



TRUST DEED AND RULES

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

Table of Contents

TRUST DEED.....	4
FIRST SCHEDULE TO THE TRUST DEED	6
SECOND SCHEDULE TO THE TRUST DEED.....	7
PART 1	
RULES RELATING TO THE FUND AND THE TRUSTEES.....	7
Title.....	7
Definitions.....	7
Trustees.....	15
Appointment and Removal of Trustees.....	15
Chairman of Trustees.....	19
Meetings and Quorum.....	19
Powers, Duties And Objectives of Trustees.....	20
Sub-Committees.....	24
Delegation.....	24
Principal Officer and other Staff.....	24
Other Officers of the Fund.....	25
Investment Managers.....	25
Custodians.....	26
Restrictions.....	26
Financial Year.....	26
Accounts and Audit.....	26
Records.....	27
Incapacitation of the Board of Trustees.....	27
Information.....	27
Disclosure.....	28
Actuarial Valuation.....	28
Protection of the Fund.....	29
Amendments to these Rules.....	29
Termination of the Fund.....	30
Winding up of the Fund.....	31
Making the Fund paid up.....	33
Expenses.....	34
Conversion Actuarial Valuation.....	34
Consistency with the Act.....	36

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

PART 2.....	37
RULES OF GENERAL APPLICATION.....	37
Tax.....	37
Re-assurance.....	37
Disputes regarding Entitlement.....	37
Benefits not Assignable.....	37
Beneficiary under Disability.....	37
Limitations Relating to Payment of Benefits.....	38
Members in Arrears, on Leave, or under Suspension.....	38
Employer's Right to Terminate Employment.....	39
Proof of Age.....	39
Employer's Prior Right to Benefits.....	39
Withholding of Benefits.....	39
Nomination of Beneficiary.....	41
Polygamous Marriage.....	41
Trustees' Discretion Relating to Surpluses in the Fund.....	42
Currency.....	42
Payment of Pension Benefits	43
Payment of Death Benefits	44
Payment of Benefits.....	45
Limitation on Spouses.....	45
Interpretation.....	46
Cession, Pledge or Attachment of Pension Benefits.....	46
PART 3.....	48
RULES RELATING TO MEMBERSHIP.....	48
Membership.....	48
Future Members.....	48
Application for Admission.....	48
Membership Irrevocable.....	48
Re-entry into the Pensionable Service of the Employer.....	49
Employee other than Permanent Staff.....	49
PART 4.....	51
RULES RELATING TO CONTRIBUTIONS.....	51
Employer's Contributions.....	51
Member Contributions.....	51
Effect of Medical Regrading.....	51

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

Calculation of Member Contributions for Portions of a month.....	51
Temporary Absence Or Suspension.....	52
Payment of Contributions.....	53
Transfer From Other Funds.....	53
Cessation of Contributions.....	53
Additional voluntary contributions.....	54
PART 5.....	55
RULES RELATING TO BENEFITS UNDER THE FUND.....	55
Retirement at Normal Retirement Age.....	55
Retirement on Medical Grounds.....	55
Early Retirement.....	56
Retrenchment and Reorganization.....	56
Resignation or Dismissal.....	57
Commutation.....	60
Full Commutation of Small Pensions.....	60
Death in Service Before Normal Retirement Age.....	61
Death of a Pensioner.....	62
Death after leaving Pensionable Service but before Normal Retirement Age.....	64
Spouses and Children's benefits not to be less than Dependents' benefits.....	65
Benefits paid to Dependents not to form part of his Estate.....	65
Funeral Grant.....	65
Pension Reviews.....	66
Bonuses.....	66
Annexure 1.....	68
Annexure 2.....	73

TRUST DEED

28 FEBRUARY 2018

This Trust Deed is made as of the twenty eighth day of February two thousand and eighteen (28 February 2018) between the National Railways of Zimbabwe, whose registered office is 12th Floor, NRZ Headquarters, Corner 9th Avenue and Fife Street, Bulawayo, Zimbabwe (hereinafter called “the Employer”) on the one part and the eight (8) persons whose names and addresses are set out in the First Schedule hereto as Trustees of the National Railways of Zimbabwe Contributory Pension Fund (hereinafter called “the Trustees” which expression shall include every other Trustee or Trustees for the time being). This Trust Deed replaces the Trust Deed dated 4 October, 1949.

The Employer established the National Railways of Zimbabwe Contributory Pension Fund (hereinafter called “the Fund”) as a self-administered fund for the purpose of providing post-retirement and other benefits to such of its past, present and future Members as are or shall become eligible thereof under the provisions of this Deed and the Rules.

It is agreed and declared as follows:-

1. In consideration of their appointment as Trustees of the Fund the Trustees hereby agree to manage and control the business and assets of the Fund for the purpose described in this Deed and in accordance with the Rules set out in the Second Schedule hereto and any amendments or additions hereto (“the Rules”) and they agree to observe all the limits, restrictions and constraints contained in the Rules relating to their powers, duties and authorities.
2. The Trustees agree to perform all their duties in terms of this Deed and the Rules and acknowledge that they shall be entitled to receive fees or



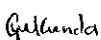




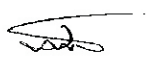
NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

claim the reimbursement of any costs or expenses incurred in the exercise of their stated duties and responsibilities. The Fund may remunerate Trustees at such rate and on such terms as the Trustees think fit.

3. The Trustees shall, without prejudice to any other right of indemnity which they may be entitled to, be indemnified out of the Fund against all costs, charges and expenses whatsoever incurred by them in the execution of their trusts, and no Trustee shall be personally liable for anything whatsoever except a breach of trust knowingly and intentionally committed by such Trustee.

FIRST SCHEDULE TO THE TRUST DEED

The Fund Rules have been approved by way of resolution of the Board of Trustees of the National Railways of Zimbabwe Contributory Pension Fund on this 12th day of February 2018, signed hereunder;-

Full Name of Trustee	Address	Occupation	Signature	Date
Mr. Lewis Aggrey Mukwada	No. 53 Livingstone Road Suburbs Bulawayo	General Manager		14/02/18
Mr. Stanley Shava	No. 14846 Nkulumane 12 P.O. Nkulumane Bulawayo	Senior Planning Officer		13/02/18
Mrs Grace M. Kunda	No. 16159 Parklands Bulawayo	Human Resources Manager		13/02/2018
Mr Kamurai Moyo	No. 4196 Nketa 8 P.O. Nkulumane Bulawayo	Carriage & Wagon Examiner		13/02/18
Mr Edmore Africa	Block 52/1615 Mpopoma P.O. Mpopoma Bulawayo	Artisan		11/02/18
Mr Size Monty Kwetemu	No. 32 Carrington Road, Darlington, Mutare	Retired Engineman		12/02/18
Mr Joseph Mashika	No. 29 Shortheath Road, Chisipite, Harare	NRZ Board Member		12/02/18
Mr Juniel Manyere	3678 Nketa 7 P. O. Nkulumane Bulawayo	Engineman		13/02/18

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND
SECOND SCHEDULE TO THE TRUST DEED

**NATIONAL RAILWAYS OF ZIMBABWE
CONTRIBUTORY PENSION FUND**

RULES

PART 1

**RULES RELATING TO THE FUND AND THE
TRUSTEES**

- | RULE 1 | Title |
|---------------|--|
| 1.1 | The Fund shall be known as the National Railways of Zimbabwe Contributory Pension Fund. |
| 1.2 | The Fund shall be a Self-Administered Fund. |
| 1.3 | The main objects of the Fund are to provide pensions for members on their retirement and for their dependants upon the death of members. |
| 1.4 | The Fund is a body corporate capable of being sued in its corporate name and of doing all such things as may be necessary for or incidental to the exercise of its functions in terms of the rules. |
| 1.5 | The registered office of the National Railways of Zimbabwe Contributory Pension Fund is Mezzanine Floor, Parkade Centre, Corner Fife Street and 9th Avenue, Bulawayo. The postal address is P.O. Box 1887, Bulawayo. |

RULE 2 Definitions

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

Definitions of the main terms used in Parts 1 to 5 inclusive of these Rules follow. Where such terms are used in the text they commence with a capital letter.

In these Rules where consistent with the context, words importing the singular number shall include the plural and vice versa and the words importing the masculine gender shall include the feminine and each of the following words and expressions shall have the following meanings.

- 2.1 **Accumulated Contributions** shall mean, at a particular date, the sum of:
1. A Member's contributions paid to the Fund, excluding any additional voluntary contributions as follows:
 - a) For members who were in service as at 31 January 2009, 25% of the February 2009 Grade contribution multiplied by the number of months' service up to 31 January 2009, Plus,
 - b) Contributions from 1 February 2009 plus interest at the rate earned by the Fund's assets from the date of payment up to the particular date.
- 2.2 **Act** shall mean, the Pension and Provident Funds Act, [*Chapter 24:09*], as amended.
- 2.3 **Actuary** shall mean, a fellow member of such actuarial society, institute, faculty or organisation as approved by the Commissioner, appointed in terms of these Rules.
- 2.4 **Auditor** shall mean a fellow of the Institute of Chartered Accountants of Zimbabwe or such other institute, society or organisation as may be approved by the Commissioner.

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

- 2.5 **Average Pensionable Salary** shall mean, highest average Pensionable Salary during any consecutive twelve month period of Pensionable Service during the three year period prior to retirement or death or during the total period of Pensionable Service where the Pensionable Service is less than one year.
- 2.6 **Beneficiary** shall mean, a person whom the Member has nominated in writing as a guide to the Trustees in terms of Rule 40 of these Rules.
- 2.7 **Close Relative** in relation to an individual, shall mean;
- (a) the individual's grandparent, parent, brother, sister, child or grandchild, whether such relationship arises through blood or adoption; or
 - (b) the individual's step-grandparent, step-parent, step-brother, step-sister, step-child or step-grandchild; or
 - (c) where the individual is married, his or her spouse or his or her spouse's grandparent, parent, brother, sister, child or grandchild, whether such relationship arises through blood or adoption.
- 2.8 **Commencement Date** shall mean, the first of January 1978.
- 2.9 **Commissioner** shall mean, the Commissioner of Insurance, Pension and Provident Funds appointed in terms of Section 19 of the Insurance and Pensions Commission Act [*Chapter 24:21*].
- 2.10 **Contributions** shall mean, for a Member and the Employer, the amounts paid or payable by him and the Employer in respect of Pensionable Service in Zimbabwe exclusive of interest and any voluntary contributions in the case of a

Member.

