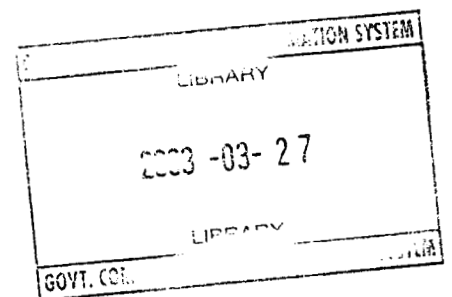


REPUBLIC OF SOUTH AFRICA

SEFALANA EMPLOYEE BENEFITS ORGANISATION ACT REPEAL BILL

*(As introduced in the National Assembly as a section 75 Bill; Bill published in
Government Gazette No. 25032 of 11 March 2003)
(The English text is the official text of the Bill)*

(MINISTER OF FINANCE)



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BILL

To repeal the Sefalana Employee Benefits Organisation Act, 1989 (Bophuthatswana); and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

Disestablishment of Sefalana Employee Benefits Organisation

1. The Sefalana Employee Benefits Organisation established by section 2 of the Sefalana Employee Benefits Organisation Act, 1989 (Act No. 37 of 1989) (Bophuthatswana), is hereby disestablished. 5

Repeal of law

2. The Sefalana Employee Benefits Organisation Act, 1989 (Act No. 37 of 1989) (Bophuthatswana), is hereby repealed.

Short title and commencement

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3. This Act is called the Sefalana Employee Benefits Organisation Act Repeal Act, 2003, and takes effect on a date fixed by the President by proclamation in the *Gazette*.

MEMORANDUM ON THE OBJECTS OF THE SEFALANA EMPLOYEE BENEFITS ORGANISATION ACT REPEAL BILL, 2003

1. The Sefalana Employee Benefits Organisation (SEBO) was established by section 2 of the Sefalana Employee Benefits Organisation Act, 1989 (Act No. 37 of 1989) (Bophuthatswana). The functions and objects of SEBO were to operate and control each of the following funds:

- (a) Bophuthatswana Government Service Pension Fund (BGSPF).
- (b) Bophuthatswana Superannuation Fund (BSF).
- (c) Bophuthatswana Unemployment Insurance Fund (BUIF).
- (d) Bophuthatswana Accident Fund (Workmen's Compensation Fund) (BWCF).
- (e) Bophuthatswana National Provident Fund (BNPF).

2. In terms of section 235 of the Constitution of the Republic of South Africa, 1993 (Act No. 200 of 1993), the function to manage, control and administer the abovementioned funds became the responsibility of the Minister of Finance and the Minister of Labour.

3. The BGSPF and BSF were amalgamated into the Government Employees Pension Fund in terms of the provisions of the Government Employees Pension Law, 1996 (Proclamation No. 21 of 1996), with effect from 1 May 1996. The National Treasury, following the amalgamation, absorbed 39 former SEBO employees into the Department.

4. The administrations of the BUIF and BWCF were transferred to the Department of Labour and the Compensation Commissioner, respectively. The relevant Bophuthatswana legislation was repealed and SEBO employees who so chose were absorbed into the Department.

5. The BNPF was a mandatory national provident fund for all private sector employers in the former Bophuthatswana. After the establishment of the new constitutional dispensation membership to the BNPF was abolished as the concept of a national provident fund does not form part of the South African social security framework. The National Treasury, under the auspices of the Minister of Finance, established administrative and financial control over the BNPF through the appointment of an Interim Management Committee in July 1997. Actuaries were appointed to take over the administration of BNPF. The BNPF was converted into a privately administered provident fund registered with the Registrar of Pension Funds in terms of section 4 of the Pension Funds Act, 1956 (Act No. 24 of 1956). A Bill seeking to repeal the Bophuthatswana National Provident Fund Act, 1979 (Act No. 19 of 1979), and to transfer the assets and liabilities of the BNPF to the Besele National Provident Fund is currently before Parliament.

6. The effect of the above is that there is nothing left for SEBO to operate and control in terms of the Sefalana Employee Benefits Organisation Act, 1989. The Act is still in force (see item 2 of Schedule 6 to the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)) and will have to be repealed in order to finalise the rationalisation of the administration of the abovementioned funds. The Bill thus seeks to disestablish SEBO and to repeal the said Act.

7. FINANCIAL IMPLICATIONS FOR STATE

None.

8. CONSULTATION

The following persons and bodies were consulted:

- Interim Management Committee
- Former employees of SEBO
- Bophuthatswana National Provident Fund
- Unemployment Insurance Fund
- Workmen's Compensation Fund
- Government Employees Pension Fund

9. PARLIAMENTARY PROCEDURE

The State Law Advisers and the National Treasury are of the opinion that this Bill must be dealt with in accordance with the procedure established by section 75 of the Constitution since it contains no provision to which the procedure set out in section 74 or 76 of the Constitution applies.