

CLOTHING INDUSTRY PENSION FUND (CIPF)

RULES

CERTIFIED THAT THIS IS A TRUE COPY OF THE  
CLOTHING INDUSTRY PENSION FUND RULES

2022



## Contents

GENERAL AND DEFINITIONS .....	3
1. GENERAL .....	3
2. DEFINITIONS .....	4
MANAGEMENT OF THE FUND .....	9
3. PRINCIPAL OFFICER .....	9
4. BOARD OF TRUSTEES .....	9
5. QUALIFICATIONS AND REMOVAL FROM OFFICE OF TRUSTEES .....	10
6. POWERS OF THE BOARD OF TRUSTEES .....	11
7. TRUSTEES DISCRETION .....	13
8. INDEMNIFICATION .....	14
9. DISPUTES .....	14
MEMBERSHIP .....	14
10. ADMISSION TO MEMBERSHIP .....	14
11. CESSATION OF MEMBERSHIP .....	15
12. TRANSFER TO ANOTHER PENSION FUND EXCLUSIVE OF NSSA .....	15

## Contents

GENERAL AND DEFINITIONS .....	3
1. GENERAL .....	3
2. DEFINITIONS .....	4
MANAGEMENT OF THE FUND .....	9
3. PRINCIPAL OFFICER .....	9
4. BOARD OF TRUSTEES .....	9
5. QUALIFICATIONS AND REMOVAL FROM OFFICE OF TRUSTEES .....	10
6. POWERS OF THE BOARD OF TRUSTEES .....	11
7. TRUSTEES DISCRETION .....	13
8. INDEMNIFICATION .....	14
9. DISPUTES .....	14
MEMBERSHIP .....	14
10. ADMISSION TO MEMBERSHIP .....	14
11. CESSATION OF MEMBERSHIP .....	15
12. MEMBERSHIP TO ANOTHER PENSION FUND EXCLUSIVE OF NSSA .....	15
13. REQUIREMENTS OF MEMBERS .....	16
14. RIGHT TO DOCUMENTS .....	16
CONTRIBUTIONS .....	16
15. MEMBERS' CONTRIBUTIONS .....	16
16. ADDITIONAL VOLUNTARY CONTRIBUTIONS .....	17
17. REDUCTION IN PENSIONABLE SALARY/WAGE .....	17
18. CONTRIBUTIONS DURING LEAVE .....	18
19. EMPLOYER'S CONTRIBUTIONS .....	18
20. FUND COSTS AND EXPENSES .....	19
21. NEW EMPLOYERS .....	19
22. TRANSFER FROM ANOTHER FUND .....	19
BENEFITS .....	20
23. BENEFITS ON RETIREMENT .....	20
24. COMMUTATION OF PENSIONS .....	21
25. BENEFITS ON DEATH OF A MEMBER .....	21
26. BENEFITS ON WITHDRAWAL .....	22
27. BENEFITS ON RETRENCHMENT .....	23
28. BENEFITS ON ILL-HEALTH EARLY RETIREMENT .....	23
29. WITHHOLDING OF BENEFITS IN CERTAIN CIRCUMSTANCES .....	24
31. UNPAID BENEFITS .....	25
32. CESSION OR PLEDGE OF PENSION BENEFITS .....	25
FINANCIAL PROVISIONS .....	28
36. ACCOUNTS .....	29
37. INTEREST / BONUS ADDITIONS .....	29
38. RESERVE ACCOUNT .....	29
39. CURRENCY .....	29
MISCELLANEOUS PROVISIONS .....	30
40. EFFECT OF PENSION FUND RULES ON TERMS OF EMPLOYMENT .....	30
41. CHANGE OF PERSONAL DETAILS .....	30
42. WINDING-UP OF EMPLOYERS .....	30
43. TERMINATION OF FUND .....	32



44.	WITHDRAWAL OF AN EMPLOYER FROM THE FUND .....	32
45.	AMENDMENTS TO THE RULES .....	32
46.	NATIONAL SOCIAL SECURITY SCHEME .....	33
47.	NON-COMPLIANCE PENALTIES .....	33
DECLARATION.....		34





## **GENERAL AND DEFINITIONS**

### **1. GENERAL**

- 1.1 The Clothing Industry Pension Fund, established as a Self-Administered Pension Fund on 1 September 1979, was being funded on an equity-share funding arrangement. The Fund converted to a defined contribution funding arrangement with effect from 1 July 2005.
- 1.2 The object of the Clothing Industry Pension Fund shall be to provide pension benefits for Employees of participating Employers in the clothing industry on their retirement through age or ill health, retrenchment, withdrawal (resignation, dismissal or abscondment) and to their dependants in the event of death.
- 1.3 The Clothing Industry Pension Fund, in its own name, shall be capable in law of suing and of being sued and of acquiring, holding, and alienating property, movable and immovable.
- 1.4 The Registered Office of the Clothing Industry Pension Fund shall be: The Clothing Industry Pension Fund, CIPF Centre, 96 Jason Moyo Street, between 9<sup>th</sup> Avenue and 10<sup>th</sup> Avenue, Bulawayo.
- 1.5 Every payment due to or by the Clothing Industry Pension Fund shall be made at the registered office of the Fund in the legal currency used in Zimbabwe, or in special circumstances elsewhere in Zimbabwe on such terms as the Trustees think fit.

**CERTIFIED THAT THIS IS A TRUE COPY OF THE  
CLOTHING INDUSTRY PENSION FUND RULES**

**SIGNED BY CHAIRPERSON:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**SIGNED BY PRINCIPAL OFFICER:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

## 2. DEFINITIONS

In these Rules that govern the Clothing Industry Pension Fund, words defined in the Act but not defined in this Rule shall bear the meanings assigned to them in the Act and, unless inconsistent with the context, words and expressions importing the masculine gender shall include the feminine and *vice versa*; words signifying the singular number shall include the plural and *vice versa*;

- 2.1 **"Accumulation Account"** shall mean, for each Member, the account maintained by the Trustees through the administration team for the purpose of receiving contributions made in terms of Rules 14, 15, 16, 17 and 18 to which interest and bonuses shall be added thereon in terms of Rule 38.
- 2.2 **"Act"** shall mean the Pension and Provident Funds Act (Chapter 24:09) and any statutory amendments or re-enactment thereof for the time being in force and shall include all Statutory Regulations made in terms thereof and "Regulations" shall be construed accordingly.
- 2.3 **"Actuary"** shall mean a Fellow of the Institute of Actuaries or a Fellow of the Faculty of Actuaries or a person with other actuarial qualifications who is approved by the Commissioner of Insurance and Pension Funds as being a proper person to act in this capacity.
- 2.4 **"Agreement"** shall mean the Collective Bargaining Agreement for the Clothing Industry made and entered into in accordance with the provisions of the Labour Act (Chapter 28:01) between the Zimbabwe Clothing Manufacturers Association and the Indigenous Clothing Manufacturers Association of the one part and the National Union of the Clothing Industry and the Clothing Industry Workers Union of the other part, being parties to the National Employment Council for the Clothing Industry.
- 2.5 **"Auditor"** shall mean a person who is registered as a public auditor in terms of the Public Accountants and Auditors Act (Chapter 27:12) or is a Member of such class of persons as may be prescribed.
- 2.6 **"Close relative"** in relation to an individual, shall mean any of the following persons;
  - (a) The individual's grandparent, parent, brother, sister, child or grandchild, whether such relationship arises through blood or adoption;
  - (b) The individual's step-grandparent, step-parent, step-brother, step-sister, step-child or step-grandchild;



- (c) Were 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.
- 2.7 **"Commencement Date of the Fund"** shall mean 1 September 1979, at which the Fund was registered in terms of the Pension and Provident Funds Act (Chapter 24:09).
- 2.8 **"Commissioner"** shall mean the Commissioner of Insurance and Pension Funds appointed in terms of section three of the Pensions and Provident Funds Act (Chapter 24:09) as amended.
- 2.9 **"Contributions"** shall mean, for a Member, the amounts paid or payable by him to the Fund, exclusive of interest and bonuses, and also includes amount paid by the Sponsoring Employer on behalf of a Member.
- 2.10 **"Council"** shall mean the National Employment Council for the Clothing Industry, which is made up of the Zimbabwe Clothing Manufacturers Association and the Indigenous Clothing Manufacturers Association of the one part and the National Union of the Clothing Industry and the Clothing Industry Workers Union of the other part.
- 2.11 **"Date of Entitlement"** shall in relation to the Member who is or has been a Member of the Fund, means the date on which the Member retired on account of age or ill-health, or ceased to be a Member of the Fund, or the date of the happening of any other event which, in accordance with the Rules of the Fund, entitles the Member to a benefit from the Fund.
- 2.12 **"Deferred Pensioner"** shall mean a former Member who has not yet claimed his pension benefits from the Fund.
- 2.13 **"Dependant"** shall mean a Member's spouse, eligible children, and any other person registered as such who is completely or almost completely dependent on the Member, for maintenance and support. The Board of Trustees is obliged to pay the benefits in terms of these Rules to any one or more of such persons in the following order:
- (a) to his surviving spouse and dependent children; or
  - (b) if he leaves no surviving spouse or dependent children, to any other dependant; or
  - (c) if he leaves no surviving spouse, dependent children, or any other dependant, to his nominees; or



- (d) if he leaves no surviving spouse, dependent children, any other dependant or nominees, to his estate.

