Public Officers'
Defined Contribution
Pension Fund

RULES OF THE PUBLIC OFFICERS' DEFINED CONTRIBUTION PENSION FUND 2024

SEPTEMBER 2024

Drafted by (Division)	Version	Drafting Date	Description of Revision	Effective Date
NBC /BOARD	1st Version	April 2010	Rules for the administration of the Fund	April 2013
LGS	2nd Version	June 2014	Clarity on the Fund's obligation to purchase annuity for Members	June 2014
BAC	3rd Version	September 2024	Alignment with regulatory and actuarial requirements	October 2024

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PART I – PRELIMINARY

1. Citation, Commencement and Nomenclatures (Section I of the Act)

1.1. These Rules shall be referred to as the Public Officers' Defined Contribution Pension Fund Rules 2024 and shall be deemed to have come into operation on the 1st October 2024.

1.2. These Rules amend the 2010 Rules of the Fund. The Fund is known as the Public Officers' Defined Contribution Pension Fund established by an Act of Parliament, namely, the Public Officers' Defined Contribution Pension Fund Act, No. 8 of 2008 (as amended) (the Act) which became effective from 1 April 2008.

1.3. This is an occupational pension fund for the benefit of permanent and pensionable Public Officers of the Government of Lesotho and for incidental matters.

1.4. The physical and registration office of the Fund is Pension Fund House, 4th Floor, Constitution Road or such other address as may be notified to the Regulator from time to time.

1.5. The Act and its terms and conditions shall always take precedent over these Rules.

1.6. The Board is empowered in terms of section 38 of the Act to draft and approve these Rules.

2. Interpretation (Section 2 of the Act)

"Act'" means the Public Officers' Defined Contribution Pension Fund Act,2008 as amended.

"Actuary" means the Actuary appointed in terms of the Act;

"Actuarial conversion factors" has the same meaning assigned to it in the Act;

"Administrator" means the Administrator appointed in terms of the Act;

"Auditor" means the Auditor appointed in terms of the Act;

"Board" means the Board of Trustees established under the Act;

"Regulator" means the regulator of the pension funds as defined in the Pension Funds Act of 2019 as amended;

"Deferred Pensioner" means a Deferred Pensioner as defined in terms of the Act;

"Dependent" means a person as defined in terms of the Act;

"Early Retirement" means an age within 10 years of the Prescribed Retirement Age on which an employee may retire from Service while qualifying for pension, or as may be prescribed in the laws governing the retirement of a member.; this is applicable on Deferred Pensioners as well;

"Employer" means the employer as defined in terms of the Act;

"Employer Contributions" means contributions as determined in the Act and quantified in the Schedule 1 to these Rules;

"Financial Year" means the 12-month period as defined in terms of the Act;

"Fund" means the Public Officers' Defined Contribution Pension Fund;

"Fund Credit" means the Member's fund credit as defined in terms of the Act, provided that it shall include:

(a) His or her contributions made to the Fund; and

(b) the Employer Contributions in respect of the Member made to the Fund, and

(c) in respect of death, retirement or disability his full Opening Transfer Credit; where applicable, and;

(d) any other amount transferred into the Fund from a Previous Fund or an approved fund in terms of Rule 26,

together with interest.

Provided further that, for a Deferred Pensioner, interest shall be applied on the Fund Credit at the date of deferment until the date of payment.

"Fund Salary" means the Member's pensionable annual salary as determined by the Employer:

provided that:

(a) for the purposes the Fund Salary shall be determined on joining the Fund and a change in Fund Salary due to a change in remuneration shall take effect when such change occurs;

(b) if the Member's remuneration is subject at any time to a reduction in amount, then, with the agreement of the Member, the Board may direct that, for the purposes of the Fund, the reduction shall not be applied in the calculation of the Member's Fund Salary or shall be applied only partially;

"Investment Consultant" means a consultant as defined in terms of the Act;

"Investment Reserve Account" means a reserve account operated in terms of Rule 6.2;

"Investment Return" has the meaning assigned to it in the Act;

"Member" has the meaning assigned to it by the Act;

"'Member Contributions" means contributions as determined in the Act and quantified in the schedule 1 to these Rules.

"Minimum Benefit" means the benefit to which a member who was already employed on permanent and pensionable terms at the commencement of the Fund would have been entitled to at retirement under the legislation in terms of which his or her benefits were determined;

"Minimum information" means full information regarding the Member on whose behalf the contribution is made into the Fund as per the Administrator's requirements in terms of Section 19(1) of the Act;

"Minister" has the meaning assigned to it by the Act;

"Normal Retirement Age"' means the Prescribed Retirement Age

"Opening Transfer Credit" means the amount transferred in from the Previous Fund in respect of a Member in terms of any past service liability at commencement of membership of the Fund in terms of Section 5 of the Act.