- 2.11 **Conversion date** shall mean the date on which an actuarial valuation is carried out in order to convert the assets and liabilities of the Fund from one Lawful Currency to another.
- 2.12 **Conversion Actuarial Valuation** shall mean, an investigation and report carried out by the Actuary as at the Conversion Date, the purpose of which, is to convert the Fund's assets and liabilities, including the reserves of Members, Pensioners, Deferred Pensioners and any other Dependants entitled to benefits under the Fund from one Lawful Currency of Zimbabwe into another such Lawful Currency.
- 2.13 **Deferred Pension** shall mean, a Pension payable to a Deferred Pensioner commencing at Normal Retirement Age.
- 2.14 **Deferred Pensioner** shall mean, a Member who has left the Employer before attaining Normal Retirement Age and has opted to receive a Deferred Pension in terms of Rule 69 of these Rules.
- 2.15 **Dependants** shall mean, a Member's, Pensioner's or Deferred Pensioner's Spouse, Eligible Children and any other person registered as such with the Trustees who in the opinion of the Trustees is completely or almost completely dependent on the Member, Pensioner or Deferred Pensioner for maintenance and support.
- 2.16 **Early Retirement Age** shall mean the age of fifty-five (55) for all other Members.
- 2.17 **Eligible Child** shall mean, any living child of a deceased Member, Pensioner or Deferred Pensioner who is a legitimate, legitimised or legally adopted child of the deceased Member provided that the child has not been married and is;

- (a) under the age of 18 years, or
- (b) is below the age of 24 years but, in the opinion of the Trustees was undergoing full-time education or vocational training as at the death of a Member and if there was a break, such break should not be more than one year, or
- (c) has a physical and/ or mental condition such as to render the child incapable of earning a living.

If a child of a Member, Pensioner or Deferred Pensioner is born to his Spouse after his death that child shall be considered an Eligible Child.

- 2.18 **Employee** shall mean, any person who is in the full time permanent service of the Employer and who has been admitted to membership of the Fund in terms of Rule 50 and is contributing to the Fund.
- 2.19 **Employer** shall mean, the National Railways of Zimbabwe, Railway Motor Services, Railway Employment Council, National Railways of Zimbabwe Contributory Pension Fund or any undertaking or body (whether statutory or otherwise) by which as a result of any amalgamation or reconstruction or otherwise, functions of the said company may for the time being be carried on under the National Railways of Zimbabwe.
- 2.20 **Engineman** shall mean, a person employed in the grades of Senior Engineman, Junior Engineman and Learner Engineman.
- 2.21 **Entry Date** shall mean, the Commencement Date or the date thereafter on which an Employee is admitted to membership of the Fund, including the period during which a Member contributed to the Old Fund.

- 2.22 **Fund** shall mean, National Railways of Zimbabwe Contributory Pension Fund as constituted by a Trust Deed dated 4 October 1949, as amended.
- 2.23 **Lawful Currency** all pensions or benefits payable under these rules to or in respect of members shall be payable in the currency of Zimbabwe or its equivalent where permitted in terms of Exchange Control Regulations.
- 2.24 **Marriage** means a Marriage solemnised under the Marriage Act [*Chapter 5:11*] or the Customary Marriages Act [*Chapter 5:07*], or an unregistered customary law marriage, and the words husband, married, spouse, surviving spouse, widow, widower and wife shall be construed accordingly.

It is specifically provided that an unregistered customary law marriage shall be recognised for the purposes of these Rules as being no less valid than a marriage solemnised under the Marriage Act [Chapter 5:11] or the Customary Marriages Act [Chapter 5:07], and where proof is required of the existence of an unregistered customary law marriage the following shall suffice:

- a) An affidavit of the wife's guardian in customary law attesting to the existence of such marriage:
or
- b) An affidavit of a Close Relative of the wife and an affidavit of a Close Relative of the husband attesting to the existence of such marriage where a Close Relative shall mean:
 - i. the individual's grandparent, parent, brother, sister, child or grandchild, whether such relationship arises through blood or adoption;

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

- ii. the individual's step-grandparent, step-parent, step-brother, step-sister, step-child or step-grandchild;
- iii. where the individual is married, his or her spouse or his or her spouse's grandparent, parent, brother, sister, child or grandchild, whether such relationship arises through blood or adoption.

2.25 **Member** shall mean,

- a) An Employee who has been admitted to membership of the Fund in terms of Rule 50 and 51 of these Rules and is contributing to the Fund.
- b) A person in receipt of a pension from the Fund.
- c) An ex-Employee of the Railways who will on attainment of pensionable age become entitled to receive a pension from the Fund.
- d) An Employee of the Fund who has been admitted to the membership of the Fund and is contributing thereto.

2.26 **Normal Retirement Age** shall mean the age of sixty (60) for all other Members and fifty-five (55) for Enginemen.

2.27 **Old Fund** shall mean the National Railways of Zimbabwe Contributory Pension Fund (Grade 11 – 12) under which Employees of National Railways of Zimbabwe participated for pension benefits up to 31 December 1981.

2.28 **Pension** shall mean, a series of regular payments made to a former Member or to any other dependant or person entitled in terms of these Rules to receive such payment as a consequence of a Member's participation in the Fund.

- 2.29 **Pensionable Salary** shall mean, the monthly basic salary or wage of a Member, excluding an annual bonus defined as a thirteenth cheque, performance bonus, contract gratuity, commissions, housing allowance, directors' fees, overtime and any other salary.
- 2.30 **Pensionable Service** shall mean at any time, a Member's period of full time continuous service with his Employer after the Entry Date provided that service shall not be considered discontinuous solely by reason of absence on any service of national importance which the Trustees may approve, after consultation with the Employer but, any other period of absence during which the Contributions to the Fund in respect of the Member are not paid shall not be deemed to be Pensionable Service unless the Trustees, with the consent of the Employer, decide otherwise.
- 2.31 **Pensioner** shall mean, a Member who has retired from Pensionable Service and is in receipt of a Pension, a Spouse or Child in receipt of a Pension in accordance with these Rules.
- 2.32 **Principal Officer** shall mean, a person appointed in terms of Rule 10 of the Rules.
- 2.33 **Regulations** shall mean Pension and Provident Funds Regulations, 1991 (Statutory Instrument 323 of 1991) or any statutory amendment thereof in force at that time.
- 2.34 **Rules** shall mean, the Rules contained herein excluding sub-headings which have been inserted for the convenience of reference only. These Rules shall be deemed to have come into force and effect on 1 March 2018.
- 2.35 **Spouse** shall mean, a person of the opposite sex who is the wife or husband of a Member who has become such as a consequence of a marriage recognized in Zimbabwe as a legal marriage howsoever contracted.

- 2.36 **Trustees** shall mean, the persons appointed as Trustees in terms of Rules 3 and 4 of these Rules by whom this Fund is administered and controlled.

RULE 3 Trustees

- 3.1 The Fund shall be administered by a Board of Trustees. There shall be nine Trustees of whom four shall be appointed by the National Railways of Zimbabwe. Five Trustees shall be elected by Members of the Fund as defined in Rule 2.25 of these Rules excluding Dependants as defined in Rule 2.15.

RULE 4 Appointment and Removal of Trustees

- 4.1 Member Trustees shall be elected in the following manner; The Principal Officer shall call for nominations when a vacancy arises within three months, thereafter nominations of members (in writing) shall be received from members.
- 4.2 The Trustees shall be appointed for a period not exceeding five years, provided that a Trustee may be reappointed and re-elected by the Employer or Members and Pensioners respectively for a period not exceeding five years, and provided further that, the term of any Trustee may be ended by his death, resignation or removal from office in terms of Rule 4.3 hereof.

On the expiry of the period for which the member has been appointed or elected, he or she shall continue to hold office until he or she has been re-appointed or his or her successor has been appointed. Provided that a trustee shall not continue to hold office under this subsection for more than three months.

- 4.3 A Trustee shall cease to hold office upon the happening of any

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

of the following events:

- 4.3.1 if his or her term expires and the Trustee is not re-appointed or re-elected
- 4.3.2 if his or her estate is sequestrated;
- 4.3.3 if he or she is adjudged or otherwise declared insolvent or bankrupt in terms of a law in force in any country, and has not been rehabilitated or discharged
- 4.3.4 if there is material conflict of interest between the Trustee and his or her role as such;
- 4.3.5 if he or she is placed under curatorship or he or she has made an assignment to or arrangement or composition with his or her creditors in terms of a law in force in any country, and the assignment, arrangement or composition has not been rescinded or set aside.
- 4.3.6 if he or she has been certified either inside or outside Zimbabwe to be mentally challenged or intellectually handicapped or of unsound mind, and the certification remains in force.
- 4.3.7 if within a period of five years preceding his or her application for appointment or election, he or she has been convicted inside or outside Zimbabwe of an offence involving dishonesty or he has been found guilty of an act involving dishonesty or financial offence in any proceedings of a disciplinary nature.
- 4.3.8 if he or she is removed from any office of trust by a competent Court on grounds of misconduct;
- 4.3.9 if he or she is convicted of any offence and sentenced to imprisonment without the option of a fine;

- 4.3.10 in the case of a Member appointed Trustee, upon termination of his or her employment with the Employer for any reason;
- 4.3.11 if the Trustee resigns having notified the Principal Officer in writing of such resignation;
- 4.3.12 if the Trustee fails to attain any qualification that may be prescribed by the Commission within the set time frames to obtain such qualification.
- 4.3.13 If he or she has behaved in a manner which, in the opinion of the Commissioner, is of a disgraceful or undesirable nature which may include gross mismanagement of records or improper recording of information.
- 4.3.14 If he or she does not reside in Zimbabwe.

Notwithstanding the foregoing, the Employer or Members and Pensioners, as appropriate, shall have power to remove a Trustee from office if it considers him to be no longer suitable to hold such office for any reason or reasons not mentioned elsewhere in these Rules.

- 4.4 The Commissioner may, in the public interest, remove from office any Trustee who, in terms of the Pension and Provident Funds Regulations, is disqualified to hold such office.
- 4.5 Any person aggrieved by the decision of the Commissioner in terms of sub-section 4.4 above may appeal to the Minister, and in lodging the appeal, section 31 of the Act shall apply, *mutatis mutandis*.
- 4.6 The Commissioner may give a grace period of six months to any Trustee who, in the opinion of the Commissioner, may be able to remedy the disqualification grounds set out in sub-

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

section 4.3 above.

- 4.7 At the expiry of the six months referred to in sub-section 4.6, any person who fails to take remedial action shall automatically be disqualified to hold office as a Trustee and any person who shall continue to hold office in such capacity shall be guilty of an offence and liable to a fine not exceeding level six or to an imprisonment for a period not exceeding six months or to both such fine and such imprisonment.
- 4.8 In the event of the death, resignation or removal of any Trustees, all powers of the Trustees shall be exercisable by the surviving Trustees pending the appointment of a new Trustee or Trustees.
- 4.9 No person shall be appointed, elected or continue to act as a trustee unless he or she possesses such qualifications and additionally, or alternatively, has such experience or expertise as may be required for the proper administration of the Fund.
- 4.10 Unless exempted by the Commissioner, every Trustee shall undergo training on core skills within six months of appointment or election as a Trustee.
- 4.11 Any person who, before the 7th of July 2017, was a Trustee, shall, unless exempted by the Commissioner, undergo training on core skills within one year from the date stated in this sub-section.
- 4.12 Any Trustee who, without good cause shown fails to comply with the training requirements stated above shall be disqualified to act as such until he or she acquires the training on core skills.
- 4.13 Every Trustee must:
- a) Be a fit and proper person, with due regard to his or her experience, conscientiousness and integrity to be entrusted with the responsibilities of the office;

and

- b) Be conversant with the rules of the Fund, the statement of investment principles being maintained and the statement of funding principles most recently prepared or revised, and
- c) Have knowledge and understanding of the law relating to pensions and trusts, the principles relating the financial management of occupational schemes and investments of assets and risk management of such schemes.