2.14 **"Dependent Child"** shall mean the child of a Member, or pensioner, who may be:

- (a) a biological child, or
- (b) a stepchild; or
- (c) an adopted child on proof of adoption to the satisfaction of the Trustees; or
- (d) a posthumous child;

provided that the child has not been married, is under the age of 18 years or is under the age of 23 years if undergoing full time education, or is permanently incapacitated by reason of physical or mental infirmity from supporting himself and is dependent upon the Member at the time of the Member's death, retirement or withdrawal from service whichever is the earlier.

2.15 **"Eligible Employee"** shall mean:

- (a) an Employee of the age of not less than sixteen years nor more than sixty years who is employed in the clothing industry or a related industry on the fixed date;
- (b) an Employee who became employed by an Employer in the clothing industry or a related industry after the fixed date, from the first working day of the month following that upon which he:
  - i. has attained the age of sixteen years;
  - ii. has twenty-four hours service with an Employer in the industry; and
  - iii. has not attained the age of sixty years.

2.16 **"Employer"** shall mean those companies represented by the Zimbabwe Clothing Manufacturers' Association (ZCMA) and the Indigenous Clothing Manufacturers Association (ICMA) or any company that is a Sponsoring Employer; and where the context so requires, "Employer" shall, for a Member, Employee or Pensioner, mean the company employing that Employee or Member or the Employer last employing that Pensioner.

2.17 **"Employer Accumulated Contributions"** shall mean, for a Member:

- (a) the total contributions made to the Accumulation Account by the Employer in respect of the Member in terms of Rule 17 together with interest and bonuses thereon; and
- (b) the full or portion of any amount transferred to the Accumulation Account from another Pension Fund which is deemed to be the Employer's contributions together with interest and bonuses thereon.

2.18 **"Fixed Date"** shall mean the date approved by the Minister of Public Services, Labour and Social Welfare.

2.19 **"Fund"** shall mean the Clothing Industry Pension Fund (CIPF).

2.20 **"Fund Anniversary"** shall mean 1 January each year.

- 2.17 **"Employer Accumulated Contributions"** shall mean, for a Member:
- (a) the total contributions made to the Accumulation Account by the Employer in respect of the Member in terms of Rule 17 together with interest and bonuses thereon; and
  - (b) the full or portion of any amount transferred to the Accumulation Account from another Pension Fund which is deemed to be the Employer's contributions together with interest and bonuses thereon.
- 2.18 **"Fixed Date"** shall mean the date approved by the Minister of Public Services, Labour and Social Welfare.
- 2.19 **"Fund"** shall mean the Clothing Industry Pension Fund (CIPF).
- 2.20 **"Fund Anniversary"** shall mean 1 January each year.
- 2.21 **"Marriage"** shall mean a marriage solemnised under the Marriage Act (Chapter 5:11) or the Customary Marriages Act (Chapter 5:07), and the words "husband", "married", "spouse", "surviving spouse", "widow", "widower" and "wife" shall be construed accordingly.
- For the purposes of these Rules an unregistered customary law marriage shall be recognised 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 written by the Member attesting of such a marriage; or
  - (b) an affidavit of the parents of the wife and the husband in customary law attesting to the existence of such marriage; or
  - (c) 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.
- 2.22 **"Member"** shall mean an Employee who has become a Member of the Fund in terms of Rule 10.
- 2.23 **"Member Accumulated Contributions"** shall mean, for a Member, the sum of:
- (a) the contributions made to the Accumulation Account by the Member in terms of Rules 15,16, 17 and 18 with interest and bonuses thereon; and



- (b) the full or portion of any amount transferred to the Accumulation Account from another Pension Fund which is deemed to be the Member's contributions together with interest and bonuses thereon.
- 2.24 **"Normal Retirement Date"** shall mean the first day of the month following attainment of the age of sixty years.
- 2.25 **"Pension"** shall mean the sum payable from the Fund to a retired Member or former Member or spouse or dependant.
- 2.26 **"Pensionable Salary"** shall mean, for a Member, the basic salary or wage; provided that for a Member who, with the consent of his Employer, has made an election in terms of Rule 17, his Pensionable Salary during the period of reduction shall be the Pensionable Salary that he was receiving immediately before the reduction.
- 2.27 **"Pensionable Service"** shall mean, for a Member, his continuous service after the date of becoming a Member of the Fund for which contributions have been paid to the Fund. Pensionable service shall be calculated in years and months and a fraction of a month shall be disregarded.
- 2.28 **"Principal Officer"** shall mean the Fund administration manager appointed by the Trustees who shall be responsible for all administration matters and compliance with all statutory requirements.
- 2.29 **"Service"** shall mean the period during which an Employee has been continuously in the service of the Employer, and shall include all authorised leave of absence with full pay, with less than full pay or without pay, and shall not be regarded as interrupted by breaks in service condoned by the Trustees at the request of the Employer for the purpose of membership of the Fund.
- 2.30 **"Spouse"** shall mean the wife or husband of a Member, who produces evidence amounting to legal proof or otherwise to the satisfaction of the Trustees that:
- (a) she was the spouse of the Member at the date of his death or the earlier of the date of his leaving or retiring from service; or
  - (b) she was married after the date of the Member's leaving or retiring from service; and
  - (c) she was not divorced or legally separated from the Member.

Provided that the Trustees shall determine who qualifies as a spouse and they shall be entitled, in their absolute discretion, to regard, where custom so permits and there is more than one spouse, the spouses as being the surviving spouse collectively, in which case the total benefits for the spouses collectively shall be

equal to the benefit which would have applied to one spouse only, and the Trustees, in their absolute discretion, shall decide what proportion of the benefit shall be paid to each such spouse.

- 2.31 **"Trustees"** shall mean the persons appointed as Trustees in terms of the Rule 4 and bestowed with powers in Rule 6 by whom the Fund is administered and controlled.
- 2.32 **"Valuator"** shall mean a person who is a Member of such class of persons as may be prescribed.

## MANAGEMENT OF THE FUND

### 3. PRINCIPAL OFFICER

- 3.1 The Board of Trustees shall appoint a Principal Officer, in terms of the Act, may appoint other officers of the Fund for such periods as it appointment and make another



equal to the benefit which would have applied to one spouse only, and the Trustees, in their absolute discretion, shall decide what proportion of the benefit shall be paid to each such spouse.

- 2.31 **"Trustees"** shall mean the persons appointed as Trustees in terms of the Rule 4 and bestowed with powers in Rule 6 by whom the Fund is administered and controlled.
- 2.32 **"Valuator"** shall mean a person who is a Member of such class of persons as may be prescribed.

## MANAGEMENT OF THE FUND

### 3. PRINCIPAL OFFICER

- 3.1 The Board of Trustees shall appoint a Principal Officer, in terms of the Act, and may appoint other officers of the Fund for such periods as it may determine and may withdraw any such appointment and make another



equal to the benefit which would have applied to one spouse only, and the Trustees, in their absolute discretion, shall decide what proportion of the benefit shall be paid to each such spouse.

- 2.31 **"Trustees"** shall mean the persons appointed as Trustees in terms of the Rule 4 and bestowed with powers in Rule 6 by whom the Fund is administered and controlled.
- 2.32 **"Valuator"** shall mean a person who is a Member of such class of persons as may be prescribed.

## **MANAGEMENT OF THE FUND**

### **3. PRINCIPAL OFFICER**

- 3.1 The Board of Trustees shall appoint a Principal Officer, in terms of the Act, and may appoint other officers of the Fund for such periods as it

determines and may withdraw any such appointment and make another

equal to the benefit which would have applied to one spouse only, and the Trustees, in their absolute discretion, shall decide what proportion of the benefit shall be paid to each such spouse.

