

DEPARTMENT OF PUBLIC ENTERPRISES

NO. 3467

26 May 2023

Annexure C

Proposed amendment to Special Rule 10.19 of the Special Rules of the PRASA Sub-fund of the TPF**PRASA Sub-Fund Special Rules****10.19. ANNUAL INCREASE**

10.19.1. The benefit received by a **Pensioner** or **Dependant** shall be increased by 2% (two per cent) compounded annually, for each completed year in respect of which the benefit has been or is received: Provided that in the case of a **Dependant**, the 2% (two per cent) enhancement of the benefit shall be calculated from the date on which the benefit first became payable to the **Pensioner**.

10.19.2. Subject to **Special Rule 10.19.3**, the **Sub-Fund Board** shall have the discretion to:

10.19.2.1. review the level of Pensions being paid by the Fund from time to time and may direct that Pensions be increased. Any increase in Pensions shall be paid in terms of the Pension Increase Policy, provided that:

10.19.2.1.1. a guaranteed minimum increase of 2% (two per cent) shall apply;

10.19.2.2. any increase to Pensions above the 2% (two per cent) minimum increase referred to in 10.19.2.1. shall be subject to affordability, as determined in accordance with the Pension Increase Policy, and the approval of the Employer; and

10.19.2.3. the increases shall be payable from the date stipulated in the Pension Increase Policy; and/or

10.19.2.4. Increase the pension payable to a **Pensioner** or **Dependant** from time to time in order to maintain 100% (one hundred per centum) of parity of the purchasing power of the **Pension** relating to such a **Pensioner** or **Dependant**; and/or

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~~10.19.2.2. increase the annual pension payable to a Pensioner or Dependant by a maximum percentage of 75% (seventy five per centum) of the average consumer price index of the immediate previous financial year of the Sub-Fund; and/or~~

~~10.19.2.3.~~ Pay additional ad hoc bonuses to Pensioners and Dependants from time to time.

10.19.3. The increase in pensions and/or the payment of ad hoc bonuses as provided in Special Rule 10.19.2 shall be subject to:

10.19.3.1. The Sub-Fund being able to afford such increases and/or payment of ad hoc bonuses according to the discretion of the Sub-Fund Board; and

10.19.3.2. the actuary's written confirmation that such increases and/or payment of ad hoc bonuses are affordable by the Sub-Fund; and

10.19.3.3. the written approval by the Employer.