4.14 Subject to subsections 4.5 and 4.6 above, the degree of knowledge and understanding required for Trustees is that appropriate for the purpose of enabling such trustee to properly exercise his or her powers and discharge his or her duties as a Trustee of any scheme.

4.15 The Fund shall, within seven days after appointing or electing a Trustee, forward to the Commissioner the name of the appointed or elected Trustee together with the Trustee's:

- a) Police clearance issued within a period of six months from the date of his or her appointment or election; and
- b) In the case of a body corporate, tax clearance certificate; and
- c) Declaration form in the form set out in the Fourth Schedule of the Pension and Provident Funds Regulations.

RULE 5 Chairman of Trustees

The Trustees shall appoint one of their number to be a Chairman.

RULE 6 Meetings and Quorum

- 6.1 The Trustees shall meet from time to time but not less frequently than four times each year, to conduct the business of the Fund; six (6) Trustees of whom at least half are Employer nominated Trustees, shall form a quorum. If one-third of the Trustees make a reasonable request to the Chairman to convene a meeting of Trustees, he shall do so within fourteen days.
- 6.2 At a meeting of Trustees, the decision of the majority shall be binding. Minutes of all meetings shall be kept.
- 6.3 A resolution in writing signed by all the Trustees shall be of the same force and effect as a resolution passed at a meeting of Trustees.
- 6.4 The Trustees may delegate any of their powers to a sub-committee consisting of such persons as they decide. A sub-committee shall, in the exercise of the powers delegated to it, conform to such conditions as may be imposed on it by the Trustees.

RULE 7 Powers, Duties And Objectives of Trustees

The Trustees, in addition to the rights and powers expressly given to them in terms of these Rules, may exercise all the rights and powers which may be exercised by the Fund and, without detracting from the generality thereof, the Trustees shall have the power;

- 7.1 To formulate an investment policy to further the objectives of the Fund and to retain in any bank account such funds as they consider proper and subject to that provision, they shall invest all monies received for the account of the Fund. The Trustees shall acquire in any manner whatsoever and hold as an investment, shares, stocks, debentures, bonds and notes. The Trustees shall have power to alter, vary and transpose the Fund's investments as they deem advisable, in particular and

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

without prejudice to the generality of the foregoing, the Trustees may invest in units of any unit trust and give indemnities to the trustees or managers of such trust binding on the Fund to give effect thereto. Any investments may be made and held on behalf of the Fund in the name of a nominee approved by the Trustees for that purpose.

- 7.2 To act where in the event that, at any time the income received by the Fund is found to be insufficient to meet the benefits due from the Fund, then the Trustees may have recourse to the Fund's assets in order to make up the shortfall.
- 7.3 To appoint anybody corporate to act as their nominee with power for the Trustees at any time or times to revoke or vary such appointment, and any investments of the Fund may be made in the name of or transferred to such body corporate, on the terms that the body corporate appointed nominee shall hold them as nominee for and on behalf of the Fund. The Trustees are empowered for this purpose to enter into any agreement with such body corporate as to its remuneration or by way of indemnity or otherwise and any such agreement shall be binding on the Fund.
- 7.4 To make such arrangements as they deem fit for dealing with receipts and discharges under the Fund and to give, vary and revoke instructions regarding the giving of receipts and discharges for payments in connection with the Fund.
- 7.5 To delegate in their sole discretion by power of attorney or otherwise to any person or persons whether or not a Trustee of the Fund, all or any of the powers, duties and discretions vested in them and such delegation may be on such terms and conditions, including payment out of the Fund of fees, remuneration, brokerage, commission or like payments, as the Trustees think fit, including the power to sub-delegate. The Trustees shall not be bound to supervise the proceedings of or to be in any way responsible for any loss incurred as a result of any such delegation or sub-delegation.

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

- 7.6 To commence, carry on or defend proceedings relating in any way to the Fund or relating to the determination of any rights of the Members and others in the Fund.
- 7.7 To apply any monies forming part of the Fund in effecting or maintaining any insurance which in the opinion of the Trustees is suitable for the purposes of the Fund and to vary the terms of, surrender, sell or otherwise dispose of any such insurance or to exchange such insurance for a substitute insurance.
- 7.8 To execute and do all such acts and things as the Trustees may consider necessary or expedient for the maintenance and preservation of the Fund and of the rights of the Members and others therein.
- 7.9 To determine from time to time the minimum Pension payable in consultation with the Actuary and the Employer and to grant such increases in Pensions as they deem fit from time to time.
- 7.10 To ensure that every document of title to an investment shall be registered in the name of the Fund.
- 7.11 To take all reasonable steps to ensure that the interest of Members in terms of the Rules of the Fund and the provisions of the Act are protected at all times.
- 7.12 To act with due diligence, care and good faith in the management of Fund affairs at all time.
- 7.13 To avoid conflicts of interest and or declare such interest.
- 7.14 To act with impartiality in respect of all Members and Dependants.
- 7.15 To ensure that proper registers, books and records of the operations of the Fund are kept, inclusive of proper minutes

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

and all resolutions passed by the Trustees.

- 7.16 To ensure that proper control systems are put in place to ensure the Fund complies with the Act and any other law.
- 7.17 To ensure that adequate and appropriate information is communicated to the Members of the Fund informing them of their rights, benefits and duties in terms of the Rules of the Fund.
- 7.18 To take all reasonable steps to ensure that Contributions are paid timeously to the Fund in accordance with the Act.
- 7.19 To obtain expert advice on matters where Trustees may lack sufficient expertise.
- 7.20 To ensure that the Rules, operation and administration of the Fund comply with the Act and all other applicable laws.
- 7.21 To ensure all records of all its proceedings and of the business of the Fund are kept.
- 7.22 To conduct themselves and the affairs of the Fund in line with the NRZCPF Code of Ethics and NRZCPF Corporate Governance Charter as reviewed by them from time to time.
- 7.23 To develop such policies and procedures meant to ensure that fit and proper standards are met, including procedures for independent performance assessment of Trustees.
- 7.24 To take reasonable steps to protect the interests of members of the Fund, especially in the event of:
- a) the amalgamation of or transfer of any business, or
 - b) the division of the Fund, or
 - c) the withdrawal of the participating Employer or the termination or reduction of contributions by the

participating Employer.

- 7.25 Every Trustee shall have a right to raise his or her concerns with the Commission where the Trustee believes that a resolution is prejudicial to the Fund.

RULE 8 Sub-Committees

- 8.1 The Trustees may appoint sub committees, with such members and terms of reference as they shall think fit. A minority of the members of any sub-committee may be persons who are not Trustees.
- 8.2 The procedures relating to the terms of reference, the conduct of, voting at and the keeping of Minutes of meetings of each sub-committee shall be as determined by the Trustees.
- 8.3 The Trustees may dissolve any sub-committee without notice.
- 8.4 The Quorum at the meetings of each sub-committee shall be two. However, a Trustee or Trustees from other sub-committees may be co-opted to participate in a sub-committee by invitation if so warranted.

RULE 9 Delegation

The Trustees may delegate and may authorise sub delegation to any person, persons, sub-committee, corporate body or the Principal Officer such powers and functions under this Deed or the Rules, as the Trustees shall deem fit, other than its powers under;

- Rule 4 – the appointment or removal of Trustees;
- Rule 23 – amending this Deed and the Rules;
- Rule 24 – termination of the Fund.

RULE 10 Principal Officer and other Staff

- 10.1 The Trustees shall appoint the Principal Officer of the Fund who shall be ordinarily resident in Zimbabwe and such other staff as they deem necessary for efficient administration of the Fund.
- 10.2 The Trustees shall have the power to remove the Principal Officer from office and or any of the staff at any time and to appoint replacements as required.
- 10.3 If the Principal Officer is for any reason unable to discharge the duties imposed upon him by or under the Act for a period of thirty days or more, the Trustees shall appoint an acting Principal Officer.
- 10.4 The Principal Officer and such other staff shall be entitled to receive a salary, wage, fee or commission or claim the reimbursement of any costs or expenses incurred in the exercise of their stated duties and responsibilities as may be agreed and authorised by the Trustees from time to time.
- 10.5 The Trustees shall take out insurance cover, for such an amount as deemed adequate by the Principal Officer, for the purpose of protecting the Fund against dishonesty by the Principal Officer and or such other staff.

RULE 11 Other Officers of the Fund

The Trustees shall from time to time appoint, on such terms as they may deem fit, an Actuary, an Auditor and such other officers as may be considered necessary for the proper management of the Fund. The Trustees shall also have the power to revoke or vary any such appointment.

RULE 12 Investment Managers

The Trustees may from time to time appoint any qualified person, persons or entity as investment manager(s) of the

whole or any part of the Fund with such powers and discretions conferred upon the Trustees by this Clause (to be exercised with or without their consent) and upon such terms as to remuneration, sub-delegation, reports, resignation and otherwise and subject to such restrictions on the exercise of those functions as they may deem fit.

RULE 13 Custodians

The Trustees shall place all documents of title to any of the assets held for the purpose of the Fund or records of the Fund or records, papers or documents in safe custody with such qualifying person, persons or entity and on such terms (including terms in relation to remuneration and sub-delegation and appointment of agents and nominees with and without prior approval) as they deem fit. Where documents of title, records, papers or documents are placed in safe custody as above, the Trustees shall not be responsible for the loss or destruction of those documents.

RULE 14 Restrictions

The Trustees shall comply with the requirements of Section 18 of the Act, as amended, relating to Employer related investments and any Regulations made under that section, including investments in prescribed securities. Unless otherwise provided for, not more than ten (10) per cent of the aggregate cost value of the assets of the Fund may at any time be invested in Employer related investments.

RULE 15 Financial Year

The financial year of the Fund shall run from 1 January to 31 December in each year.

RULE 16 Accounts and Audit

The Trustees shall cause accounts to be kept showing all

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

Contributions or other receipts and all sums of money expended from the Fund in the payment of benefits, expenses or otherwise. The accounts shall be made up, and a balance sheet prepared, as at the end of each financial year of the Fund and shall be submitted for auditing to such accountant who satisfies the statutory requirements for the Fund, or such firm of such accountants, as the Trustees shall from time to time appoint as Auditor or Auditors of the Fund. For each financial year of the Fund, the Auditor of the Fund so appointed shall produce an audit report addressed to the Trustees and Members of the Fund.

RULE 17 Records

The Trustees shall keep, through the Principal Officer, records of Employers and Members in which shall be recorded the dates on which each Member became or ceased to be a Member and records of all Contributions to the Fund and the dates they received them and all other facts proper to be recorded for the administration of the Fund.