- 2.31 **"Trustees"** shall mean the persons appointed as Trustees in terms of the Rule 4 and bestowed with powers in Rule 6 by whom the Fund is administered and controlled.
- 2.32 **"Valuator"** shall mean a person who is a Member of such class of persons as may be prescribed.

## **MANAGEMENT OF THE FUND**

### **3. PRINCIPAL OFFICER**

- 3.1 The Board of Trustees shall appoint a Principal Officer, in terms of the Act, and may appoint other officers of the Fund for such periods as it determines and may withdraw any such appointment and make another appointment in its place.
- 3.2 The Principal Officer shall mean the administration team manager of Fund who shall be responsible for the administration of the Fund.
- 3.3 In the event of the Principal Officer, for any reason, being unable to discharge the duties imposed upon him by the Trustees or under the Act for a period of thirty days or more, the Trustees shall appoint an acting Principal Officer, who shall, on such appointment, become responsible for the duties of the Principal Officer until such time as the Trustees consider that the Principal Officer is in such a position to resume his responsibilities.
- 3.4 The Commissioner shall be notified within fourteen (14) days after the appointment of the Acting Principal Officer.
- 3.5 The Trustees shall determine the scope of the Principal Officer's duties and his emoluments, if any.
- 3.6 A person who occupies the position of the Chairperson of the Board of Trustees shall not be eligible for appointment as the Principal Officer.

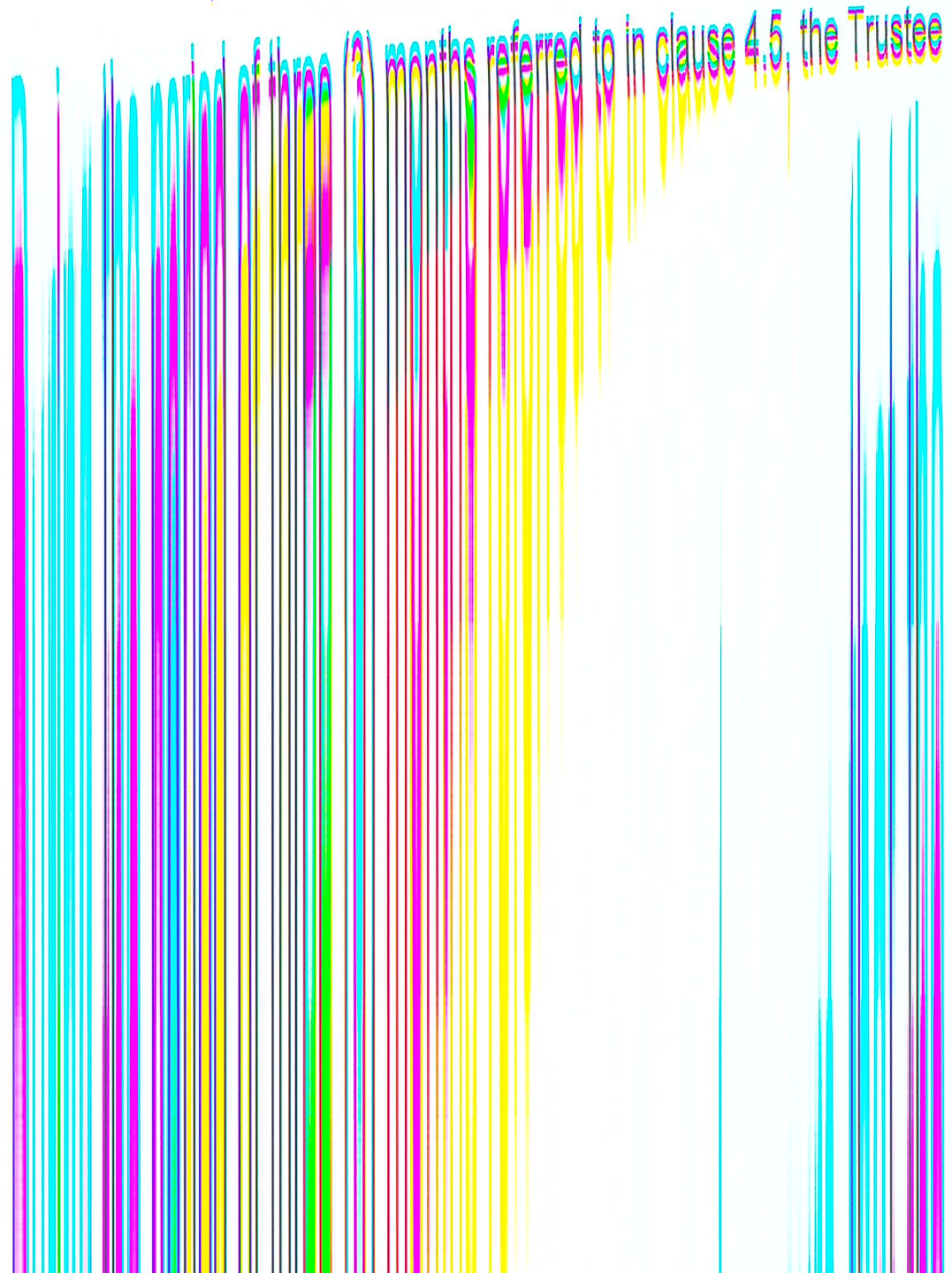
### **4. BOARD OF TRUSTEES**

- 4.1 The management and control of the Fund and the assets thereof shall be vested in a Board of Trustees.



- 4.2 The Board of Trustees shall consist of six (6) Trustees plus the Chairperson and the Principal Officer.
- 4.3 The Employers shall be responsible for appointing three (3) Trustees and the Members shall also be responsible for appointing three (3) Trustees.
- 4.4 A Trustee shall hold office for a period not exceeding five (5) years and upon expiry of that period, the Trustee shall be eligible for re-appointment or re-election as a Trustee for another period not exceeding five (5) years.
- 4.5 On the expiry of the five (5) year period, the Trustee shall continue to hold office up to a maximum of three (3) months unless re-appointed (in the case of a Trustee who has served a single term of five (5) years) or his or her successor has been appointed.

As mentioned in clause 4.5, the Trustee





- 4.2 The Board of Trustees shall consist of six (6) Trustees plus the Chairperson and the Principal Officer.
- 4.3 The Employers shall be responsible for appointing three (3) Trustees and the Members shall also be responsible for appointing three (3) Trustees.
- 4.4 A Trustee shall hold office for a period not exceeding five (5) years and upon expiry of that period, the Trustee shall be eligible for re-appointment or re-election as a Trustee for another period not exceeding five (5) years.
- 4.5 On the expiry of the five (5) year period, the Trustee shall continue to hold office up to a maximum of three (3) months unless re-appointed (in the case of a Trustee who has served a single term of five (5) years) or his or her successor has been appointed.
- 4.6 During the period of three (3) months referred to in clause 4.5, the Trustee vacating from office shall take all the necessary steps to ensure that the party responsible for his or her appointment has appointed his or her successor.

## **5. QUALIFICATIONS AND REMOVAL FROM OFFICE OF TRUSTEES**

- 5.1 To occupy the office of a Trustee, a person:
  - (a) Must 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 of a trustee;
  - (b) Must be conversant with these rules, any statement of investment principles being maintained and the statement of funding principles most recently prepared or revised.
  - (c) Must have the knowledge and understanding of the law relating to pensions and trusts, principles relating to financial management, investments and risk management of pension funds.
  - (d) Must undergo training on core skills within six (6) months of appointment or election as trustee with a training provider approved by the Commission, unless if a prior exemption is obtained from the Commissioner or if there is a good cause for failure to do so.
- 5.2 The office of Trustee shall *ipso facto* be vacated with immediate effect if a Trustee:

- (a) becomes insolvent or makes any arrangement or composition with his creditors generally; or
- (b) becomes insane, lunatic, of unsound mind or incapable of acting; or
- (c) is removed, dies or resigns from his office by notice in writing; or
- (d) has his estate sequestrated, surrendered or assigned for the benefit of his creditors; or
- (e) is removed by a court of law on account of misconduct from any office of trust; or
- (f) is convicted of any offence and sentenced to imprisonment without the option of a fine; or
- (g) is convicted of theft, fraud, forgery or uttering of a forged document or perjury.

5.3 The Trustees shall have the power to remove a Trustee from office if it is considered that a trustee has failed to fulfil his or her duties which include, the duty to:

- (a) To take reasonable steps to protect the interests of members;
- (b) To act honestly and in good faith with a view to the best interests of the fund;
- (c) To exercise the care, diligence and skill that a reasonable and prudent person would exercise in comparable circumstances;
- (d) To avoid conflict of interests;
- (e) To act impartially towards all members.

