

SOUTH AFRICAN LOCAL GOVERNMENT BARGAINING COUNCIL

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18 September 2013

To: All Municipal Managers

Human Resources Directors

The Parties:

SALGA	Mr. X George	(012) 369-8001
SAMWU	Mr. W Theledi	(021) 696-9175
IMATU	Mr. J Koen	(012) 460-8444

Dear Sir/Madam

CIRCULAR NO.: 8/2013

PENSION FUNDS IN THE LOCAL GOVERNMENT SECTOR

1. As you are aware, the parties to the South African Local Government Bargaining Council (SALGA, SAMWU and IMATU) are currently engaged in collective bargaining negotiations with a view to concluding a collective agreement that regulates pension fund arrangements in the sector in the future. The parties are bound and are required to effect Clause 9 of the Salary and Wage collective Agreement, which stipulates as follows:

"The Parties undertake to conclude a collective agreement on the rationalisation of pension funds by no later than 31 December 2012. The Parties may agree, in writing, to amend this deadline."

2. To facilitate this process the bargaining council's Executive Committee, at its meeting held on the 17 September 2013, has resolved that certain information must be secured by the parties to enable them to take informed decisions about the terms of the agreements that they wish

Address correspondence to the General Secretary

to conclude, and to take legal and actuarial advice where appropriate. The Executive Committee decision is attached as Annexure B.

3. You are kindly requested to assist by providing a representative of the Bargaining Council with:
 - 3.1 A list of all funds to which your municipality contributes on behalf of employees; and the number of such employees in respect of each fund;
 - 3.2 Copies of all registered rules of each of the funds to which your municipality contributes;
 - 3.3 Copies of all statutory valuation reports in your possession relating to the funds to which your municipality contributes;
 - 3.4 Copies of any interim or other valuation reports prepared relating to the funds to which your municipality contributes.
4. Please send the relevant information as soon as possible, and by no later than 15 October 2013, by completing Annexure A and submitting to:

Ms. Dina McMurray

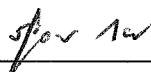
E-Mail: pd@salgbc.org.za OR: Private Bag X16, Musgrave, 4062

Tel: (031) 201 8210

Fax: (031) 201 9788

You are further advised the municipality is bound by the decision of the Executive Committee, the Salary and Wage Collective Agreement and the Constitution of the Council. The Council may enforce, as a measure of last resort, the Executive Committee decision and the Salary and Wage Collective Agreement when a municipality fails to supply the necessary data to the SALGBC.

Yours faithfully



Mr/S S Govender
GENERAL SECRETARY



Resolution of the Executive Committee of the Central Council of the SALGBC, adopted at its meeting held on the 17 September 2013, in Durban

Pension Fund Restructuring (Previous Item 6.3.1)

The parties noted that:

This matter has progressed and a further meeting was held on the 21 August with Mr. Chris Todd. As per the consultation with Mr Todd and the agreement amongst the parties at the said consultation, Mr Todd prepared and submitted the following:

- A draft resolution as reflected on page 5 and 6 of the supplementary agenda
- The draft letters that have to be sent to the Registrar of Pension Funds, employers and other stakeholders.

The parties of the Council are involved in negotiations with a view to concluding a collective agreement on the restructuring of pension fund arrangements within the sector.

The parties must consider relevant information before deciding on the terms on which to conclude an agreement.

The terms of an agreement may have significant financial consequences for local government employers and for employees in the sector.

The parties have resolved to appoint an actuary to assist in the assessment of the financial consequences of any agreement.

The parties and their advisors need specific further information to assist them in reaching agreement on the restructuring of retirement fund arrangements in the sector.

The parties resolved that:

- 6.3.1 The Council will seek the following specific information from the Registrar of Pension Funds, employers, and Funds operating in the sector:
 - 6.3.1.1 A list of all funds to which employers in the sector contribute;
 - 6.3.1.2. Copies of all registered rules of each of the funds referred to in 6.3.1.1, as amended
 - 6.3.1.3. Copies of all statutory valuation reports submitted to the Registrar of Pension funds;
 - 6.3.1.4. Copies of any interim or other valuation reports prepared in respect of the fund in the past three years;
 - 6.3.1.5. Any other information requested by the actuary appointed to assist the parties in this process.
 - 6.3.1.6. The names of the Trustees on the pension funds, including where available, the employment location of the trustee.
- 6.3.2 All employers in the sector will be requested to provide the information in 6.3.1 above and also to provide any of the information in 6.3.1.1 to 6.3.1.4 that is in their possession; and to assist in gathering other relevant information to the extent possible.
- 6.3.3 The registrar of Pension Funds will be requested to provide the information in 6.3.1 and to assist in gathering other relevant information to the extent possible.
- 6.3.4 The General Secretary will engage with the Registrar of Pension Funds and other parties necessary to give effect to the above resolution and report to the Executive Committee at its next meeting.

SS GOVENDER
GENERAL SECRETARY