RULE 18 Incapacitation of the Board of Trustees

Notwithstanding the provisions of Rule 4 of these Rules, should the Board of Trustees be incapacitated due to the liquidation of the sponsoring Employer or any other reason, the Trustees who were members of the Board at the time of such an event, will continue to transact on behalf of the Fund with the approval of the Commissioner.

RULE 19 Information

Every Employer and Member and person having any rights in the Fund shall be entitled (for an appropriate fee) upon application to the Trustees, to be supplied with one copy of (and every amendment to) each of the following applicable to the applicant;

- 19.1 This Deed and the Rules,
- 19.2 The latest audited accounts,

- 19.3 The latest actuarial valuation, schedule of own Contributions (or payment schedule) and any report or certificate from the Actuary prescribed by Regulations.

RULE 20 Disclosure

- 20.1 Every Member shall be given a booklet or leaflet containing the basic information about the Fund applicable to the Member, and the Member's benefits and Contributions. A Member shall be supplied with benefit statements and all information relating to the Member's own benefits and Contributions within the set timelines as guided by the Commission from time to time.

- 20.2 The Fund Year for the purpose of issuing benefit statements to Members shall run from 1 January to 31 December, unless otherwise determined by the Trustees.

RULE 21 Actuarial Valuation

- 21.1 The Trustees shall cause an Actuarial Valuation of the Fund to be carried out by the Actuary at least once every three years, for the purpose of determining whether it can continue to provide the benefits specified in these Rules. The Actuary shall submit a report on the Actuarial Valuation to the Trustees, who shall forward a copy to the Employer and the Commissioner within thirty days of receipt.

- 21.2 The Trustees shall have discretion regarding surpluses in Fund in terms of Rule 42 of these Rules.

- 21.3 Notwithstanding the provisions of Rule 23.4 of these Rules, if, as a result of the Actuarial Valuation in terms of Rule 21.1 of these Rules, the Trustees decide, with the consent of the Employer, that the Fund cannot continue to provide the

benefits specified in these Rules, the benefits shall be reduced or the Contributions increased, subject to the provisions of the Act.

RULE 22 Protection against dishonesty

The Fund shall protect itself against dishonesty on the part of any of its officers, by way of insurance of such amount as the Principal Officer deems adequate.

RULE 23 Amendments to these Rules

The Trustees shall have power to amend any of these Rules, add to these Rules or cancel any of these Rules, provided:

- 23.1 That such amendment, addition or cancellation shall be submitted to the Commissioner within thirty days of its adoption and shall not take effect until it has been registered by the Commissioner.
- 23.2 That such amendment, addition or cancellation shall not cause the main purpose of the Fund to be other than the provision of Pensions to Members upon retirement at specific ages or the provision of annuities or allowances for the Spouses, Eligible Children and Dependants of Members of the Fund upon the death of such Members.
- 23.3 That such amendment, addition or cancellation shall not authorise the effecting of any repayment to the Employer out of the Fund.
- 23.4 That such amendment, addition or cancellation does not adversely affect the benefits which have accrued to Members in respect of Pensionable Service prior to the amendment, addition or cancellation unless by agreement with the majority of the Members.
- 23.5 That such amendment, addition or cancellation shall be

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

notified by Trustees to the Sponsoring Employer and Members within thirty days of its approval by the Commissioner. Notwithstanding the provisions of this Rule, the Trustees shall amend any of these Rules, add to these Rules or cancel any of these Rules when instructed to do so by the Commissioner.

- 23.6 That if the whole or substantially the whole of the undertaking of the Railways shall become vested in some person or corporation other than Railways, the continuance of the Fund for the benefit of the employees of such other persons or corporation shall be deemed to be within the main purpose of the Fund.
- 23.7 That such amendment, addition or cancellation shall not have adverse financial implications to the Employer unless with its concurrence.

RULE 24 Termination of the Fund

- 24.1 The Fund shall be wound up on the happening of any of the following events:
- 24.1.1 Upon the expiration of any period of notice, not less than three months, given by the Employer in writing of its intention to discontinue payment of Contributions to the Fund, unless the Trustees in consultation with the Commissioner determine that closure of the Fund shall be deferred.
- 24.1.2 Upon the exercise by the Trustees of any power to close the Fund in consultation with the Employer.
- 24.1.3 Upon the Trustees declaring the Fund to be wound up at any time after the exercise of any power vested in them.
- 24.1.4 Upon a directive by the Commissioner under the Act.

RULE 25 Winding up of the Fund

25.1 When the Fund is wound up:

- 25.1.1 The Trustees shall appoint a Liquidator of the Fund, such appointment to be subject to approval by the Commissioner in terms of the Act.
- 25.1.2 The Liquidator in consultation with the Trustees shall, subject to the payment of all costs, charges and expenses incurred in giving effect to the provisions of this Rule or otherwise properly payable out of the Fund appropriate the assets of the Fund for the benefit of the members and beneficiaries on a fair basis upon dissolution of the Fund.
- 25.1.3 The Trustees may apply an amount not exceeding in value the interest of any person in an appropriated part of the Fund to the purchase of an annuity in the name of or otherwise for the benefit of such person. Such annuity shall correspond as nearly as possible to the Pension to which such person is entitled under this Rule and such annuity must be expressed to be non-assignable and non-commutable.
- 25.1.4 A person in respect of whom a part of the Fund is appropriated under Rule 25.1.2 shall have no right to resort to the Fund other than to such appropriated part thereof. A person, in whose name or for whose benefit an annuity is purchased under Rule 25.1.3 shall have no right whatsoever to resort to the Fund.
- 25.1.5 Subject to the limitations laid down in the Regulations, the Trustees may commute for an immediate lump sum payment, the whole or part of any Pension under this Rule.

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

- 25.1.6 The Trustees may, in making any necessary determination or arriving at any decision for the purposes of this Rule, act on such actuarial or other advice and on such assumptions as they consider appropriate, bearing in mind the circumstances of the particular case.
- 25.1.7 All decisions, determinations, appropriations, discretions and powers to be made and exercised under this Rule, in particular in relation to the nature, duration and amounts of any Pensions and benefits determinable under this Rule, shall be made, determined or exercised within a period of one year after the date of closure of the Fund, to the intent that all interests in the Fund shall become vested within the said period of one year.
- 25.1.8 If a person to whom an amount is payable cannot be traced the amount payable shall be disposed of in accordance with the provisions included in the scheme of termination of the Fund as agreed with the Commissioner.
- 25.1.9 If when the Fund is terminated there remains a surplus after all payments and provisions for payments have been made that surplus may be distributed to the Members, or otherwise disposed of to the satisfaction of the Commissioner.
- 25.1.10 The members shall have a right to inspect the distribution plan before the actual distribution of the assets. The distribution plan shall be submitted to the Commissioner for approval.
- 25.2 Notwithstanding the provisions of this Rule 25.1 the Trustees, may in consultation with the Actuary, make such variations to the terms hereof as may be considered by the Trustees to be just and equitable as applied to the generality of all persons

entitled to benefit under this Rule. All such variations shall be deemed to be incorporated in this Rule and the Trustees shall not, except as herein provided, be accountable therefore and the rights of all affected thereby shall be construed accordingly.

RULE 26 Making the Fund Paid Up

- 26.1 The Fund shall be made paid up on the happening of any of the following events:
- 26.1.1 Upon the expiration of any period of notice, not less than three months, given by the Employer in writing of its intention to discontinue payment of Contributions to the Fund, unless the Trustees in consultation with the Commissioner determine that the Fund shall be terminated in accordance with Rule 24.
 - 26.1.2 Upon the exercise by the Trustees of any power to make the Fund paid up in consultation with the Employer.
 - 26.1.3 Upon the Trustees declaring the Fund to be paid up at any time after the exercise of any power vested in them.
 - 26.1.4 Upon a directive by the Commissioner under the Act.
- 26.2 When the Fund is paid up:
- 26.2.1 The Trustees, in consultation with the Actuary, and subject to the approval of the Employer and the Commissioner shall, in making the Fund paid up, implement such changes to the benefits and contributions (if any) as may be considered by the Trustees to be just and equitable as applied to the generality of all persons entitled to benefits under

this Fund.

26.2.2 Any such arrangement shall take into account the provisions of Rule 23 and specifically the protection of accrued benefits set out in Rule 23.4.

26.3 Board of Trustees

26.3.1 After the Fund has been made paid up, the Board of Trustees shall continue to be appointed or elected in accordance with Rules 3 and 4. Should, however, the Board of Trustees be incapacitated for any reason, the terms of Rule 18 shall apply.

RULE 27 Expenses

27.1 Save where and to the extent that an election is made by the Employer under Rule 27.2 hereof, all costs, charges and expenses incurred in connection with or in relation to the Fund and any remuneration of the Trustees, Principal Officer and staff or other Managers appointed by them shall be payable out of and borne by the Fund's assets, including the Actuarial Valuation fees.

27.2 The Employer may from time to time elect to pay and bear itself the whole or any part of the costs, charges, expenses and remuneration referred to in the foregoing Rule 27.1.

27.3 The cost of procedures under Rule 25 will be met out of the assets of the fund and where such procedures will present a financial burden, which will significantly prejudice members of the fund, the Trustees shall apply for exemptions to the Commissioner.

RULE 28 Conversion Actuarial Valuation

28.1 Following the change in the Lawful Currency and the introduction of a new Lawful Currency in its place, all benefits payable to Members, Pensioners, Deferred Pensioners and

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

any other Dependants entitled to benefits under the Fund shall be suspended forthwith pending the submission of a Conversion Actuarial Valuation.

- 28.2 In undertaking the Conversion Actuarial Valuation, the Actuary shall apply such methodology, conversion rates, assumptions, including provisions, and adjustments for non – convertible securities and on such basis as he deems fair and equitable to all Members, Pensioners, Deferred Pensioners and any other Dependants entitled to benefits under the Fund.
- 28.3 The Actuary shall submit the Conversion Actuarial Valuation report to the Trustees, together with a schedule showing reserves expressed in the new Lawful Currency for all Members, Pensioners, Deferred Pensioners and other Dependants entitled to benefits under the Fund within such period as may be agreed by the Trustees and approved by the Commissioner.
- 28.4 The Trustees shall forward a copy of the report to the Employer and Commissioner within thirty days of receipt.
- 28.5 If there are any objections raised by the Trustees, on the methodology, underlying assumptions or basis of the conversion as set out in the Conversion Actuarial Valuation report, the Actuary shall consider such objections following which a final Conversion Actuarial Valuation report shall be issued by the Actuary and submitted to the Commissioner.
- 28.6 Following the finalization of this report, and the adoption of recommendations thereof by the Trustees, all benefits to Members, Pensioners, Deferred Pensioners and other Dependants entitled to benefits under the Fund shall resume and be payable in the new Lawful Currency and backdated to the Conversion Date.
- 28.7 If at the Conversion Date and following the Actuary's report, the revised Pension payable to a Pensioner or Dependand is

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

less than that which the Commissioner may determine as at the Conversion Date, the Trustees may, in their absolute discretion, pay to such Pensioner or Dependant a lump sum in lieu of all other benefits. The amount of the lump sum payment shall be determined by the Actuary.