5.4 No Trustee shall be removed from office in terms of this rule without being given an opportunity to defend himself.

5.5 Any vacancy which may occur in the office of a Trustee shall be filled by the party responsible for the original appointment.

## 6. POWERS OF THE BOARD OF TRUSTEES

6.1 The Trustees shall meet together for the dispatch of business and otherwise regulate their meeting and proceedings as they see fit.





- 6.2 The Chairperson and the Principal Officer shall have the right to call a meeting of the Trustees and not less than four Trustees consisting of at least two (2) Trustees elected by the Members in terms of Rule 4 (3) shall form a quorum.
- 6.3 Where a quorum has not been formed, the meeting shall stand adjourned for a period of one hour after which period the meeting shall continue provided the Principal Officer, Chairperson and at least two of the Trustees, one appointed by the Employer in terms of clause 4.3 above and one appointed by the Members in terms of clause 4.3 above, are present. If the gathered Trustees fail to form a quorum, a meeting may continue as an informal meeting in the case of an emergency meeting.
- 6.4 All decisions in connection with the management and administration of the Fund shall be by majority of the Trustees, each Trustee having one vote with the Chairperson and Principal Officer having no vote. Decisions which create a financial liability on one or more parties shall be made by consensus of all the Trustees present at a duly constituted meeting provided that all four parties to the Board of Trustees are represented at the meeting.
- 6.5 A resolution in writing signed by all the Trustees, Principal Officer and the Chairperson on a round robin basis shall be valid and effectual as if it had been passed at a duly constituted meeting of the Trustees.
- 6.6 Subject to the Provisions of the Pension and Provident Fund Act (Chapter 24:09), the Regulations promulgated in terms thereof, and these Rules, as amended from time to time, the Trustees shall have full power and authority to do all such things as appear to them necessary or desirable to give effect and intention to the objects and purposes of the Fund.
- 6.7 Without prejudice to the generality of the foregoing, the Trustees shall have the following specific powers and obligations to institute and defend proceedings at law and to proceed to the final end and determination thereof;
- (a) to enter into compromise and to submit any matter, thing, claim or demand to arbitration or umpirage;
  - (b) to appoint committees or subcommittees for any of the purposes and objects of the Fund and to delegate to them such powers and authority as they shall see fit. The appointed committee or subcommittee shall, in the exercise of the powers delegated to it, conform to such conditions as may be imposed on it by the Trustees;



- (c) to appoint an auditor to the Fund and to comply with the financial provisions set out in Part (iv) of the Pensions and Provident Funds regulations as published in Statutory Instrument 323 of 1991;
- (d) to appoint an actuary to the Fund who shall carry out financial reviews and any other actuarial valuations the Fund may require;
- (e) to appoint consultants to the Fund who shall provide consultancy services either on a permanent basis or as and when the consultants' services are required;
- (f) to withdraw any such appointment and make another appointment in its place after giving a one calendar month notice period;
- (g) Ensure that proper control systems are put in place to ensure that the Fund complies with the Act and any other law;
- (h) Ensure that Members of the Fund are adequately informed of their rights, benefits and duties in terms of the rules of the Fund;
- (i) Ensure that the rules, operations and administration of the Fund comply with the Act and any other law;
- (j) Take all reasonable steps to ensure that contributions to the Fund are paid when they are due;
- (k) Where appropriate, obtain expert advice on matters on which the Trustees lack expertise;
- (l) Ensure that records of all its proceedings and of the business of the Fund are kept.

6.8 Any investment or any other financial transaction totalling greater than 10% of the Fund's Balance Sheet total as per the last set of Management Accounts approved by the Trustees can only be authorised by a consensus of all parties to the Board of Trustees.

## **7. TRUSTEES DISCRETION**

The Trustees shall be entitled, in their absolute discretion, to make any arrangements and regulations for the administration of the Fund, and to do anything consistent with the Act or these Rules that, in their opinion, is for the benefit and protection of Members and beneficiaries. In making any decision, the Trustees may act on such information or evidence, whether amounting to legal proof or not, as they consider adequate.

## 8. INDEMNIFICATION

- 8.1 The Trustees and all officers of the Fund shall be indemnified by the Fund against all proceedings, costs and expenses incurred by reason of any claim in connection with the Fund not arising from their negligence, dishonesty or fraud.
- 8.2 The Fund may take out insurance (indemnity policy or fidelity guarantee policy) to cover itself against any loss resulting to the Fund from negligence, misconduct, dishonesty or fraud of Clothing Industry Pension Fund administration staff and/or any Member appointed or elected to the Board of Trustees.

## 9. DISPUTES

- 9.1 If a dispute arises between the Fund and any Member or former Member or a person deriving a claim from a Member, it shall be referred to the Board of Trustees, who may refer it to an arbitrator or court of law.
- 9.2 If a dispute arises between the Fund and any Employer or his legal representative, it shall be referred to the Board of Trustees, who may refer it to an arbitrator or court of law.
- 9.3 In deciding any question of fact, the Trustees or the arbitrator may act on such evidence as they or he may decide, whether amounting to legal proof or not.
- 9.4 Any of the persons referred to in Rule 9.1 above has the right to refer such a dispute to any recognised body for arbitration or to a court of law. In the event of such a referral the Principal Officer shall inform the Commissioner in writing, of the nature of the dispute and the outcome of the arbitration or court proceedings within 30 days from the date the arbitration or court of law proceedings took place.



## MEMBERSHIP

### 10. ADMISSION TO MEMBERSHIP

- 10.1 All Employees of the age of not less than sixteen years nor more than sixty years who are employed by an Employer in the clothing industry on the fixed date shall become Members of the Fund on the fixed date.
- 10.2 All Employees who become employed by an Employer in the clothing



industry after the fixed date shall become Members of the Fund from the first working day of the month following that upon which they:

- (a) have attained the age of sixteen years and;
- (b) have twenty-four hours service with an Employer in the clothing industry;
- (c) are not over the age of sixty years.

10.3 Every Employee who becomes a Member shall be bound to remain a Member of the Fund during the term of his employment by an Employer up to date of retirement subject to the provisions of Rule 12.

10.4 If a previous Member enters the employ of another clothing industry Employer within six months of ceasing to be a Member, such a Member shall immediately re-enter the Fund and his previous credits for service will be reinstated provided that:

- (a) such a Member has not attained the age of sixty years, the normal retirement age and;
- (b) such Member has not yet been refunded his benefits from the Fund.

## **11. CESSATION OF MEMBERSHIP**

11.1 A Member shall not be permitted to withdraw from membership of the Fund while he remains in the service of the Employer.

11.2 Subject to the provisions of Rules 22, 24, 25, 26 and 27, a Member who for any reason leaves the service of the Employer shall forthwith cease to be a Member at the expiry of the six months waiting period.

## **12. MEMBERSHIP TO ANOTHER PENSION FUND EXCLUSIVE OF NSSA**

12.1 Should a Member join and become a Member of another Pension Fund other than the Clothing Industry Pension Fund and NSSA, it shall be the responsibility of such a Member to notify the Trustees accordingly. The Trustees shall have the right to call for any information relative to the Member's participation in such other Pension Fund as is necessary for compliance with the requirement of the Commissioner of Insurance and Pension Funds. The Member may opt either to cease being a Member of the Clothing Industry Pension Fund or become a Member of both Pension Funds.



12.2 Where an application for exemption from being a Member of the Clothing Industry Pension Fund is lodged, the Trustees shall investigate and on becoming satisfied that on the fixed date the Employer has a Pension Fund in force for the benefit of the Employees who would otherwise be eligible to participate in the Clothing Industry Pension Fund, and that the benefits provided in the Employer's Pension Fund are at least equal to or better than the benefits provided by the Clothing Industry Pension Fund, such an exemption shall be granted in terms of Rule 12.1 above.

### 13. REQUIREMENTS OF MEMBERS

When required by the Trustees, every Member shall produce and submit to the Principal Officer the national identity documents (proof of age) for himself and his spouse and eligible children and shall give such other information as may be required for purposes of the Fund. If any Member fails to produce satisfactory evidence of age, the Trustees may withhold payment of any benefit due to or in

all the provisions are complied with:

- 12.2 Where an application for exemption from being a Member of the Clothing Industry Pension Fund is lodged, the Trustees shall investigate and on becoming satisfied that on the fixed date the Employer has a Pension Fund in force for the benefit of the Employees who would otherwise be eligible to participate in the Clothing Industry Pension Fund, and that the benefits provided in the Employer's Pension Fund are at least equal to or better than the benefits provided by the Clothing Industry Pension Fund, such an exemption shall be granted in terms of Rule 12.1 above.