"Past Service Reserve Account" means a reserve account operated in terms of Rule 6.3

"Pensioner" means a pensioner as defined in terms of the Act.

'Prescribed Retirement Age" means the age as defined in terms of the Act,

"Prescribed Retirement Date" means the last day of the month in which a Member reaches the age of retirement in terms of laws governing the retirement of the Member.

"Previous Fund" means a fund from which a Member was transferred on admission to this Fund,

"Principal Officer" means a person appointed in terms of the Act;

"Public Officer" means a person described in terms of the Act;

"Registered Insurer" means an insurer as described in terms of the Act;

"Regulator" means the Regulator of the pension funds as defined in the Pension Funds Act 2019;

"Revenue Authority" means the Lesotho Revenue Authority established under the Lesotho Revenue Authority Act 2001 as may be amended from time to time;

"Risk Reserve Account" means the reserve account operated in terms of Rule 6.1;

"Rules" mean these Rules as established in terms of the Act;

"Service" means employment with the Employer as defined in terms of the Act;

"Unclaimed benefit" means any benefit not paid by the Fund to a Member, former Member or beneficiary within one (1) year of the date on which the benefit became legally due and payable in terms of the Rules.

PART II - CONTRIBUTONS (Section 4 of the Act)

3. Payment of contributions

3.1. A Member's Contributions in terms of the Act and these Rules shall be deducted by his or her Employer from his or her salary or wages and shall, together with the Employer's Contributions, be paid into the Fund's bank account monthly in arrears.

3.2. The Employer shall ensure that the contributions referred to in Rule 3.1 are paid to the Fund's bank account on the first working day of the calendar month in respect of which the contributions are payable.

3.3. The Employer shall also ensure that the minimum information under these Rules regarding payment of contributions is furnished to the Administrator of the Fund within 7 working days after the end of the month in respect of which contributions are payable.

4. Absence

4.1. When a Member is on leave with full pay or less than full pay, he or she and the Employer shall continue to contribute to the Fund in accordance with Rule 3, and all benefits under the Fund in respect of him or her shall be maintained.

4.2. If a Member is on leave without pay, but with the consent of the Employer, no contributions shall be made by him or her or by the Employer in respect of him or her in terms of Rule 3:

4.2.1. throughout the period of leave, if the Member's leave is due to sickness; or

4.2.2. for not longer than 12 months, if the Member's leave is due to reasons other than sickness.

4.3. The Employer shall however continue to pay for the risk benefits in order that the death benefit referred to in Rule 22.1 and the disability benefit referred to in Rule 22.2 may continue to apply.

5. Reserve and Other Accounts

5.1. The Board shall cause full and true accounts of the Fund to be kept and maintained as defined in Section 18 (d) of the Act and shall be audited by the Auditor at the end of each Financial Year;

5.2. There shall be three (3) reserve accounts, to be known as the Risk Reserve Account, the Investment Reserve Account and the Past Service Reserve Account and two (2) other accounts, to be known as the Pensioner Pool Account and the Unclaimed Benefits Account which shall be maintained under the Fund and shall operate as provided for in these Rules.

6. Reserve Accounts

6.1 Risk Reserve Account

6.1.1 To the Risk Reserve Account shall be credited a portion of the Employer's contributions

6.1.2 The amount standing to the credit of the Risk Reserve Account shall be increased or decreased by the share of the Investment Return earned on the assets in this account.

6.1.3 The amount standing to the credit of Risk Reserve Account shall, as directed by the Board in consultation with the Actuary, be used to meet any deficit in the cost of the risk benefits.

6.2 Investment Reserve Account

6.2.1 To the Investment Reserve Account shall be credited investment returns.

6.2.2 The amount standing to the credit of the Investment Reserve Account shall be increased or decreased by the share of the Investment Return earned on the assets in this account.

6.2.3 The amount standing to the credit of Investment Reserve Account shall:

(a) be used to meet the fees charged by an institution or a person to whom the Board's investment powers have been delegated in terms of Rule 16.

(b) as directed by the Board in consultation with the Actuary, be added to the Member's Fund Credit at the end of each Financial Year at a rate declared by the Board on the advice of the Actuary having regard to the Investment Return earned on the Fund's assets; and

(c) be proportionately paid to a Member who leaves Service or transfers to another approved fund; and at the date of payment, to it be added, the monthly investment returns and bank interest in the manner determined by the Board, in consultation with the Actuary.

