1. “Members” are referred to frequently in the document. The fact that member includes an existing pensioner requires to be urgently clarified and put beyond doubt by explicit inclusion in the document.

Some trustees and pension funds have difficulty with the notion that pensioners are actually members and which at times leads to pensioners not always being in a position to fully exercise their rights.

Pension fund rules should be changed to reflect pensioners as full members along with employees and the regulator should ensure that this takes place.

2. The existing rights and benefits of existing pensioners are inadequately dealt with
   - Emphasis in the document is on employees/employers, bargaining councils etc with little or no reference to existing pensioners who are lost sight of most of the time. This is a common shortcoming in most things to do with retirement/pension fund matters as strange as it may seem. Pensioners basically become invisible probably because they have no effective representation, structures or resources. It is most important that the law effectively remedy this situation and provide unambiguous support and protection to existing pensioners. If this is not done pensioners will simply continue to bear the consequences of processes over which they have no real input or influence.
   - The protection of the existing rights and benefits (pension and medical aid) of all existing pensioners requires specific attention and legislative support especially during these times when there is substantial restructuring of pension funds already underway.
   - The Regulator must be obliged by law to be proactive when dealing with pension fund issues particularly when faced with possible loss or damage. At present it appears that for legal reasons the Regulator is inclined to act only after the event once there has actually been a transgression or actual loss.
3. The legitimate participants or roleplayers in Pension Fund affairs requires to be urgently put beyond doubt.

At present, for example, other than the roleplayers identified in the PFA, Salga (Local Government Employer organization) is playing a leading proactive role in the restructuring of municipal pension funds. Such actions can ultimately have implications for existing pensioners with whom Salga has no standing or relationship in terms of its own constitution or legally. The current foray into pension fund and existing pensioner affairs at this national scale if left unchecked without regulatory intervention will have consequences. Salga is laying down to local government the size of pension funds, contribution rates, matters of governance etc. What happened to all the good intentions and requirements of the Pension Funds Act.

Legislation also needs to carry specific requirements for processes of major restructuring to ensure that they are carried out on a properly informed basis of sound principles, protection of existing rights, compliance with all aspects of the law and the obligation for proactive regulatory intervention when necessary and BEFORE things go wrong. We read too often as to what has gone wrong after the event and after irreversible losses have been incurred.

4. Annexure 3
   - Item 1.1.2.3 – Spouse Pension
     - Some fully funded funds already have spouse pensions which exceed 50%.
     - 50% should be a minimum
     - 50% is impractical and unreasonable as the cost of living for a surviving spouse is not half the cost of a couple. When a spouse dies overheads and costs do not halve.

   - Item 3.8 – Post Retirement Medical Funding
     Existing medical funding for existing pensioners should be secured and entrenched in the law dealing with pensioners. Whilst such funding takes place and is based on agreements and arrangements made between employer and pensioners prior to retirement, once on pension pensioners do not have the resources/structures to protect such rights/agreements with past employers who may unilaterally attempt to change such arrangements.

     Pensioners need legislative backing for the protection of post retirement medical funding.
5. **Annexure 4**

- **Item 3.1**
  This section should explicitly include existing pensioner members.

- **Item 4.4**
  This item should explicitly include pensioner members and post retirement medical aid funding issues/complaints which although a retirement issue it falls outside of any existing regulatory arrangements which are easily accessible by pensioners.

- **Item 5.6 generally and 5.6.6 particularly**
  Special reference to pensioner members is required in this section as some pension funds and trustees do not see pensioners as full members.

- **Item 6.5.3**
  Employer obligations as contained in existing fund rules should be reinforced by legislation to give pensioners added protection of their existing rights and benefits.
  It is difficult for pensioners to deal effectively with a past employer who may be inclined to attempt to change or renege on such obligations. Pensioners do not have the resources or structures to do so and the regulator will not get involved until it is too late and the damage is done.

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