### 13. REQUIREMENTS OF MEMBERS

When required by the Trustees, every Member shall produce and submit to the Principal Officer the national identity documents (proof of age) for himself and his spouse and eligible children and shall give such other information as may be required for purposes of the Fund. If any Member fails to produce satisfactory evidence of age, the Trustees may withhold payment of any benefit due to or in respect of him until these provisions are complied with.

### 14. RIGHT TO DOCUMENTS

- 14.1 Every Member shall be entitled to inspect at the Registered Office of the Fund:-

- (a) the Rules of the Fund; and
- (b) the latest Audited Financial Statements.

- 14.2 Every Member shall be entitled to receive, on payment of a fee set by the Trustees from time to time:-

- (a) a copy of the Rules of the Fund; and/or
- (b) a copy of the Audited Financial Statements.



### CONTRIBUTIONS

#### 15. MEMBERS' CONTRIBUTIONS

Every Member shall contribute to the Fund five percent (5%) of his pensionable salary/wage, which four per cent (4%) shall be credited to the Member's pension accumulation account and one per cent (1%) shall go towards paying Group Life



Assurance premiums. A Member's contributions shall be deducted by his Employer from his pensionable salary/wage and paid by the due date to the Fund. The Member's contribution to the Fund shall be exclusive of contributions to the National Social Scheme, NSSA.

## **16. ADDITIONAL VOLUNTARY CONTRIBUTIONS**

A Member shall be permitted to make additional voluntary contributions to the Fund. Once such undertaking has been made and becomes effective, the voluntary contributions may not be reduced or terminated while the Member remains in the service of the Employer, except only in extenuating circumstances which the Trustees consider and agree to.

Provided that;

- 16.1 The Employer shall not make additional contributions in respect of such voluntary contributions being made by the Member; and
- 16.2 Such contributions may be debited with the expense of administering these additional contributions, with the balance thereafter being used to purchase additional pension benefits for the Member, over and above those provided from his compulsory contributions; and
- 16.3 The additional voluntary contributions shall be credited to the Member's Accumulation Account and shall qualify for interest and bonuses on the same basis as the Member's own compulsory contributions. When the Member leaves the service of the Employer the aggregate of the total voluntary contributions made by him plus all interest and bonuses paid thereon up to the date of leaving shall be included in the portion of his Accumulation Account used to provide benefits for him in accordance with the Rules.
- 16.4 Failure by the Employee, or by the Employer on behalf of the Employee, to pay the voluntary contributions to the Fund within fourteen days from the end of the calendar month in respect of which the contributions are payable to the Fund shall render the Employee or the Employer as the case may be, liable to pay the contributions together with interest not exceeding the Reserves Bank of Zimbabwe unsecured ongoing rate.

## **17. REDUCTION IN PENSIONABLE SALARY/WAGE**

If the pensionable salary/wage of a Member is reduced, he may elect, subject to the consent of his Employer, to contribute to the Fund while his pensionable salary/wage is less than before the reduction at such increased rate as will make his contributions during the period of reduction equal to, but not greater than, his contributions immediately before the reduction.

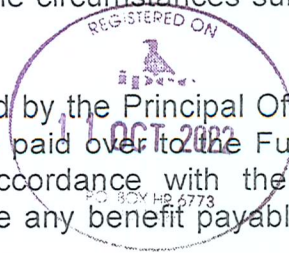


## 18. CONTRIBUTIONS DURING LEAVE

When a Member is on leave with full pay or with less than full pay or without pay, he shall continue to contribute on the basis of his full pensionable salary/wage immediately before such leave. Any arrear contribution shall be paid within a period determined by the Trustees by deduction from his salary.

## 19. EMPLOYER'S CONTRIBUTIONS

- 19.1 The Employer shall contribute to the Fund, in respect of each Member, seven per cent (7%) of the Member's pensionable salary/wage.
- 19.2 The Employer's contribution rate of (7%) of salary/wages bill shall be split:
- (a) four per cent (4%) shall be credited to the Member's Accumulation Account.
  - (b) one per cent (1%) shall go towards covering the Group Life Assurance premiums
  - (c) two per cent (2%) shall be channelled into the Reserve Account.
- 19.3 The Employer's contribution to the Fund in respect of each Member shall be exclusive of contributions to the National Social Scheme, NSSA.
- 19.4 Both the Employer's and Members' contributions shall be remitted to the Principal Officer on or before the 14th day of each month accompanied by a contribution schedule showing the breakdown of the payment. If, after 14 days from the end of the calendar month in which it falls due, and any deductions or contributions have not been remitted to the Fund, the Principal Officer shall notify the Commissioner of Insurance and Pension Funds of the failure to remit them and the circumstances surrounding the failure.
- 19.5 All deductions and contributions received by the Principal Officer in terms of Rule 19.4 above shall, on receipt, be paid over to the Fund who shall administer and apply the same in accordance with the Rules. The Trustees shall have the right to reassure any benefit payable in terms of the Rules with a registered insurer.
- 19.6 If any deductions or contributions due by an Employer are not paid over in accordance with the requirements of Rule 19.4, the Trustees shall have the power to take such action and to impose such penalties as they shall in their discretion think necessary for the purpose of securing payment of such deductions or contributions.



19.7 Employers shall be obliged to ensure that all eligible Employees in their employ become Members of the Fund as from the date upon which they are required to do so in terms of Rule 10. If it is found that an eligible Employee is not a Member of the Fund, contributions in respect of such Employee which would have accrued to the Fund had the Employee become a Member of the Fund, shall be required from the Employer and such Employer shall be reported to the Commissioner of Insurance and Pension Funds.

19.9 No Employer shall receive a refund for contributions he has made to this Fund.

19.10 The Employer shall provide the data required by the Fund in respect of each Member on the forms specified from time to time by the Trustees.

## **20. FUND COSTS AND EXPENSES**

20.1 The costs and expenses of administering and managing the Fund, including consultancy fees, audit fees, actuarial fees, bank charges, investment fees, IPEC levies, taxes and Trustees sitting allowances shall be borne by the Fund.

20.2 The costs and expenses of the Fund shall not exceed 0.61% of the total assets of the Fund or any thresholds that may become applicable from time to time.

20.3 The Trustees and the Principal Officer shall continually monitor and control the costs and expenses of the Fund so that they do not exceed 0.61% of the total assets of the Fund or any thresholds that may become applicable from time to time.

## **21. NEW EMPLOYERS**

Notwithstanding anything in these Rules to the contrary, if any new Employer in the clothing industry or related industry becomes a member of the Fund, the Trustees, shall have power to make such financial and other arrangements and impose such conditions as they think fit, to ensure that the admission of the Employees of that Employer to membership of the Fund shall not be to the disadvantage of the existing Members.

## **22. TRANSFER FROM ANOTHER FUND**

The Trustees may accept transfer payment from any other registered Pension or Provident Fund of which a Member has previously been a member. Any such payment shall be applied to the Accumulation Account for the Member and for



the purpose of interpreting the Rules relating to benefits, shall be regarded as money contributed by the Member; provided that if the Member leaves the service of the Employer before normal retirement age and is eligible to receive a refund of his own Member Accumulated contributions, any portion of the transfer value so received representing the Employer's accumulated contributions to the other Fund may not be refunded to the Member but may only be used to secure a pension for the Member payable from early retirement age in terms of Rule 26 or be transferred to another Fund or arrangement approved under the Act.

## **BENEFITS**

### **23. BENEFITS ON RETIREMENT**

#### **23.1 (a) *At Normal Retirement Date (Normal Retirement):-***

On normal retirement date each Member shall be entitled to a pension secured on his behalf during his period of Membership. The amount available to secure the pension shall be the total amount in the Accumulation Account in respect of that Member.

#### **(b) *Before Normal Retirement Date (Early Retirement):-***

A Member who attains the age fifty five (55) years may retire from the service of the Employer on the first day of any month prior to the normal retirement age provided that the age requirement shall not apply in respect of a Member whose retirement is due to retrenchment, redundancy or ill-health. In such event the amount available to secure the pension shall be the total amount in the Accumulation Account in respect of that Member.

#### **(c) *After Normal Retirement Date (Late Retirement):-***

If a Member and his Employer agree that the services of that Member are to be retained after the normal retirement date subject to approval of the Trustees, the retirement date may be deferred for a period not exceeding five years. In such event deductions and contributions shall continue in respect of that Member until the date he retires or attains age sixty five (65) years, whichever is earlier. The amount available to secure the pension shall be the total amount in the Accumulation Account in respect of that Member.