6.3 Past Service Reserve Account

6.3.1 To the Past Service Reserve Account shall be credited:

(a) the past service liability to which the Member is not entitled on termination of Service; and

(b) any excess amount contributed by the Employer towards the costs of the Fund;

(c) plus any interest earned on such amounts.

6.3.2 The amount standing to the credit of the Past Service Reserve Account shall be used as determined by the Board in consultation with the Actuary.

7. Other Accounts

7.1 Pensioner Pool Account

7.1.1 To the Pensioner Pool Account shall be credited: -

(a) commuted amounts following determination and payment of cash benefit in terms of section 27 of the Act as determined by the Actuary.

(b) investment returns thereon.

7.2 Unclaimed Benefits Account

7.2.1 To the Unclaimed Benefits Account shall be credited:

(a) those benefits not paid by the Fund to a member, former member, or beneficiary within one (1) year of the date on which it became legally due and payable.

(b) investment returns thereon.

8. Appointment of the Auditor (Section 20 of the Act)

8.1 The Board shall appoint an Auditor who shall audit the books of accounts of the Fund annually in line with section 23 (a) of the Act. The Auditor shall be appointed for a period of 3 years to audit the books of accounts of the Fund which shall be recognised as one term. Provided that the engagement partner shall not be engaged continuously for a period exceeding 2 terms.

PART III – MEMBERSHIP

9. Membership (Section 5 of the Act)

9.1 A Member shall produce evidence of age acceptable to the Employer and shall also give such other information as the Employer may reasonably require for the purposes of the Fund.

9.2 Admission to membership of the Fund shall be regarded as an acknowledgement by the Member, that he or she agrees that these Rules, including any alteration to these Rules, shall be binding upon him or her, and upon any person claiming to derive a benefit under the Fund by virtue of his or her membership.

9.3 If a Member transfers to another approved fund in any of the circumstances envisaged in these Rules and such transfer is subject to the provisions of the Act, then it is specifically provided that with effect from the date on which he or she becomes a Member of such fund, contributions in terms of Rule 3 shall cease and in the event of his or her death or disability, prior to transfer of his or her benefit in terms of these Rules from the Fund to such other fund, the death benefit referred to in Rule 22.1 or the disability benefit referred to in Rule 22.2, shall not be payable.

10. Secondment

10.1 If as a result of secondment, a Member is transferred to a different department, but within the same Employer, his or her membership to the Fund shall continue but under a different department.

10.2 Over and above Rule 10.1, the terms and conditions of the Public Service Regulations regarding secondment will apply.

11. Internal Transfers

11.1 If a Member is transferred to the employment of a department or organisation, allied or subsidiary to the Employer, his or her membership of the Fund shall continue under the new department or organisation.

12. Deferred Pensioner

12.1 If the Member terminates his or her Service with the Employer, but is employed by any department within the Employer on a contract basis; thus not permanent, then the Member may elect to become a Deferred Pensioner under this Fund.

12.2 The Member may, where applicable, be eligible for membership under the new Employer's Fund

PART IV - BOARD OF TRUSTEES

The appointment, tenure, removal from office, filling of vacancies, meeting powers, remuneration of the officers of the Fund shall be managed in terms of Part IV of the Act and the following additional provisions shall apply:

13. Board Committees (Section 7 of the Act)

13.1 The Board may appoint, among itself, committees to assist it in the performance of its functions.

13.2 The Board may decide that any power of decision on any matter that is vested in it, shaft be delegated, on such terms and conditions as they may specify, to a committee, or committees, of such of their number as they nominate. Any decision of a committee to which a power is so delegated shall be referred to the Board for ratification.

14. Indemnification of officers of the Fund (Section 18 (c) of the Act)

14.1 The Board and the secretariat staff of the Fund shall be indemnified by the Fund against all proceedings, costs and expenses incurred by reason of any claim connection with the Fund not arising from their negligence, dishonesty or fraud.

14.2 The Board shall ensure that the Fund is insured against any loss resulting from the dishonesty or fraud of any of its officers (including the Board but excluding the Administrators and any consultants appointed),

14.3 The Board shall ensure that service providers arrange their own fidelity cover against any loss as a result of the services rendered to the Fund.

