

FINANCIAL SERVICES BOARD

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(To all approved administrators, privately administered funds and insurers who underwrite pension funds)

CIRCULAR PF NO. 127

SURPLUS SUBMISSIONS IN THE CASE OF:

- **FULL SECTION 14 TRANSFERS**
- **UNCLAIMED BENEFIT FUNDS**
- **FUNDS WITHOUT A PROPERLY CONSTITUTED BOARD OF MANAGEMENT**

INTRODUCTION

1. For purposes of this circular the following definitions apply:

1.1 **“orphan fund”** as defined in Circular PF126.

1.2 **“unclaimed benefit”** as defined in Circular PF126.

FUNDS WHICH HAVE CEASED TO EXIST

2. For the purpose of surplus submissions, funds that have effectively ceased to exist can be categorised as follows:

2.1 A fund which transferred all its assets, liabilities and members in terms of section 14 of the Pension Funds Act, Act 24 of 1956 (“the Act”); or

2.2 A fund that consists exclusively of unclaimed benefits; or

2.3 A fund without assets, liabilities and members, which has not applied to the Registrar for deregistration; or

2.4 A fund in the process of liquidation,

SURPLUS SUBMISSION NOT REQUIRED

3. Provided that:

- A fund is classified as an unclaimed benefit fund in terms of Circular PF126; or
- A fund cancels its registration in terms of sections 27 or 28 of the Act, as embodied in Circular PF120,

the following funds will not be required to submit a surplus apportionment scheme:

- 3.1 A fund in respect of which the Registrar received a full transfer application prior to 7 December 2001; or
 - 3.2 A fund with no assets, liabilities and members remaining prior to 7 December 2001; or
 - 3.3 A fund in respect of which the Registrar approved the appointment of a liquidator prior to 7 December 2001; or
 - 3.4 A fund which consisted exclusively of unclaimed benefits and underlying assets prior to 7 December 2001.
4. Any fund with remaining assets and without an associated liability must apply to the Registrar to be classified as an unclaimed benefit fund in terms of Circular PF126, even though such assets are not exclusively in respect of unclaimed benefits as such. Thereafter, the requirements as set out in that Circular will be applicable
5. Where the fund has finalised its payments in terms of an approved surplus apportionment scheme, and there are no further assets or liabilities remaining in the fund, the fund must apply to the Registrar for the cancellation of its registration in terms of section 27 of the Act. The fund should refer to Circulars PF120, 123 and 126 in this regard.

FUNDS WITHOUT A PROPERLY CONSTITUTED BOARD OF MANAGEMENT

6. Where a fund does not have a properly constituted board the administrator must, on behalf of the fund, apply to the Registrar for the appointment of an authorised person(s) to act on behalf of the fund as required in terms of Circular PF 126, to enable the authorised person to submit the nil scheme on behalf of a fund and apply for the cancellation of the registration of a fund.

Yours faithfully



JA BOYD
DEPUTY EXECUTIVE OFFICER AND
DEPUTY REGISTRAR OF PENSION FUNDS