**23.2** The pension on retirement shall be payable monthly in arrears and shall



continue to be paid during the lifetime of the pensioner. At the discretion of the Member the pension may include provision for guarantee minimum payment periods and the protection of dependents.

## **24. COMMUTATION OF PENSIONS**

- 24.1 Subject to the limitations prescribed in the Act, the Member may elect to commute for a cash sum up to one-third of the total amount in his Accumulation Account. The balance in the Accumulation Account after any such commutation shall be used to purchase for the Member an immediate pension payable for life from the Fund or a registered insurer chosen by the Member in consultation with the Trustees. The terms of such pension may include provision for a contingent pension payable to a spouse and dependent children or any other dependant approved by the Trustees, can be guaranteed for some time certain and may allow for regular increases during the payment period, as may be elected by the Member before his retirement in consultation with the Trustees.
- 24.2 If the Member fails to make any election in terms of Rule 24.1 above, before his retirement date, the Trustees shall commute for a cash sum one-third of the total amount in his Accumulation Account and apply the balance to purchase from the Fund or a registered Insurer approved by the Trustees an immediate pension payable to the Member throughout his life.
- 24.3 In their absolute discretion the Trustees may, where the pension payable to the Member or deferred pensioner on retirement would be less than the amount which the Commissioner may determine from time to time, pay to such Member the total amount in his Accumulation Account as a lump sum cash payment.
- 24.4 When a pension has been purchased under this Rule from an Insurer or such other recognised registered Funds, the Member, his spouse and dependent children and any other dependants shall immediately thereon cease to be Members of the Fund and shall thereafter have no interest or claim against the Fund.

## **25. BENEFITS ON DEATH OF A MEMBER**

### **25.1 Death before retirement**

If a Member dies in service before retirement, his surviving dependants shall be entitled to:

- (a) a lump sum equal to the Member's twice annual pensionable salary as at the date of death; and



- (b) the amount in the late Member's Accumulation Account, which shall be used to purchase an immediate pension annuities from the Fund or registered insurer in consultation with the Trustees. In the event that such pension annuities amount to less than or equal to a pension as notified from time to time by the Commissioner in terms of legislation, the amount in the Member's Accumulation Account may be paid out full in cash as a lump sum payment.

Provided that, if a Member leaves more than one spouse and dependent children outside marriage, the benefits under this Rule shall be divided among his spouses and dependent children as the Trustees, having regard to the Regulations then in force, decide.

## **25.2 Death after retirement**

If a Member dies after retirement, payments of pension annuities shall immediately cease unless such a Member has made provisions for:

- (a) a guaranteed payment period which had not yet expired at the date of the pensioner's death; and/or
- (b) has arranged for his dependants to start receiving pension at the date of his death in terms of Rule 23.2.

In this event payment of the pension annuities shall continue until such as the time as the conditions relating to the pension cease to apply.

**25.3** Payment of the death benefits shall be made by the Trustees to persons who in the opinion of the Trustees were dependent upon the deceased. Dependants in this section shall mean:-

- (a) surviving spouse and dependent children;
- (b) if there is no surviving spouse and dependent children, any other dependants;
- (c) if there is no surviving spouse and dependent children and any other dependants, his nominees;
- (d) if there is no surviving spouse and dependent children, any other dependants and his nominees, his estate.

## **26. BENEFITS ON WITHDRAWAL**

**26.1** If a Member absconds from his employment, is dismissed from his employment or voluntarily resigns from his employment prior to attaining the early retirement age and does not enter the service of any other Employer in the clothing industry within a period of six months, such a



Member shall be entitled to a full refund of his Member Accumulated Contributions subject to taxation.

- 26.2 If the additional withdrawal benefit is equal or less than the amount notified from time to time by the Commissioner, it shall be paid in cash together with the Member Accumulated Contributions. If the additional withdrawal benefit is more than the amount advised from time to time by the Commissioner, it shall be either transferred into a Preservation Fund administered by the Clothing Industry Pension Fund or a Preservation Fund administered by an insurer of the withdrawing Member's choice. On attaining retirement age or death, whichever happens first, the preserved additional withdrawal benefit amount plus interest thereon shall be used to purchase pension that shall be payable in accordance to Rule 24.
- 26.3 The withdrawal benefit shall be provided at the Member's option in one of the following ways:
- (a) The total benefit may be transferred to an approved Retirement Annuity Fund selected by the Member or to a registered Pension Fund of which he becomes a Member; or
  - (b) The Member may cash, as a lump sum payment, his Member Accumulated Contributions subject to taxation and the portion of the Employer's Accumulated Contribution shall be treated as outlined in Rule 26.2.

## **27. BENEFITS ON RETRENCHMENT**

Where a Member who has not attained the normal retirement age becomes redundant as a result of company closure or being discharged from the Service of the Employer owing to a general downsizing of workforce or re-organisation of staff to facilitate improvements in efficiency, or to retrenchment generally, he shall be entitled to the total amount in the Accumulation Account held in respect of that Member. The provisions of Rules 24.1, 24.2 and 24.3 shall apply *mutatis mutandis*.

## **28. BENEFITS ON ILL-HEALTH EARLY RETIREMENT**

A Member who has not attained normal retirement age and who has become, in the opinion of the Employer and the Trustees based on the evidence of a medical examination by a medical practitioner recognised by the Trustees, permanently incapable of efficiently discharging his duties in the position then occupied by him, or in any similar position in the service of the Employer by reason of infirmity of mind or body, may be retired from the service of the Employer. In such event the amount available to secure the pension for such a Member shall be the total amount in the Accumulation Account held in respect of that Member. The provisions of Rules 24.1, 24.2 and 24.3 shall apply *mutatis mutandis*.



## 29. WITHHOLDING OF BENEFITS IN CERTAIN CIRCUMSTANCES

- 29.1 The Commissioner may authorize the Fund to withhold any benefits payable until such time as the loan together with interest has been repaid or loss has been made good as the case may be:
- (a) where a Member has left service of his Employer and has not fully repaid any loan obtained from the Fund or from his Employer and has pledged his rights to pension benefits from the Fund as security thereof, or
  - (b) where the Member has left the service of the Employer because of dishonesty which has resulted in the Employer suffering loss.
- 29.2 Where any pension benefits have been withheld in terms of Rule 29.1 and 29.2 above, the Commissioner 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 maybe, or a proportion thereof. If the benefit is payable in the form of a pension, the Commissioner may authorize the commutation of the whole pension or a portion thereof for the purpose.
- 29.3 If any tax, estate duty or other payment is payable in respect of any benefit to the Fund, the Trustees shall be entitled to recover such payment (including interest paid in respect of the payment and the costs of making the payment) from the benefit payable.
- 29.4 All claims submitted for authorization in terms of this Rule shall be accompanied by the following documents:-
- (a) a cession form or such 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 Banking Act (Chapter 188), the Building Societies Act (Chapter 189) or the Insurance Act (Number 27 of 1987);
  - (b) the court judgement or summary jurisdiction proving the Member guilty of dishonesty or fraud involving a 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 Commissioner may subsequently require.

### 30. INDUSTRIAL ENACTMENTS AND EMPLOYMENT REGULATION

If a Member ceases to be a Member and:

- 30.1 the total of his Member Accumulated Contributions and the gratuity that would have been paid to or in respect of him in terms of an agreement or determination or employment regulations declared binding in terms of the Labour Relations Act had he not become a Member of the Fund: exceeds
- 30.2 the total of his Member Accumulated Contributions and the Employer's Accumulated Contributions;

Then the Employer shall pay an amount equal to the excess direct to the Member or, if he has died, to either his eligible spouse and dependent children or any other dependant subject to the provisions of Rule 25 *mutatis mutandis*; or failing that to his estate.

### 31. UNPAID BENEFITS

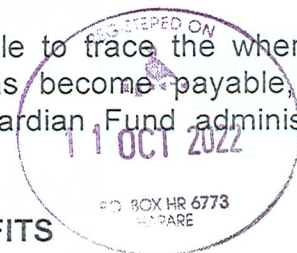
- 31.1 If a Member does not claim payment of his benefit within seven years of leaving the Service of the Employer, an amount in his Accumulation Account shall be paid to the Guardian's Fund managed by the Master of High Court of Zimbabwe and thereafter shall there be no further claim against the Fund in respect of that Member;

Provided that the Trustees may nevertheless, in their absolute discretion, after the expiry of the period of seven years, continue to hold on to the benefit for a further period of fifteen years.