PART V – ADMINISTRATION OF THE FUND

15. Administration

15.1 The provisions of the Act shall apply to all aspects of the administration of the Fund.

PART VI- INVESTMENTS AND FINANCIAL MATTERS

Subject to the provisions of the Act which shall pertain to all aspects of the investments and financial matters of the Fund, the following additional provisions shall apply:

16. Investments (Section 21 of the Act)

16.1 All moneys received on account of the Fund shall be paid into a banking account opened in the name of the Fund.

16.2 The Board shall have power, subject to the Act, to receive, administer and apply the moneys of the Fund and in its discretion to invest, put out at interest, place on deposit, make advances, or otherwise deal with the moneys of the Fund upon such security and in such manner as it may, from time to time, determine and to realise, vary, reinvest or otherwise deal with such securities and other investments as it may, from time to time, determine.

16.3 The Board shall have power to effect policies of insurance with one or more Registered Insurers for the purpose of investing the Fund's moneys in order to meet the cost of providing benefits in terms of these Rules and may, notwithstanding the provisions of these Rules, cede all or part of such a policy to a Member in place of a cash sum entitlement in terms of these Rules. The Board shall also have power to insure, in whole or in part, the death benefits and disability benefits payable in terms of these Rules.

16.4 The Board may obtain an overdraft from a bank or borrow from the Employer or any other party, on such terms as they think fit, such sums as they approve for the purpose of completing any investment or meeting any temporary cash shortage and for this purpose may give such security as they decide.

16.5 All title deeds and securities shall be registered in the name of the Fund or in the name of such nominated company acceptable to the Regulator as the Board may appoint. The documents of title registered in the name of the Fund in connection with any investment or asset of the Fund shall be kept in safe custody at the registered office of the Fund or in a banking institution, as decided by the Board. Any documents of title registered in the name of a nominated company in connection with any investment or asset of the Fund shall be kept in safe custody at the registered office of that company or in a banking institution, as decided by that company.

16.6 The power of the Board to make investments and to realise, vary, reinvest or otherwise deal with the securities concerned, may be delegated by the Board, on such terms and conditions as they may specify, to:

(a) a committee of such of their number as they nominate,

(b) a financial institution as approved by the Regulator; or

(c) appoint an Investment Consultant in terms of Section 20(c) of the Act.

16.7 The Board shall not be liable for the negligence, dishonesty or fraud of an institution referred to in Rule 16.2 or a person referred to in Rule 16.3.

16.8 The balance of the Investment Return revealed at the end of a Financial Year by the Actuary's review of the financial condition of the Fund as at that date, other than the Investment Return referred to in Rule 6.1.2 and Rule 6.2.2, after provision has been made for the allocation of interest to the Members' Fund Credits, be applied under the Investment Reserve Account.

16.9 Upon receipt of a notice of termination of the Member's membership of the Fund for any reason contemplated in these Rules, the benefit payable to or in respect of the Member shall be disinvested from the market and immediately transferred into the Fund's bank account referred to in Rule 16.1 and the Member's benefit shall accrue interest at the bank rate until the date of payment.

17. Expenses (Section 25 of the Act)

17.1 The expenses in connection with the administration of the Fund shall be borne by the Fund.

17.2 The expenses incidental to the management of the Fund shall be borne by the Fund as determined by the Board in terms of the expense claims policy of the Board

18. Actuarial Valuations (Section 26 of the Act)

18.1. The financial condition of the Fund shall be investigated and reported on by the Actuary at intervals not exceeding three years and the following shall apply:

(a) the Board shall forward a copy of the valuation report to the Minister in accordance with the provisions of the Act;

(b) if the valuation discloses that there is a deficit then the deficit shall be dealt with in terms of Section 26 of the Act.

19. Apportionment of the Actuarial Surpluses in the Fund

19.1 In the case of actuarial surpluses, the Board shall, acting on the advice of the actuaries, credit the accounts of the members with any actuarial surpluses arising in the Fund following determination of the financial soundness of the Fund.

20. Documents

20.1 All cheques, contracts and other documents pertaining to the administration of the Fund shall be signed by such persons as the Board may, by resolution, appoint.

PART VII- BENEFITS

21. RETIREMENT (Section 27 of the Act)

21.1 Early Retirement

A Member or Deferred Pensioner who has reached Early Retirement Age may retire on the last day of any month occurring before he reaches his Prescribed Retirement Date; provided that he or she gives appropriate written notice to his or her Employer.

21.2 Retirement at the Prescribed Retirement Date

A Member who has not retired in terms of Rule 21.1 shall retire on reaching the Prescribed Retirement Date.

21.3 Ill-health Retirement

The Board may, after considering medical evidence acceptable to it, and taking into account Public Service Regulations and any other applicable regulations to a Member, if it is satisfied that a Member has become totally and permanently incapable of carrying out his or her duties, agree to his or her retirement at any time before he or she reaches the Prescribed Retirement Date.