- 28.8 As at 31 December, coinciding with, or following the change in Lawful Currency, and each anniversary thereafter, each Member shall be provided with a benefit statement showing a summary of his benefits and Contributions expressed in the new Lawful Currency.

RULE 29 Consistency with the Act

Should any provisions in these Rules be found to be inconsistent with any provisions of the Act, the provisions of the latter shall, in all instances, take precedence.

PART 2

RULES OF GENERAL APPLICATION

RULE 30 Tax

The Trustees shall deduct from any payment due or made to any Member, Pensioner, Deferred Pensioner, Dependant or Beneficiary any amounts of income tax for which the Fund may be liable in respect of or in consequence of such payment.

RULE 31 Re-assurance

The Trustees may, at the expense of the Fund re-assure wholly or in part, any benefit under the Rules in such manner as they may think fit, in consultation with the Actuary.

RULE 32 Disputes Regarding Entitlement

The Trustees shall for the purpose of giving effect to the provisions of these rules have full power to determine all questions of doubt and difficulty and also to determine how any matters which in their opinion are incidental to or consequential upon any, of the said rules shall be dealt with. Any member or any person whose claim is derived from a member shall have the right to refer any dispute to the Commission before referring the matter for arbitration or to a Court of Law.

RULE 33 Benefits not Assignable

Save as is provided in Section 18 (4) of the Act, or Section 51 of the Regulations and Rule 39 of these Rules, all benefits shall be strictly personal and non-assignable.

RULE 34 Beneficiary under Disability

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

If a Member, Pensioner, Deferred Pensioner, Dependant or Beneficiary entitled to receive a benefit from the Fund shall be under a disability which in the opinion of the Trustees effectively prevents him from attending to his affairs, the benefits due shall be paid to a person legally recognised to act on behalf of the disabled beneficiary.

RULE 35 Limitations Relating to Payment of Benefits

- 35.1 If after the Trustees have made all such efforts as they, in their absolute discretion, think reasonable to trace and identify a Member, Pensioner, Deferred Pensioner, Dependant, Beneficiary or other person entitled to receive a benefit from the Fund, they have failed to trace the person entitled to receive the benefit the benefits shall be preserved within the Fund for the beneficiary. Upon the dissolution of the Fund, such preserved benefits will be transferred to the guardian's fund after three years as prescribed by the law.
- 35.2 Every Member shall notify the Trustees in writing of every post-retirement benefit fund, other than the Fund, or retirement annuity fund from which a benefit may be paid to him or in respect of him.
- 35.3 If a Member, Pensioner, Deferred Pensioner or his Dependents become entitled to a benefit from more than one fund, any limitations on benefits set out in the Rules shall apply to the total of the benefits including the benefits due from the Fund, provided that if the Trustees cannot agree on how the limits are to be applied, the Commissioner shall issue directives.
- 35.4 On the death of a Member the total amount of benefits paid as a lump sum from all funds operated by the Employer and registered under the Act shall not exceed two times his Pensionable Salary at the date of his death.

RULE 36 Members in Arrears, on Leave, or under Suspension

Any member who is in default with his contributions owing to his having been on leave without pay or under suspension from duty without pay may at the sole discretion of the employer make good such arrears of contributions in such manner either by deductions from his salary or wages or otherwise as the employer shall select in which event the period in respect of which such arrear contributions have been paid shall be treated as pensionable service.

A member shall continue to contribute to the Fund while on leave (whether vacation, sick or any other leave) with or without pay, or under suspension from duty with or without pay, and such contributions shall be calculated on his full Pensionable Salary.

RULE 37 Employer's Right to Terminate Employment

Nothing in these Rules shall in any way restrict the right of an Employer to terminate the employment of any Member who shall thereafter have no rights in the Fund other than such rights as are provided for under the Rules, and the existence or cessation of any actual or prospective or possible future entitlement to any benefit under any Rule shall not be used as grounds for damages nor increase or in any way affect damages in any action brought against the Employer in respect of any termination of employment or otherwise.

RULE 38 Proof of Age

Documentary proof of existence, identity and age of a Member, Deferred Pensioner, Dependant, Beneficiary or other person to whom any benefit may be payable will be required to the satisfaction of the Trustees before payment of any benefit is made.

RULE 39 Withholding of Benefits in certain circumstances

1. If the Commission is satisfied that a member of the

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

Fund;

- (a) Who has left Railways service has not fully repaid any loan such as referred to in subsection (4) of section 18 of the Act from the fund or from the Railways and has pledged his rights to benefits from the Fund as security therefore; or
- (b) Has left Railways service because of dishonesty which has resulted in the Railways suffering loss;

He may authorize the fund to withhold any benefits payable to that member until such time as the loan, together with interest, has been repaid or the loss has been made good, as the case may be.

- 2. Where any benefits have been withheld, in terms of subsection (1.1), the Commission may authorize the Fund to utilize the benefits so withheld or, such portion thereof as is requisite for the purpose of making the repayment or making good the loss as the case may be, or a portion thereof and if the benefit is payable in the form of a pension, he may authorize the commutation of the pension or a portion thereof of the purpose.
- 3. All claims submitted for authorization in terms of this rule shall be accompanied by the following documents;
 - a) cession form or such other document signed by the member for a loan such as referred to in subsection (4) of section 18 of the Act, or for a similar kind of loan granted by his employer or guaranteed by his employer and granted by a person registered in terms of the

Bank Act (Chapter 188), the Building Societies Act (Chapter 189) or the Insurance Act, 1987 (No.27) of 1987;

- b) the court judgement or summary jurisdiction proving the member guilty of dishonest or fraud involving pecuniary loss to the employer;
- c) a statement indicating the amount being claimed and the amount of benefits due to the member; and
- d) any other documents or information the Registrar may subsequently require.

RULE 40 Nomination of Beneficiary

A Member may as a guide to the Trustees nominate in writing, a Beneficiary to whom any benefit payable on his death should be paid, but such nomination shall have no force in law and shall not be binding on the Trustees.

RULE 41 Polygamous Marriage

In the event of death of a Member who had more than one Spouse and Eligible Children, such Spouses and Eligible Children shall share the benefits prescribed in these Rules provided:

- a) That the total of any Pension and other benefits shall be calculated as if there is only one Spouse;
- b) If one of the Spouses dies and the Pension payable to the Spouse ceases, the Pension payable to the remaining Spouses shall not be increased;
- c) The total Pension payable to the Eligible Children of

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

the Spouses shall not exceed 60% of the Pension payable to the Spouses except in the event a Spouse dies and leaves Eligible Children, such Eligible Children shall have their Pensions increased in accordance with Rule 72 of these Rules.

- d) On death of a Member, the benefits payable from the Fund shall be paid as follows:
 - i. To his Spouse(s) and his Eligible Children; or
 - ii. If he leaves no Spouse(s) or Eligible Children, to his Dependant(s); or
 - iii. If he leaves no Spouse(s) or Eligible Children or Dependants, to a nominated Beneficiary; or
 - iv. If he leaves no Spouse(s) or Eligible Children or Dependants or a nominated Beneficiary, to his estate.

RULE 42 Trustees' Discretion Relating to Surpluses in the Fund

The Trustees shall have discretion subject to the agreement of the Employer and after consulting the Actuary and with the formal approval of the Commissioner, to apply or deal with any surpluses in the value of the Fund's assets in excess of its actuarially calculated liabilities in any manner they consider proper provided that:

- 42.1 No such surplus may be applied in whole or in part, as a refund of Contributions to a Member or the Employer.
- 42.2 Such surpluses may only be applied to improve benefits or to be offset against future Employer Contributions.

RULE 43 Currency

All payments of Contributions and benefits under the Rules shall be made in the Fund's Lawful Currency. In cases where Pensioners, Deferred Pensioners or other Dependants entitled to benefits under the Rules are resident outside of Zimbabwe and have been granted emigrant status, including permission for the remittance of their benefits from the Fund to their bank accounts outside Zimbabwe, the Trustees may remit the payments of the benefits to the Pensioner, Deferred Pensioner or Dependants as they may decide, having regard to the Zimbabwean Exchange Control Regulations from time to time.

RULE 44 Payment of Pension Benefits

- 44.1 All payments of Pensions, Spouses Pensions or Children's Pensions shall be made monthly in arrears, unless the Trustees determine otherwise. The first instalment shall be payable on the last day of the month in which the benefit is deemed to commence and the final instalment shall be payable on the last day of the month in which the recipient dies or ceases to be eligible to receive the benefit for any other reason.
- 44.2 At retirement, the capital available for the purchase of the Members Pension shall be retained in the Fund from which all Pensions and awarded increases shall be paid. The Pension shall be payable for the life time of the Member.
- 44.3 Every person entitled to a Pension or annuity shall give notice in writing to the Trustees of his address and any change of address.
- 44.4 The monthly amount of each Pension shall be determined to the nearest cent.
- 44.5 Monthly Pensions shall be paid to a former Member, Spouse or Child entitled to such a Pension, upon such evidence of his survival and continued eligibility, as the

Trustees require. If such evidence is not produced, the Trustees, in their absolute discretion, may defer payment of the Pension until the evidence is produced.

RULE 45 Payment of Death Benefits

45.1 No payment shall be authorized on the death of a member or pensioner who leaves one or more dependants of any benefit of any benefit to a person who is not a dependant.

45.1.1 On the death of a member the benefits payable from the Fund shall be paid to the following persons in the following order:

- (a) To his Spouse(s) and his Eligible Children; or
- (b) If he leaves no Spouse(s) or Eligible Children, to his Dependant(s); or
- (c) If he leaves no Spouse(s) or Eligible Children or Dependants, to a nominated Beneficiary; or
- (d) If he leaves no Spouse(s) or Eligible Children or Dependants or a nominated Beneficiary, to his estate.

A member may nominate, as a guide to the Trustees one or more of his dependants to receive any benefits payable from the Fund on the death of the member. Provided that on the death of a member, notwithstanding his choice of dependants in terms of this subsection, the benefits to be paid shall be paid to the person in the order set out in subsection (d).

45.2 The payment of any benefit as a lump sum in terms of these Rules shall be subject to the provisions of Section 25 of the Pension and Provident Funds Regulations, 1991 (Statutory

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

Instrument 323 of 1991) or any statutory amendment thereof in force from time to time.

- 45.3 Spouse's Pension shall be payable for the life of the Spouse and shall cease on date of death. On the death a Spouse, Eligible Children's Pension shall be doubled.
- 45.4 Any Pension payable in respect of Eligible Children shall normally be payable to the surviving parent, the guardian of the child or Master of High Court.

RULE 46 Payment of Benefits

- 46.1 If a Member or his Dependants become entitled to receive a lump sum benefit from the Fund in accordance with these Rules, such benefit shall be paid out to the Member or his Dependants within a period not exceeding sixty (60) days.
- 46.2 In the case of a Member or Dependant entitled to receive a regular Pension from the Fund, such Pension shall be paid out to the Member or Dependant within a period not exceeding fourteen (14) days from the last day of the period in which the Pension is payable.