- 31.2 If a person who becomes entitled to a lump sum benefit dies before payment of the benefit to him is completed, the Trustees shall pay the amount due to his surviving beneficiaries subject to the provisions of Rule 24 *mutatis mutandis*.
- 31.3 In the event the Trustees being unable to trace the whereabouts of a Member whom a pension benefit has become payable, the pension amount due shall be paid to the Guardian Fund administered by the Master of High Court of Zimbabwe.

### 32. CESSION OR PLEDGE OF PENSION BENEFITS

- 32.1 A Member of this Fund may, for the purpose of giving security for a loan such as is referred to in subsection (4) of section 18 of the Act or for a similar kind of loan granted by his Employer and granted by a person registered in terms of the Banking Act (Chapter 24:20) , the Building



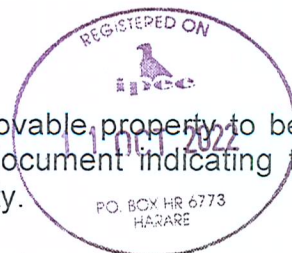


- (a) the names of all the parties involved in the loan agreement
- (b) the size of the loan and terms for the repayment of the loan
- (c) the size of the benefits pledged as security for the loan
- (d) the purpose of the loan
- (e) the physical address of the immovable property to be improved or purchased and a copy of any document indicating the Member's

Societies Act (Chapter 24:02) or the Insurance Act (Chapter 24:07) or pledge his rights to any pension benefits from the Fund:

Provided that the agreement signed between the Member and the Fund or Employer shall include the following information:-

- (a) the names of all the parties involved in the loan agreement
- (b) the size of the loan and terms for the repayment of the loan
- (c) the size of the benefits pledged as security for the loan
- (d) the purpose of the loan
- (e) the physical address of the immovable property to be improved or purchased and a copy of any document indicating the Member's right of ownership to such property.



32.2 Subject to the Maintenance Act Chapter 35 Part V of the Children's Protection and Adoption Act Chapter 35 and subsection (a) of section II (iv):

- (a) no right to a benefit payable from the Fund shall, subject to Rule 27, be capable of being ceded, pledged or hypothecated or be liable to be attached or subject to any form of execution under a judgement or order of a court of law; and
- (b) any purported cession, pledge or hypothecation of a right to any benefit payable from a Fund shall be ignored by the Trustees.
- (c) If the estate of a Member of the Fund or any beneficiary of a former Member of the Fund is sequestrated or assigned, his right to any benefit from the Fund shall not form part of the assets of his insolvent or assigned estate.
- (d) Except as provided for in Rules 24.4 and Rule 29, no right to a benefit in terms of these Rules shall become an asset in the deceased estate of any person.

### 33. VARIATION OF METHOD OF PAYMENT

33.1 If the Trustees decide that it is not desirable to make payment of a benefit, other than a pension, in a manner elsewhere provided for in these Rules, they may, in their absolute discretion, pay the benefit in whole or in part or by instalments or by conversion to an annuity to:-

- (a) the beneficiary; and/or



- (b) the Dependants of the beneficiary; and/or
  - (c) some other person either for the benefit of the beneficiary, or of his Dependants, or of both.
- 33.2 If the Trustees make payment of a lump sum benefit by instalments, they shall add to the part retained by them interest at such rate as earned by the Fund.
- 33.3 If the person entitled to a benefit is a minor, or under some other legal restriction, the Trustees may pay the benefit to any person they deem fit to administer on his behalf.
- 33.4 The Trustees may from time to time vary any decision in terms of this Rule.

#### **34. PAYMENT OF BENEFITS**

- 34.1 Whenever a benefit becomes payable to any beneficiary, the Employer and the beneficiary shall expressly request that the payment be made by means of an electronic transfer to the beneficiary's bank account with a commercial bank or building society, the details of which should be furnished by the Employer, the Board of Trustees or the beneficiary to the Principal Officer.
- 34.2 It is specifically provided that where details of the beneficiary's account with a commercial bank or building society are not furnished to the Principal Officer, the benefit shall be held in the Fund until such banking details have been supplied.
- 34.3 For the purposes of this clause "Beneficiary" shall mean any person (including the Member if applicable) who is or becomes entitled to the payment of a pension benefit in terms of the Rules.
- 34.4 A Member entitled to periodic benefit payments from the Fund shall receive them, within a period not exceeding fourteen (14) days from the last day of the period in respect of which the benefit is payable.
- 34.5 Where the Fund fails to pay timeously the benefits due to a Member of the Fund, the Fund shall be liable to pay the benefits together with interest not exceeding the Reserve Bank of Zimbabwe unsecured ongoing rate calculated from the Date of Entitlement.

## FINANCIAL PROVISIONS

### 35. INVESTMENTS

- 35.1 All moneys received on account of the Fund shall be paid into an account opened in the name of the Fund with a Bank or Building Society.
- 35.2 The Trustees shall have power, subject to the provisions of section 18 of the Act and this Rule, to invest in immovable property, otherwise invest, put out at interest, place on deposit, or otherwise deal with all the moneys of the Fund upon such securities and in such manner as they from time to time determine, and to dispose of immovable property, realise, vary, reinvest, or otherwise deal with such securities and other investments as they from time to time determine.
- 35.3 Trustees may delegate their powers to make investments of any type to a financial institution.
- 35.4 Any amount advanced on mortgage of immovable property except to a Member shall not, together with any other amount that has been or can be advanced on security of a prior or pari passu mortgage of that property, exceed seventy-five per cent of the value of the property on the date of the advance.
- 35.5 A loan shall be made to a Member only on security of a first mortgage bond on a single dwelling-house on a residential property to be acquired or constructed by the Member and shall not exceed seventy-five per cent of the market value of the property plus the amount of the benefit to which the Member would be entitled in terms of Rule 26 if he resigned voluntarily on the date on which the loan is granted.
- 35.6 A loan may be made to an Employer or a subsidiary of an Employer on such terms as the Trustees think fit and shares in the capital of the Employer or a subsidiary of the Employer may be purchased; provided that the total amount so invested shall not exceed 10 percent of aggregated value of the assets of the Fund.
- 35.7 The Trustees may obtain an overdraft from a bank, or borrow from the Employer or any other party, on such terms as they deem fit, such sum as they approve for the purpose of completing any investment or meeting any temporary unforeseen cash shortage, and for this purpose may give such security as they decide.
- 35.8 Every document of title to an investment shall be registered in the name of the Fund. Every document of title belonging to or held by the Fund shall



be kept in the safes or strong-rooms at the registered office of the Fund or kept by custodial services providers, as decided by the Trustees.

### **36. ACCOUNTS**

The Trustees shall ensure that the Principal Officer cause accounts of the Fund to be kept. Management Accounts shall be made up on a monthly basis and presented to the Trustees. The financial statements shall be made annually as at 31 December and shall be audited by the auditor

### **37. INTEREST / BONUS ADDITIONS**

The Trustees shall credit Accumulation Accounts at least once a year with interest at a rate generally reflecting the return earned on the assets of the Fund as determined by the Trustees after considering the Bonus Rate Recommendation by the Actuary .

### **38. RESERVE ACCOUNT**

38.1 As at 30 June 2009 a Reserve Account shall be established and such Reserve Account shall be shown separately for record purposes only in terms of Rule 35. In the Reserve Account will be recorded:

- (a) Contributions paid by the Employer in terms of Rule 19.2 and Rule 20.
- (b) Interest earned on the assets of the Fund in excess of that credited to Members' Accumulation Accounts in terms of Rule 38.

38.2 The Trustees, after consultation with the Actuary, may use the monies in the Reserve Account to supplement interest additions granted in terms of Rule 38 and to meet the cost of premiums required in terms of Rule 18.2 and cost and expenses of administration, or as a contingency fund against liabilities in terms of Rule 23.1(a), or for all or any of the above purposes.

### **39. CURRENCY**

All moneys due to or by the Fund shall be payable at the registered office of the Fund in good, lawful and current money of Zimbabwe.

## MISCELLANEOUS PROVISIONS

### 40. EFFECT OF PENSION FUND RULES ON TERMS OF EMPLOYMENT

- 40.1 Nothing in these Rules shall in any way restrict the right of the Employer to terminate the employment of a Member.
- 40.2 No person shall have any claim concerning the Fund either upon the Fund or against the Trustees or the Employer except in accordance with these Rules.
- 40.3 No benefit, right or interest to which a Member may claim to be entitled in terms of these Rules shall be used as grounds for damages in an action brought by him against the Employer.

