Members or deceased former members' potential beneficiaries are required to re-submit the attached prescribed bank account particulars confirmation form for their individual claim with the required documentation as indicated on the form. It is crucial for us to have updated bank account confirmation letter from each claimant.

The bank account confirmation forms must be submitted to both emails below:

Email: rpf surplus2022@multi-wealth.com.na; rpf@rossing.com.na

Further clarification may be obtained from the Principal Officer.