

MS S PILLAY  
12/12  
MAY 1997

(012) 428-8064

## **CIRCULAR PF NO. 90**

(To all pension funds (including retirement annuity funds and provident funds insofar as these requirements may be applicable))

### **MINIMUM INFORMATION TO BE DISCLOSED TO PENSIONERS, DEFERRED PENSIONERS AND DEPENDANTS OF DECEASED MEMBERS**

#### **PREAMBLE**

PF Circular 86 sets out the minimum information to be disclosed to members of pension funds during their period of active membership of pension funds. This circular sets out minimum information that must be disclosed where continued benefits are payable to members at retirement, to deferred pensioners after they have ceased to be active members, or to dependants on the death of members.

This circular must be read in conjunction with Circular PF 86 and constitutes an extension thereof.

#### **DEFINITIONS**

In this circular, the following words shall be defined as indicated:

1. General Information : Information which is fund-specific as stipulated in Part 1 which is kept up to date.
2. Initial Disclosure : General Information (Part 1) plus minimum information, as stipulated in Part 2, to be disclosed to pensioners on their retirement, to

deferred pensioners when they cease to be active members and to dependants of deceased members on the death of those deceased members.

- 2 -

3. Annual Disclosure : General Information (Part 1) plus minimum information, as stipulated in Part 3, to be disclosed to pensioners and dependants of deceased members annually.
4. Special Disclosure : Minimum information, as stipulated in Part 4, to be disclosed to pensioners, deferred pensioners and dependants prior to the happening of a Special Event. A Special Event includes, among other things, a change in the address of the pension fund or its administrator, the restructuring of a fund, a transfer to or out of a fund and any rule amendment that is likely to affect the membership or benefits of the pensioner, deferred pensioner or dependant in any way.
5. Dependant : Shall include a nominee to whom lump sum benefits are payable in instalments.

## **PART 1**

### **General information**

1. Full names of the pension fund and the type of fund.
2. The registered address of the pension fund and the name of the principal officer.
3. The registrar of Pension Funds= reference number for the pension fund.

4. The name and address of the administrator, if applicable.
5. The names of the trustees.
6. The name or job title of the contact person at the pension fund or the administrator who will be available to answer queries and that person's telephone number, facsimile number, e-mail number, and, if that person's address is different from the pension fund or administrator, the address.

- 3 -

7. Procedure to be followed in the event of an enquiry or complaint and to resolve disputes, should any arise. A reference to the adjudicator should be made.
8. A request to notify the contact person, in writing, of any change in name, address, banking details or circumstance that is likely to affect that pensioner's, deferred pensioner's or dependant's membership of or benefit in the fund.
9. A request that the Fund be informed, in writing, where applicable, of the choice of the method of payment, i.e. whether by cheque posted by ordinary or registered mail or by electronic transfer. A statement should be made on who carries the risk in each case if the payment does not reach the pensioner, deferred pensioner or dependant, as the case may be.
10. Advice that the rules, annual financial statements and actuarial valuation of the fund, if applicable, may be inspected at the registered address of the pension fund.
11. Advice that members have the right to elect 50% of the Board members and that the procedure for members to exercise this right is set out in the rules of the fund or, if the pension fund has been exempted from this requirement, advice to that effect.
12. Brief information on policy relating to the governance of the pension fund, investment etcetera.
13. A request, where applicable, that a nomination in respect of benefits be made.

## Part 2

### A. Initial Disclosure to Pensioners

1. A request that the Initial Disclosure be retained for future reference since all Annual Disclosures must be read in conjunction with the Initial Disclosure and previous Annual Disclosures.
2. Pensioner's full names.

- 4 -

3. Date of Retirement.
4. A confirmation of how the gross amount of pension was calculated and an indication of what was exercised by the pensioner regarding commutation.
5. The amount of each pension payment after commutation, if applicable, and the details of any deductions that may be made.
6. The date and frequency of pension payments.
7. Conditions applicable to the payment of the pension, for example, guaranteed period, suspension of the pension or cessation of the pension.
8. Whether the pension will be subject to increases and, if so, the policy of the pension fund regarding pension increases. The fund may stress that the amount of the increases are not guaranteed and may point out the factors that will influence the increases.
9. Periodical requirements, for example, a certificate of proof of existence and the effects of non-compliance.
10. Whether other benefits, for example, spouses' pension, children's pension or death benefits are payable on death.
11. Whether the pension is an untied annuity purchased from a life office or a pension from the fund and the implications of each.