### 41. CHANGE OF PERSONAL DETAILS

benefits shall notify the Principal Officer in



## MISCELLANEOUS PROVISIONS

### 40. EFFECT OF PENSION FUND RULES ON TERMS OF EMPLOYMENT

- 40.1 Nothing in these Rules shall in any way restrict the right of the Employer to terminate the employment of a Member.
- 40.2 No person shall have any claim concerning the Fund either upon the Fund or against the Trustees or the Employer except in accordance with these Rules.
- 40.3 No benefit, right or interest to which a Member may claim to be entitled in terms of these Rules shall be used as grounds for damages in an action brought by him against the Employer.

### 41. CHANGE OF PERSONAL DETAILS

shall notify the Principal Officer in

## MISCELLANEOUS PROVISIONS

### 40. EFFECT OF PENSION FUND RULES ON TERMS OF EMPLOYMENT

- 40.1 Nothing in these Rules shall in any way restrict the right of the Employer to terminate the employment of a Member.
- 40.2 No person shall have any claim concerning the Fund either upon the Fund or against the Trustees or the Employer except in accordance with these Rules.
- 40.3 No benefit, right or interest to which a Member may claim to be entitled in terms of these Rules shall be used as grounds for damages in an action brought by him against the Employer.

### 41. CHANGE OF PERSONAL DETAILS

benefits shall notify the Principal Officer in



## MISCELLANEOUS PROVISIONS

### 40. EFFECT OF PENSION FUND RULES ON TERMS OF EMPLOYMENT

- 40.1 Nothing in these Rules shall in any way restrict the right of the Employer to terminate the employment of a Member.
- 40.2 No person shall have any claim concerning the Fund either upon the Fund or against the Trustees or the Employer except in accordance with these Rules.
- 40.3 No benefit, right or interest to which a Member may claim to be entitled in terms of these Rules shall be used as grounds for damages in an action brought by him against the Employer.

### 41. CHANGE OF PERSONAL DETAILS

Every beneficiary entitled to pension benefits shall notify the Principal Officer in writing of his personal details changes such as change of name, contact address, banking details etc.



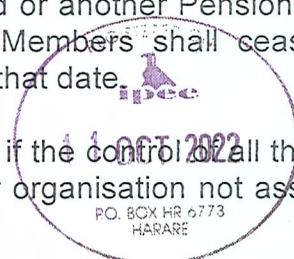
### 42. WINDING-UP OF EMPLOYERS

- 42.1 If all the Employers are wound up, whether voluntarily or not, or if all the Employers cease to carry on business, the Trustees shall, subject to the approval of the Commissioner, appoint a liquidator, who shall, as from a date decided by him in consultation with the Commissioner, terminate the Fund by dividing the moneys of the Fund, after payment of all expenses incurred in terminating the Fund, among the Members and persons prospectively entitled to pensions in such a manner as may be decided by the Trustees; provided that:
  - (a) the amount available for a person prospectively entitled to a pension shall be transferred to another Pension Fund or a Retirement Annuity Fund for his benefit or used to purchase a deferred annuity for him from a registered insurer; or
  - (b) if a person to whom an amount is payable cannot be traced, it shall be disposed of in accordance with provisions included in the scheme of termination of the Fund as agreed with the Commissioner; and
  - (c) every Member who left the service of the Employer during a period of six months immediately before the date of termination to be agreed by the liquidator with the Commissioner, either voluntarily or

due to a reduction or reorganisation of staff, shall for the purpose of this section be regarded as being a Member on the date of termination of the Fund, but the benefit already paid to him shall be taken into consideration in determining the amount payable to him;

provided further that if the Employers are wound up for the purpose of reconstruction in a similar or amended form, the reconstructed companies or organisations shall have the right of taking the place of the Employers, and if they exercise that right, the Fund shall not be affected except that "Employers" shall then mean the companies or organisations as reconstructed.

- 42.2 If one of the Employers is wound up, whether voluntarily or not, or ceases to carry on business then, unless a reconstructed Employer or organisation takes the place of that Employer, the Trustees shall determine the interest in the Fund of the Members in the service of that Employer, subject to provision (c) to Rule 43.1 mutatis mutandis, on a date determined by the Trustees, and the amount of each such Member's interest shall, as the Trustees, in their absolute discretion, decide, be transferred to a Retirement Annuity Fund or another Pension Fund for his benefit and that Employer and those Members shall cease to be an Employer and Members with effect from that date.
- 42.3 If all the Employers amalgamate with, or if the control of all the Employers is transferred or sold to, an Employer or organisation not associated with the Fund, the Employers may elect:
- (a) that the interest of each Member and beneficiary, as determined by the Trustees, shall be transferred to a Retirement Annuity Fund or a new or existing Pension Fund for his benefit; or
  - (b) to continue the Fund in respect of the existing Members and beneficiaries, in which event the Fund shall not be affected; or
  - (c) to withdraw wholly from the Fund, in which event the Fund shall be terminated in accordance with Rule 42.1.
- 42.4 If one of the Employers amalgamates with, or if the control of one of the Employers is transferred or sold to, an Employer or organisation not associated with the Fund, the provisions of Rule 42.1 shall apply mutatis mutandis.





#### **43. TERMINATION OF FUND**

- 43.1 Notwithstanding anything in these Rules, the Zimbabwe Clothing Manufacturers' Association (ZCMA) and the Indigenous Clothing Manufacturers Association (ICMA), parties to the Agreement as the Employer, may, on giving written notice to the Board of Trustees, terminate the Fund, in which case the provisions of Rule 42.1 shall apply *mutatis mutandis*; provided that if Rule 42.1 applies, and two-thirds of the Trustees present at a duly constituted Board of Trustees meeting elect to continue the Fund without the Employers' contributions, the Rules shall be amended as determined by the Trustees and the Fund shall be continued.
- 43.2 If within three months of expiry date of this agreement or any extension, addition or amendment thereof no subsequent agreement is negotiated for the purpose of continuing the operation of the Fund, or in the event of amendment or cancellation of this agreement in conditions of natural emergency or for any other reason, the Trustees shall appoint a liquidator to attend to the dissolution of the Fund and the liquidator shall take such arrangements to safe guard the accrued benefits of the Members as may be appropriate in the circumstances and in accordance with the requirement of the Labour Act (Chapter 28:01).
- 43.3 This Fund may also be dissolved in terms of Section 10 and Section 19 of the Pension and Provident Funds Act (Chapter 24:09).

#### **44. WITHDRAWAL OF AN EMPLOYER FROM THE FUND**

Notwithstanding anything in these Rules, the Employer may, on giving written notice to the Trustees, terminate his contributions to the Fund, in which case, the provisions of Rule 43.1 shall apply *mutatis mutandis*.

#### **45. AMENDMENTS TO THE RULES**

- 45.1 The Trustees may, with the concurrence of the stakeholders, amend these Rules by making new Rules or altering or rescinding any existing Rule; provided that no such amendment, new Rule, alteration or rescission shall be to the general disadvantage of existing Members and of persons entitled to benefits.
- 45.2 No amendment to the Rules of the Fund may be made unless the amendment has been approved by the Commissioner. The amendment shall be submitted to the Commissioner within ninety (90) days of the resolution approving the amendment.
- 45.3 The Trustees shall notify all stakeholders of every amendment to these Rules within three months of its approval by the Commissioner.

- 45.4 Where the Commissioner requires that the Rules of the Fund be amended in order to bring them into conformity with the Statutory Regulations, they shall be amended accordingly no later than sixty days from the date of commencement of any amendment to Statutory Regulations, if the amendment in question requires the Rules of the Fund to be amended:

Provided that the Commissioner may, for good cause shown, extend the period by a further period not exceeding sixty (60) days.

- 45.5 In the event of any conflict between the Rules and the Statutory Regulations, the provisions of the Statutory Regulations shall prevail.

#### **46. NATIONAL SOCIAL SECURITY SCHEME**

Notwithstanding the provision of Rule 33 the Employer parties to the Agreement may, at any time, give three months' notice to the Board of Trustees requiring them to make such adjustments to the conditions of membership, benefits and Member contributions and/or contributions of Employers, as the Employer parties to the Agreement, deems proper in the light of the introduction, extension, modification or variation of a National Social Security Scheme or other Scheme in Zimbabwe to which the Member or Employer is required to contribute.

#### **47. NON-COMPLIANCE PENALTIES**

Any person who fails to comply, as spelt out in the Statutory Instrument 243 of 2006, shall be liable to a penalty of an amount advised from time to time by the Commissioner, and should there be persistence in failing to do so after the sixtieth day from the last day on which compliance was required, the person shall be guilty of an offence and liable to a fine not exceeding level six, or imprisonment for one year or both such fine and such imprisonment.