If the Fund fails to pay the benefits outlined in 46.1 or 46.2 of this Part of the Rules within the prescribed periods, the Fund shall be rendered liable to pay the benefits due together with interest based on the unsecured overdraft lending rate applied by the Fund's bankers from the date when such benefits became due.

RULE 47 Limitation on Spouses

Notwithstanding the other provisions of any of these Rules, where a married Member has more than one Spouse, the lump sum payable on his death shall be calculated as if he had only one eligible Spouse. The benefits so due and calculated upon his death shall, at the discretion of the Trustees after

consulting the Actuary and having regard to the Act, be divided among all or any of the Spouses and Eligible Children as appropriate.

RULE 48 Interpretation

Subject to the provisions of Rule 32 of these Rules, the decision of the Trustees on any question of doubt or difference as to the meaning, interpretation, effect or operation of the Rules or on any dispute arising hereunder shall be binding on all persons interested therein.

RULE 49 Cession, Pledge or Attachment of Pension Benefits

49.1 A Member may, for the purpose of giving security for a loan such as referred to in subsection (4) of section 18 of the Act, or for a similar loan granted by the Employer or guaranteed by the Employer, and granted by a person registered in terms of the Banking Act (Chapter 188), the Building Society Act (Chapter 189) or the Insurance Act (No 27 of 1987) cede or pledge his rights to any benefit from the Fund:

Provided that the loan shall not exceed-

- a) the amount of the benefit to which the Member would be entitled if he resigned voluntarily on the date on which the loan was granted, together with seventy – five per centum of the market value of the property;
- b) If the Employer guarantees the Fund that it will meet any shortfalls between the amount referred to in (a) above and the market value of the property, the market value of the property.

49.2 Subject to the Maintenance Act and the Children's Act -

- (a) No right to a benefit payable from the Fund shall be

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

ceded, attached or be subject to any form of execution under a judgement or order of a court; and

- (b) Any purported cession or pledge of a right to any benefit payable from the Fund shall be ignored by the Trustees.

PART 3

RULES RELATING TO MEMBERSHIP

RULE 50 Membership

The participants of the Fund at any time shall be the Serving Employees, Pensioners and Deferred Pensioners.

Admission to active membership is restricted to Employees who have been admitted to the permanent staff of the Employer and who have attained the age of eighteen years, but less than sixty (60) years.

Every Serving Employee, Pensioner and Deferred Pensioner of the Old Fund shall be admitted to the Fund with effect from 1 January 1982.

RULE 51 Future Members

All Members who enter the Pensionable Service of the Employer shall, as a condition of employment, be required to become participants in the Fund on the Entry Date next following the date on which they fulfil the conditions of eligibility.

RULE 52 Application for Admission

Before admission to membership, an eligible Employee shall be required to complete an application in the form prescribed by the Trustees and to produce to the Trustees a certificate of his birth or other documentary evidence of his age satisfactory to the Trustees.

RULE 53 Membership Irrevocable

An Employee once admitted to membership of the Fund shall

not thereafter cease to be a participant except in the circumstances described in the Rules.

RULE 54 Re-entry into the Pensionable Service of the Employer

Only a former Member who resigned or was dismissed shall be eligible for re-admission to the Fund.

If a former Member re-enters the Pensionable Service within 180 days after the date of withdrawal from the Fund, the Member may have the break in service waived for the purpose of calculating his Pensionable Service only provided that:

- (a) The application for a waiver is done within 90 days of being re-admitted;
- (b) The application must be approved by the General Manager of the National Railways of Zimbabwe;
- (c) Remittance to the Fund, by the Member, within 180 days of re-admission of:
 - i. The amount of pension benefits paid to him from the Fund at resignation or dismissal;
 - ii. Member and Employer contributions relating to the break in service calculated based on Pensionable Salary at date of withdrawal or date of re-admission whichever is the greater;
 - iii. Interest on the Contributions as determined from time to time by Trustees.

RULE 55 Employee other than Permanent Staff

An Employee other than an Employee in the permanent staff

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

of the Employer shall become a Member of the Fund upon being transferred to permanent staff. The Employer shall at its sole discretion select the date on which the Member joins the Fund which may be a date earlier than the date of admission to permanent staff provided the Employer notifies the Fund within 90 days after the date of admission to permanent staff and the Employer remits to the Fund contributions, inclusive of interest determined by Trustees, for any Pensionable Service prior to the date on which the Employee was admitted to permanent staff. The Employer shall be given an option to pay the Employer and Member contributions to the Fund over a maximum period of five (5) years.

PART 4

RULES RELATING TO CONTRIBUTIONS

RULE 56 Employer's Contributions

The Employer shall contribute 22.5% of each Member's Pensionable Salary or such amounts as determined by the Trustees in consultation with the Actuary and the Employer from time to time.

RULE 57 Member Contributions

Each Member shall contribute to the Fund at a rate of 8% of his Pensionable Salary.

RULE 58 Effect of Medical Regrading

If a member, who has become in the opinion of the Employer incapable of efficiently discharging his duties in the position then occupied by him by reason of infirmity of mind or body, is offered and accepts another position with reduced pensionable salary, then in such event his pensionable salary shall for all the purposes of these rules (and including, for the avoidance of doubt, the calculation of contributions payable) thereafter be deemed to be the pensionable salary payable to an employee employed in the same salary level within such grade, position or appointment as was applicable to the member immediately prior to his acceptance of the position with reduced pensionable salary.

RULE 59 Calculation of Member Contributions for portions of a month

When employee members are admitted to the Fund, leave Railway or Fund employment or their pensionable salary alter

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

during the course of the month, contributions will be calculated as follows:

- 59.1 Where members are admitted to the Fund during the first 15 days of the month their contributions shall be based on a full calendar month and where members are admitted to the Fund after the 15th day of the month they shall make no contribution for that month.
- 59.2 Where members leave Railway or Fund service during the first 15 days of the month they shall make no contribution to the Fund for that month, but those leaving after the 15th day of the month shall make a full month's contribution.
- 59.3 Where members have a change in the rate of their pensionable salary occurring in the first 15 days of the month the contribution will be based on the altered rate; but where such a change occurs after the 15th day of the month the contribution shall remain unaltered for that month.

Each Employer shall deduct each Member's monthly Contribution from the Member's monthly Pensionable Salary:

- 59.4 Contributions for a Member admitted to the Fund within the month, other than the first day of the month, shall be calculated based on the number of days up to the end of the month in which the contributions relate;
- 59.5 Contributions for a Member who leaves the Pensionable Service of the Employer within the month, other than the last day of the month, shall be calculated based on the number of days from the first day of the month to the date of leaving Pensionable Service.

RULE 60 Temporary Absence Or Suspension

If a Member is temporarily absent from service and the absence is authorised by the Employer or the Member has

been suspended, then during such absence:-

- 60.1 If the Member's Pensionable Salary is neither reduced nor suspended during the absence, the Employer's Contributions and Member's Contributions will continue to be paid.
- 60.2 If the Member's Pensionable Salary is reduced or suspended for part of or all of the absence, the Employer's Contributions and Member's Contributions will continue to be paid based on the full Pensionable Salary.

RULE 61 Payment of Contributions

The Employer and Member Contributions to the Fund shall be paid to the Fund within fourteen days of the last day of the calendar month to which the Contributions relate. If the Employer does not pay the Contributions to the Fund within fourteen days of the end of the calendar month in respect of which the Contributions are payable, that failure to pay the Contributions to the Fund timeously shall render the Employer liable to pay the Contributions together with interest based on the unsecured overdraft lending rate applied by the Fund's bankers. The Principal Officer of the Fund and the Chairman of the Board of Trustees shall report the non-payment to the Commissioner forthwith.

RULE 62 Transfer From Other Funds

If a Member joins the Pensionable Service having previously been a Member of another fund, a sum representing the transfer value of his accrued entitlement to benefits under the other fund at the date of withdrawal may, with the consent of the Employer and Trustees, be paid to the Fund and the Member is credited with an additional period of Pensionable Service to be determined by the Actuary.

RULE 63 Cessation of Contributions

All Contributions to the Fund in respect of an Employee shall cease to be payable on the last day of the calendar month in which he attains Normal Retirement Age or upon leaving the Pensionable Service of the Employer for any reason before or after Normal Retirement Age or upon the prior closure of the Fund.

RULE 64 Additional voluntary contributions

A Member may elect to pay monthly voluntary contributions to the Fund in addition to the compulsory contributions he pays in terms of Rule 2 of this Part of the Rules. The Member shall choose the amount of the additional voluntary contributions, subject to the terms and conditions determined by the Trustees from time to time, with the advice of the Actuary. A Member who elects to pay additional voluntary contributions shall submit his election notice in writing to the Trustees.

If a Member elects in terms of this Rule to make additional voluntary contributions to the Fund, the following conditions shall apply;-

- 63.1 The election to make additional voluntary contributions may be reduced or terminated only in extenuating circumstances with the agreement of the Trustees.
- 63.2 The additional voluntary contributions made by a Member shall qualify for interest earned on the Fund's assets. When the Member leaves the Service of his Employer, the aggregate of the total additional contributions made by him plus interest earned on the Fund's assets shall be utilised to purchase additional benefits for him based on the advice of the Actuary.

PART 5

RULES RELATING TO BENEFITS UNDER THE FUND

RULE 65 Retirement at Normal Retirement Age

Upon retirement from the Pensionable Service at Normal Retirement Age and subject to completion of ten (10) years of Pensionable Service, a Member shall be eligible to receive an immediate annual Pension calculated as follows:

- a) $\frac{1}{648}$ th of the average Pensionable Salary for each complete month of Pensionable Service at the date of reaching Normal Retirement Age;
- b) In addition the Member shall receive a non-commutable pension equal to 5% of the amount calculated in (a).

RULE 66 Retirement on Medical Grounds

- 66.1 Subject to the production of medical evidence acceptable to the Trustees, showing that a Member is permanently medically incapable of performing his duties in the service of the Employer or any similar employment or any other gainful occupation for which he is reasonably suited by education, training or experience he may be permitted to retire prior to Normal Retirement Age.

Upon such Retirement on medical grounds the Member shall be eligible to receive an immediate Pension as follows:

- 66.1.1 For a Member who has completed ten (10) years of service, a Pension calculated using $\frac{1}{648}$ th of the Average Pensionable Salary for each complete month of Pensionable Service;

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

66.1.2 In addition the Member shall receive a non-commutable pension equal to 5% of the amount calculated in Rule 65(a).

66.1.3 For a Member who has completed less than ten (10) years of service, a gratuity equal to 1 / 1 4 4 t h o f Average Pensionable Salary for each complete month of Pensionable Service.

RULE 67 Early Retirement

A Member with not less than ten (10) years Pensionable Service and who has attained the age of 54 years 9 months, shall upon giving three calendar months' notice in writing to the Employer have the right to retire from service and to obtain an immediate pension calculated using 1/648th of the average salary for each complete month of Pensionable Service at the date of Early Retirement Age, reduced using the following factors on an interpolation basis:

Years To Normal Retirement Age	Factor
One year or less	3.8%
More than one but less than two	8.2%
More than two but less than three	12.2%
More than three but less than four	15.8%
More than four but less than five	19%

A member aged 58 years 11 months or over will be required to give only one calendar months' notice in writing to the Employer.

