



**EMPLOYER COMMUNICATION RE: CONTRIBUTIONS FROM EMPLOYERS IN FINANCIAL
DISTRESS DUE TO COVID 19**

Dear Participating Employer

The Fund recognizes that these are trying times and wishes both you and our valued members all the best during this difficult period. Please see notice below for your information and action, if required. Please continue to engage with us to ensure clarity and understanding in these uncertain times.

FSCA NOTICE

The Financial Sector Conduct Authority ("FSCA") on 26 March 2020 published FSCA Communication 11 of 2020 (RF). This Communication recognises the challenges created by Covid-19 and the declaration of a State of Disaster by the South African Government, in particular financial challenges faced by Employers. In terms of the Communication the FSCA notes the following:

- Fund Rules may allow for absence with pay, reduction of contributions etc.
- If fund Rules do not allow for such options, the Rules may be amended to provide for such options.
- Funds must attempt to ensure that the full risk benefit premiums continue to be paid.
- The FSCA will peruse and register such Amendments on an urgent basis.

The Fund has submitted a rule amendment, effective 1 April 2020 in line with this communication to allow for some relief in the payment of contributions (contribution holiday) to employers impacted by Covid-19.



CURRENT RULES

The current rules of the Fund already allow for the following:

Rule	Implication on member
A member who is on leave with full/partial pay and continues paying full contributions to the Fund.	Full benefits in place i.e. member share and risk benefits.
A member who is temporarily absent with the employer's permission and full contributions are paid to the Fund.	Full benefits in place i.e. member share and risk benefits.
A member who is temporarily absent with the employer's permission but with no pay and contributions are not being paid to Fund. Members can have contributions suspended for a maximum of six months, subject to the Fund being notified of this in writing by the participating employer.	Only member share as at the date of suspension with no risk benefits.
A member who is temporarily absent with the employer's permission but with no pay and the participating employer continues paying full risk and expense premiums.	Member share as at the date of temporary absence plus risk benefits.
A member who has exited employment e.g. retrenched, dismissed, absconded and the employer has stopped paying contributions.	Member share as at date of exit with no risk benefits.
An active participating employer in the Fund who is not paying across contributions for members timeously/at all is subject to penalty interest in terms of Section 13A of the Pension Funds Act.	Only member share as at the date of non-compliance with no risk benefits.



REVISED RULES & RELIEF

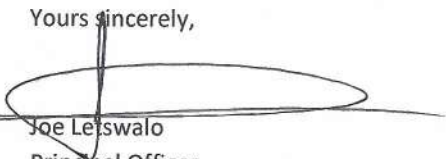
The new amendment to the Rules of the Fund allows the participating employers who are compliant (all contributions up to March 2020 have been paid in full) and who can provide proof of financial distress as a result of Covid-19 and the subsequent National State of Disaster, to make application to the Fund for relief in the form of a contribution holiday.

Only **compliant** employers may lodge an application with the Fund. Applications must be sent to members@rflipf-sanlam.co.za for consideration. The Fund may request further information to support the application, if deemed necessary. Please note that the approval of such application will be in writing from the Fund confirming the granting of the relief and the conditions of such relief.

The Fund remains committed to both participating employers and members. We will continue to do everything in our power to support the viability of the business of the participating members.

STAY SAFE!

Yours sincerely,



Joe Letswalo
Principal Officer