## **B. Initial Disclosure to Deferred Pensioners**

1. A request that the Initial Disclosure be retained for future reference since all Annual Disclosures must be read in conjunction with the Initial Disclosure and previous Annual Disclosures.
2. Deferred pensioner=s full names.
3. Date of cessation of active membership.

- 5 -

4. A statement of whether the deferred member may at any time withdraw from membership and how the withdrawal benefit will be calculated.
5. A description of how the death or ill health benefit, before retirement, if any, will be calculated.
6. The policy of the pension fund regarding growth of fund entitlement during deferment. The fund may stress that such growth is not guaranteed and may point out the factors that influence such growth.
7. A synopsis of what pension benefit the deferred pensioner will receive on retirement.
8. Whether the pension, upon retirement, will be subject to increases and, if so, the policy of the pension fund regarding pension increases. The fund may stress that the amount of the increases are not guaranteed and may point out the factors that will influence the increases.
9. Whether other benefits, for example, a spouse=s pension, a child=s pension or a guaranteed pension is payable on death after retirement.
10. Whether the pension at retirement will be an untied annuity purchased from a life office or a pension from the fund and the implications of each.

## **C. Initial Disclosure to Dependants**

1. A request that the Initial Disclosure be retained for future reference since all Annual Disclosures must be read in conjunction with the Initial Disclosure and previous Annual Disclosures.
2. Deceased member=s full names and date of death.
3. Dependant=s full names.
4. A summary of all benefits that were payable on death, what was already paid and what will be allocated towards payment of a dependant=s pension. A confirmation of how the gross amount of pension was calculated.

- 6 -

5. The gross amount of each payment and the details of any deduction that may be made.
6. The date and frequency of payments.
7. Conditions applicable to the payment, for example, guaranteed period, suspension or cessation.
8. Whether the payment will be subject to increases and, if so, the policy of the pension fund regarding increases. The fund may stress that the amount of the increases is not guaranteed and may point out the factors that will influence the increases.
9. Special requirements, for example, a copy of the birth certificate or identity documentation or proof of continued qualification and the effects of non-compliance.
10. Whether any other benefits are payable by the pension fund, for example, medical benefits, and the circumstances under which they are payable.
11. Whether the pension is an untied annuity purchased from a life office or a pension from the fund and the implications of each.

### **PART 3**

## **Annual Disclosure**

1. The date of the Annual Disclosure.
2. A statement that the Annual Disclosure must be read in conjunction with the Initial Disclosure and previous Annual Disclosures and that it updates the Initial Disclosure and previous Annual Disclosures.
3. Details of all variations to Part 2 of the Initial Disclosure (which includes the General Information in Part 1) .

- 7 -

## **PART 4**

### **Special Disclosure**

1. The date of the Special Disclosure.
2. A statement that the Special Disclosure must be read in conjunction with the Initial Disclosure and, if applicable, all previous Annual Disclosures and that it updates them.
3. The details of the Special Event and the effect, if any, it will have on the pensioner, deferred pensioner or dependant.
4. Action or recourse that the pensioner, deferred pensioner or dependant may take if dissatisfied with or aggrieved by the Special Event.

## **CONCLUSION**

The foregoing is the minimum standard to be adopted. The

format of the disclosure is not prescribed and may be done in any manner, provided it is in writing and is clear, unambiguous and in plain language. Disclosure may be made in any one or more of the official languages of this country, having regard to the composition of the membership and the needs of the members. Pension Funds are also encouraged to have periodic meetings with pensioners and dependants where they can express concerns, ask questions and participate in the governance of the fund.

Yours faithfully

**REGISTRAR OF PENSION FUNDS**