RULE 68 Retrenchment and Reorganization

If a Member who has completed ten (10) years of Pensionable Service is retired from Pensionable Service by the Employer

before Normal Retirement Age owing to:

- i. his post becoming superfluous to the Employer's requirements;
- ii. his post being abolished;
- iii. a general scheme for the reduction or reorganization of departments;
- iv. a change in staffing policy by the Government or the National Railways of Zimbabwe;
- v. a desire by the Employer to increase efficiency of the business of the Employer;
- vi. Termination on notice,

the Member shall be entitled to an immediate pension equal to 1/648th of the Member's average retiring Pensionable Salary for each complete month of Pensionable Service increased by one-third, subject to the total Pension not exceeding the Pension the Member would have received had he continued to Normal Retirement Age and his Pensionable Salary had remained the same.

This Pension shall be paid by the Employer until the Member attains Normal Retirement Age following which the Pension shall be paid by the Fund.

If a Member who has not completed ten (10) years of Pensionable Service is retired from Pensionable Service by the Employer before Normal Retirement Age owing to (i) to (v) above, he shall be entitled to a gratuity equal to 1/144th of Average Pensionable Salary for each complete month of Pensionable Service.

RULE 69 Resignation or Dismissal

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

Notwithstanding provisions elsewhere in any other Part of these Rules, a Member who resigns voluntarily from the Pensionable Service of the Employer or who has been dismissed by the Employer for unsuitability or for any other reason or in circumstances for which a benefit is not specifically provided elsewhere in these Rules, shall be entitled to the following:

- a) if he has not completed five (5) years of Pensionable Service, a lump sum equal to his Accumulated Contributions since 01.09.1991 and any voluntary contributions made in terms of Rule 64 of these Rules;
- b) if he has completed five (5) years of Pensionable Service, he shall be entitled to a benefit equal to his Accumulated Contributions plus any voluntary contributions made in terms of Rule 64 of these Rules together with an additional benefit equal to a percentage of his Accumulated Contributions, excluding any voluntary contributions, as per the following scale:

Complete years of Pensionable Service since 01/09/1991	Percentage of Accumulated Contributions since 01/09/1991
5 years	25%
6 years	30%
7 years	35%
8 years	40%
9 years	45%
10 years	50%
11 years	60%
12 years	70%
13 years	80%
14years	90%
15 years or more	100%

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

- c) A Member who leaves the Pensionable Service of the Employer after 1 July 1976 shall be entitled to a minimum refund of all Contributions actually deducted increased by $1/6^{\text{th}}$ of 1% for each month of Pensionable Service after 1 July 1976.

The benefits in (a) and (b) may be paid in the following manner:

- i. The Member may direct that such amounts as specified in a) and b), be transferred to a pension fund or retirement annuity fund registered by the Commissioner in terms of the Act; or
- ii. The Member may elect to utilise the amounts specified in a) and b) to receive a Deferred Pension from a registered insurer or the Fund payable from his Normal Retirement Age; or
- iii. The Member may elect to receive the amount specified in a) as a lump sum and the additional benefit be used to purchase a deferred annuity from a registered insurer or the Fund payable from his Normal Retirement Age or to be transferred to a retirement annuity fund selected by him or to a pension fund registered by the Commissioner in terms of the Act.
- iv. If the member was a member of the Fund on 30 September 1992 and has completed ten years' continuous service, he may elect, instead of the benefits above, to become a deferred pensioner with a deferred pension calculated in terms of Rule 65 of these Rules as at the date of leaving service

Where the additional amount is less than such amount as notified by the Commissioner from time to time in terms of the Act, the Member may elect only at the date of withdrawal, to

receive in cash, such additional amount. If the Member does not make the election at the date of withdrawal, the amount shall be retained in the Fund and utilised to purchase a Pension payable from his Normal Retirement Age.

Deferred Pensions secured from the Fund shall be calculated using annuity factors as advised by the Actuary from time to time. The annuity factors currently in force are attached as Annexure 2 of these Rules.

RULE 70 Commutation

Subject to the limits prescribed in the Regulations, on retiring from Pensionable Service in terms of the foregoing Rules 65, 66, 67 or 68 of these Rules, a Member shall upon giving notice in writing, on the prescribed form, to the Trustees, have the right to be paid part of his Pension as a lump sum calculated in accordance with commutation factors as advised by the Actuary from time to time.

In case of a Member retiring in terms of Rule 68, the lump sum shall be paid partly by the Employer and partly by the Fund and the split of the commutation shall be determined by the Actuary.

The payment of the Employer portion of the lump sum shall be the sole responsibility of the Employer and not the Fund.

A Deferred Pensioner shall only be eligible to commute part of his Pension upon attainment of Normal Retirement Age, only.

RULE 71 Full Commutation of Small Pensions

In their absolute discretion and after consultation with the Employer, the Trustees may, where the Pension payable to an Employee on retirement would be less than the amount which the Commissioner may determine from time to time, pay to such Member in lieu of all other benefits a lump sum payment

of an amount as determined by the Actuary, provided that such payment does not result in the Fund failing to meet its financial obligations due to liquidity problems.

RULE 72 Death in Service Before Normal Retirement Age

72.1 If a Member dies in Service before attaining Normal Retirement Age and is survived by a Spouse and Eligible Children, they shall, be entitled to a benefit of:

72.1.1 A lump sum equal to the annual rate of the Member's Pensionable Salary at date of death increased by one tenth for each completed year of Pensionable Service in excess of ten (10) years subject to a maximum of 2 years Pensionable Salary.

72.1.2 A Spouse's Pension calculated using $1/1296^{\text{th}}$ of Pensionable Salary for each month of potential Pensionable Service calculated from date of admission to the Fund until the member would have attained Normal Retirement Age increased by 5%.

72.1.3 An additional 40% of the Spouse's Pension is paid to an eligible child if there is one child, else 60% of the Spouse's Pension is shared amongst the eligible Children.

72.1.4 The Spouse's Pension shall be payable for the lifetime of the Spouse and the Eligible Children's Pension shall be paid up to age eighteen or age twenty-four if in the opinion of the Trustees the Eligible Children were undergoing full-time education or vocational training as at the death of the Member and if there was a break, such break should not be more than one year. The Eligible Spouse has an option to choose a Pension payable for twenty years.

- 72.2 If a Member dies in Service before attaining Normal Retirement Age and is survived by Eligible Children only, they shall be entitled to a lump sum in terms of Rule 72.1.1 of this Part of the Rules and twice the Pension they would have been entitled to had there been a Spouse.
- 72.3 If a Member dies in Service before attaining Normal Retirement Age and is survived by Dependants only, they shall be entitled to a lump sum in terms of Rule 72.1.1 of this Part of the Rules and a gratuity equal to 1/144th of Average Pensionable Salary for each complete month of Pensionable Service.

Provided where that where the total sum payable exceeds 2 years' Pensionable Salary of the member at date of death, any such excess shall be paid in the form of an annuity for his or their lifetime.

- 72.4 If a Member dies in Service before attaining Normal Retirement Age leaving no eligible Spouse or Eligible Children or Dependants, a benefit equal to the Member's Accumulated Contributions plus the lump sum in terms Rule 72.1.1 of this Part of the Rules shall be paid to his Estate, and there shall be no claim on the Fund in respect of the Member thereafter.
- 72.5 If a widowed spouse already in receipt of a pension should marry a serving member and be bereaved a second time, the survivor shall receive again all the benefits prescribed in Rule 72.1 of these Rules.

RULE 73 Death of a Pensioner

- 73.1 If a Pensioner dies and is survived by a Spouse, the Spouse shall, be entitled to a Pension equal to one-half of the Pension, before commutation, which the Member was entitled to at retirement, enhanced with any Pension increases awarded

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

since the Member's retirement. Where marriage occurred after retirement, the Spouse shall be entitled to a Pension equal to one-half of the Member's Pension at date of death.

73.2 If a Pensioner dies and is survived by a Spouse and Eligible Children, the Spouse shall be entitled to a Pension in terms of Rule 73.1 of this Part of the Rules and the Eligible Children shall be entitled to a Pension equal to 60% of the Spouse's Pension in terms of Rule 73.1 of this Part of the Rules. Where there is one Eligible Child, such Eligible Child shall be entitled to 40% of the Spouse's Pension in terms of Rule 73.1 of this Part of the Rules.

73.3 If a Pensioner dies and is survived by Eligible Children only, the Eligible Children shall be entitled to a Pension equivalent twice the Pension they would have been entitled to had there been a Spouse's Pension in terms of Rule 73.2 of this Part of the Rules.

73.4 If a Pensioner dies within five (5) years from date on which he became entitled to a Pension and is survived by a Dependant(s) or a nominated Beneficiary (ies) only, the Pension shall continue to be paid to the deceased Pensioner's Dependant(s) for the balance of such five (5) year period only, in such manner and such proportions as may be decided by the Trustees.

The Trustees may at their sole discretion pay the Dependant(s) a lump sum in lieu of the Pension which would otherwise have continued to be paid from the date of death of the Pensioner. The amount paid as a lump sum shall not exceed twice the annual rate of the Member's Pensionable Salary at date of retirement or one-third of the capital sum whichever is greater less any Pension commuted for a lump sum at retirement.

73.5 If a Pensioner dies leaving no Spouse or Eligible Children or Dependant(s) or nominated Beneficiary(ies), a benefit equal to the Pensioner's Accumulated Contributions plus any

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

additional amount in terms of Rule 69(b) of these Rules, if any, at the date of retirement less the sum of the amounts which the Pensioner had received by way of Pension including lump sums in respect of the portion of the Pension commuted shall be paid to his Estate, and there shall be no claim on the Fund in respect of the Pensioner thereafter.

- 73.6 If a widowed spouse already in receipt of a pension should marry a serving member and be bereaved a second time, the survivor shall receive again all the benefits prescribed in Rule 72.1 of these Rules.

RULE 74 Death after leaving Pensionable Service but before Normal Retirement Age

If a Deferred Pensioner dies after leaving Pensionable Service with the Employer but before reaching Normal Retirement Age and was at the date of death entitled to receive a Pension on attaining Normal Retirement Age in terms of this Part of these Rules, the Trustees shall pay from the Fund the following benefits:

- 74.1 A lump sum equal to that which would have been payable in terms of Rule 72.1.1 of these Rules had he died on the day prior to the Member leaving the Pensionable Service of the Employer;
- 74.2 A Spouse's Pension equal to one-half of the Deferred Pension to which the Member would have been entitled on attainment of Normal Retirement Age;
- 74.3 Eligible Children's pension equal to 60% of the Spouse's Pension in terms of Rule 74.2 of this Part of the Rules. Where there is one Eligible Child, such Eligible Child shall be entitled to 40% of the Spouse's Pension in terms of Rule 74.2 of this Part of the Rules.
- 74.4 Where a Deferred Pensioner dies and leaves no Spouse or

Eligible Children, the benefits payable shall be in terms of Rules 72.3 and 72.4 of this Part of the Rules.

RULE 75 Spouses and Children's benefits not to be less than Dependants' benefits

Notwithstanding anything in these rules, if the total of the amounts paid to the eligible widow or eligible widower and/or eligible children of a deceased member or pensioner in terms of these rules shall be less than the total of the amounts that would have been payable to his or her dependents in terms of Rules 72.3 and 73.4 if no pension had been payable to an eligible widow or eligible widower or eligible children the difference shall be paid to such persons and at such time as the Trustees in their absolute discretion may decide.

RULE 76 Any benefits paid to a Member's Dependants are not to be included in his Estate

No amounts paid to dependents in terms of Rule 72.3 and 73.4 shall be deemed to form part of the estate of such deceased member and the Trustees and the Fund and the Employer shall be exempt from any further claim whether by such person or persons as aforesaid or by the person lawfully administering the estate of such deceased member in such persons capacity as executor or administrator of the estate of such deceased member.

RULE 77 Funeral Grant

With effect from 1 November 2011, if a Pensioner or a Spouse in receipt of a Pension from the Fund dies, the deceased's family shall be entitled to a funeral grant as specified in annexure 3 to assist with funeral costs. The amount payable under this grant shall be reviewed from time to time by the Trustees in consultation with the Employer and the Actuary, subject to the approval of the Commissioner.

RULE 78 Pension Reviews

All pensions payable by the Fund excluding any bonus awards granted under Rule 79 and deferred pensions during the period of deferment shall be increased on the 1st of July each year. The amount of the increase shall be a minimum of 5% compound and shall be payable by the Fund.

The Trustees may award higher increases as they may determine with written concurrence of the Employer and the Commissioner's approval after taking into account the advice of the Actuary.

RULE 79 Bonuses

The Trustees, with the concurrence of the Employer and on the advice of the Actuary, may use their discretion to grant such bonuses as they deem fit to Pensioners. The bonuses shall be funded from any surplus on the Fund following an Actuarial Valuation and these bonuses shall be solely in respect of Pensions payable from the Fund and Trustees shall not withdraw any such bonuses once they have been granted. The granting of the bonuses shall be subject to the Commissioner's approval.

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

Annexure 1 Commutation factors referred to in Rule 70

ALLOCATION OF COMMUTATION OF PENSIONS BETWEEN RAILWAYS AND FUND PER \$1 OF PENSION COMMUTED

Nearest Half Age	Railways	Fund	Total
35	12.34	3.26	15.60
35½	12.25	3.35	15.60
36	12.15	3.45	15.60
36½	12.06	3.54	15.60
37	11.96	3.64	15.60
37½	11.86	3.74	15.60
38	11.75	3.85	15.60
38½	11.64	3.96	15.60
39	11.53	4.07	15.60
39½	11.42	4.18	15.60
40	11.30	4.30	15.60
40½	11.18	4.42	15.60
41	11.05	4.55	15.60
41½	10.92	4.68	15.60
42	10.79	4.81	15.60
42½	10.66	4.94	15.60
43	10.52	5.08	15.60
43½	10.37	5.23	15.60
44	10.22	5.38	15.60
44½	10.07	5.53	15.60
45	9.91	5.69	15.60
45½	9.75	5.85	15.60
46	9.58	6.02	15.60
46½	9.41	6.19	15.60
47	9.23	6.37	15.60
47½	9.04	6.56	15.60
48	8.86	6.74	15.60
48½	8.67	6.93	15.60
49	8.47	7.13	15.60
49½	8.26	7.34	15.60
50	8.05	7.55	15.60
50½	7.83	7.77	15.60
51	7.60	8.00	15.60
51½	7.36	8.24	15.60

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

52	7.12	8.48	15.60
52½	6.87	8.73	15.60
53	6.61	8.99	15.60
53½	6.34	9.26	15.60
54	6.07	9.53	15.60
54½	5.78	9.82	15.60
55	5.49	10.11	15.60
55½	4.98	10.42	15.40
56	4.47	10.73	15.20
56½	3.99	11.06	15.05
57	3.50	11.40	14.90
57½	2.95	11.75	14.70
58	2.39	12.11	14.50
58½	1.81	12.49	14.30
59	1.22	12.88	14.10
59½	0.61	13.29	13.90
60			13.70

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND
ALLOCATION OF COMMUTATION OF PENSIONS BETWEEN
RAILWAYS AND FUND PER \$1 OF PENSION COMMUTED.

MALES – PENSION AGE 60

Nearest Half Age	Railways	Fund	Total
35	10.87	2.73	13.60
35½	10.80	2.80	13.60
36	10.72	2.88	13.60
36½	10.63	2.97	13.60
37	10.55	3.05	13.60
37½	10.46	3.14	13.60
38	10.38	3.22	13.60
38½	10.29	3.31	13.60
39	10.20	3.40	13.60
39½	10.10	3.50	13.60
40	10.00	3.60	13.60
40½	9.90	3.70	13.60
41	9.79	3.81	13.60
41½	9.68	3.92	13.60
42	9.57	4.03	13.60
42½	9.46	4.14	13.60
43	9.34	4.26	13.60
43½	9.22	4.38	13.60
44	9.09	4.51	13.60
44½	8.96	4.64	13.60
45	8.82	4.78	13.60
45½	8.68	4.92	13.60
46	8.54	5.06	13.60
46½	8.39	5.21	13.60
47	8.24	5.36	13.60
47½	8.08	5.52	13.60
48	7.92	5.68	13.60
48½	7.75	5.85	13.60
49	7.58	6.02	13.60
49½	7.40	6.20	13.60
50	7.21	6.39	13.60
50½	7.02	6.58	13.60
51	6.82	6.78	13.60

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

51½	6.61	6.99	13.60
52	6.40	7.20	13.60
52½	6.18	7.42	13.60
53	5.95	7.65	13.60
53½	5.71	7.89	13.60
54	5.46	8.14	13.60
54½	5.20	8.40	13.60
55	4.94	8.66	13.60
55½	4.51	8.94	13.45
56	4.10	9.20	13.30
56½	3.58	9.52	13.10
57	3.07	9.83	12.90
57½	2.59	10.16	12.75
58	2.10	10.50	12.60
58½	1.59	10.86	12.45
59	1.08	11.22	12.30
59½	0.54	11.61	12.15
60			12.00

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND
ALLOCATION OF COMMUTATION OF PENSIONS BETWEEN
RAILWAYS AND FUND PER \$1 OF PENSION COMMUTED.

ENGINEMEN– PENSION AGE 55

Nearest Half Age	Railways	Fund	Total
28	12.69	2.91	15.60
28 ½	12.61	2.99	15.60
29	12.52	3.08	15.60
29 ½	12.44	3.16	15.60
30	12.35	3.25	15.60
30 ½	12.26	3.34	15.60
31	12.16	3.44	15.60
31 ½	12.07	3.53	15.60
32	11.97	3.63	15.60
32 ½	11.87	3.73	15.60
33	11.76	3.84	15.60
33 ½	11.66	3.94	15.60
34	11.55	4.05	15.60
34 ½	11.44	4.16	15.60
35	11.32	4.28	15.60
35 ½	11.20	4.40	15.60
36	11.07	4.53	15.60
36 ½	10.95	4.65	15.60
37	10.82	4.78	15.60
37 ½	10.68	4.92	15.60
38	10.54	5.06	15.60
38 ½	10.40	5.20	15.60
39	10.25	5.35	15.60
39 ½	10.10	5.50	15.60
40	9.94	5.66	15.60
40 ½	9.78	5.82	15.60
41	9.62	5.98	15.60
41 ½	9.45	6.15	15.60
42	9.27	6.33	15.60
42 ½	9.09	6.51	15.60
43	8.91	6.69	15.60
43 ½	8.72	6.88	15.60
44	8.52	7.08	15.60

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

44 ½	8.31	7.29	15.60
45	8.10	7.50	15.60
45 ½	8.38	7.72	15.60
46	7.66	7.94	15.60
46 ½	7.42	8.18	15.60
47	7.18	8.42	15.60
47 ½	6.93	8.67	15.60
48	6.68	8.92	15.60
48 ½	6.41	9.19	15.60
49	6.14	9.46	15.60
49 ½	5.86	9.74	15.60
50	5.57	10.03	15.60
50 ½	5.06	10.34	15.40
51	4.55	10.65	15.20
51 ½	4.02	10.98	15.00
52	3.49	11.31	14.80
52 ½	2.94	11.66	14.60
53	2.38	12.02	14.40
53 ½	1.80	12.40	14.20
54	1.22	12.78	14.00
54 ½	0.61	13.19	13.80
55			13.60

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

ANNEXURE 2: FACTORS FOR USE IN CALCULATING DEFERRED PENSIONS SECURED WITHIN THE FUND REFERRED TO IN RULE

69

Age	Males NRA 60	Males NRA 55	Females NRA 60
20	0.546	0.387	0.527
21	0.520	0.368	0.502
22	0.495	0.351	0.478
23	0.472	0.334	0.455
24	0.449	0.318	0.434
25	0.428	0.303	0.413
26	0.407	0.289	0.393
27	0.388	0.275	0.375
28	0.370	0.262	0.357
29	0.352	0.249	0.340
30	0.335	0.237	0.324
31	0.319	0.226	0.308
32	0.304	0.215	0.294
33	0.290	0.205	0.280
34	0.276	0.195	0.266
35	0.263	0.185	0.254
36	0.250	0.177	0.242
37	0.238	0.169	0.230
38	0.227	0.161	0.219
39	0.216	0.153	0.209
40	0.206	0.146	0.199
41	0.196	0.139	0.189
42	0.187	0.132	0.180
43	0.178	0.126	0.172
44	0.169	0.120	0.163
45	0.161	0.114	0.156
46	0.154	0.109	0.148
47	0.146	0.104	0.141
48	0.139	0.099	0.135
49	0.133	0.094	0.128
50	0.126	0.089	0.122
51	0.120	0.085	0.116
52	0.115	0.081	0.111
53	0.109	0.077	0.105

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

54	0.104	0.074	0.100
55	0.099	0.070	0.096
56	0.094		0.091
57	0.090		0.087
58	0.086		0.083
59	0.081		0.079
60	0.078		0.075

- Notes:
- (i) The age is the nearest birthday on withdrawal.
 - (ii) The deferred pension is calculated by multiplying the appropriate Benefit by the relevant factor determined from the above table.

Example: A male member with NRA 60 is age 35 nearest on withdrawal and his appropriate benefit is \$7, 456. 58. His deferred pension is calculated as
 $7,456.58 * 0,263 = \$1,961.08$ per annum.

NATIONAL RAILWAYS OF ZIMBABWE CONTRIBUTORY PENSION FUND

ANNEXURE 3: FUNERAL GRANT BENEFIT PAYABLE IN TERMS OF RULE 77

CATEGORY	AMOUNT PAYABLE
Pensioner	\$200.00
Widow	\$150.00