21.4 Amount of Benefit

21.4.1 On retirement a benefit based on the Member's Fund Credit and his or her past service liability; and where applicable, the minimum benefit, becomes payable, and the Member may elect an annuity to be purchased for him or her from a Registered Insurer of his or her choice or receive a pension under the Fund based on the full benefit payable from this Fund or he or she may elect to take up to a maximum of 50% of the benefit as a cash lump sum with the balance to purchase an annuity or receive pension under the Fund as prescribed.

21.4.2 In the calculation of a Member's pension payable under the Fund, reference shall be made to the actuarial conversion factors determined from time to time by the Board on the advice of the actuary or in accordance with any of the approved annuity options set out in the Rules and chosen by the Member.

21.4.3 The annuity so purchased, or pension paid under the Fund, shall be compulsory, non-commutable and non-assignable, payable for life and the purchase shall be subject to any further requirements of the Revenue Authority, if more than one annuity is purchased.

21.4.4 On retirement a benefit based on the Deferred Pensioner's or Officer's Fund Credit becomes payable, and the Deferred Pensioner may elect an annuity to be purchased for him or her as defined in Rule 21.4.3 from a Registered Insurer of his or her choice or be paid pension under the Fund based on the full benefit payable from this Fund or he or she may elect to take up to a maximum of 50% of the benefit as a cash lump sum with the balance to purchase an annuity or pay pension under the Fund as prescribed.

21.5 Payment of Benefit

21.5.1 A benefit as described in terms of Section 27 of the Act, shall be paid subject to tax being deducted in terms of the requirements of the Revenue Authority and shall be paid as soon as possible after the date of his or her retirement, provided that:

(a) should the Member die prior to the receipt of his or her benefit or before an annuity or annuities is or are purchased or pension is paid under the Fund, in terms of Section 27 of the Act, such benefit shall be dealt with in accordance with Rule 22; and

(b) that the provisions of Section 32 of the Act shall apply *mutatis mutandis.*

22. DEATH AND DISABILITY BENEFITS

22.1 Death benefit, restrictions and payment (Section 30 of the Act)

22.1.1 If a Member dies while in Service, a lump sum benefit shall be payable from the Fund equal to a benefit prescribed under section 30 of the Act.

22.1.2 The benefit payable in terms of Rule 22.1.1 shall be insured with a Registered Insurer and the following shall apply:

(a) such benefit shall not be paid unless the claim thereof has been admitted by the Registered Insurer; or

(b) such benefit shall not be payable if the policy issued by the Registered Insurer is suspended or cancelled for reasons beyond the control of the Board.

22.1.3 If a Deferred Pensioner dies while in Service; a lump sum benefit equal to his or her Fund Credit at the date of his or her death, shall be payable from the Fund.

22.1.4 It is a requirement of membership of the Fund that, on an annual basis or as and when there are any changes, a Member fills a Nomination Form providing information on the beneficiaries, dependants and nominees the Member would like his or her benefits to be paid to in the event of death while in service. The information required shall be as prescribed in the Nomination Form and the Board will use the most recent Nomination Form available to distribute death benefits.

22.1.5 Notwithstanding Sub-Rule 22.1.4 above, the Board shall have powers and authority to pay the benefits of the deceased Member to the person(s) it deems rightful beneficiary(ies), or nominees of the Member, provided the Board shall every time provide reasons for overriding nominations of the Member.

22.1.6 The Fund is entitled to request relevant information and documents from the Employer to support and confirm that it is paying the rightful beneficiaries as per the Nomination Form. In the absence of the Nomination Form and in the exercise of the powers in Sub-Rule 21.1.5 above, the Board shall be entitled to undertake investigations to establish the rightful beneficiaries to the death benefit of a Member.

22.2 Permanent Disability benefit, restrictions, exclusions and payment (Section 28 & 29 of the Act)

22.2.1 A Member shall be classified as permanently disabled in terms of this Rule if his or her condition is such as to satisfy the provisions governing permanent disablement which are set out in the policy issued by the Registered Insurer. "Disablement" shall have a corresponding meaning:

(a) The Board has power, where so required by the Registered Insurer, to require a Member to be examined at the Registered Insurer's expense by a medical practitioner appointed by the Registered Insurer.

(b) Acting on the results of this examination, the Board may decide that the benefit payable shall be restricted in such a manner as it may decide in consultation with the Actuary and the Registered Insurer.

(c) The Board shall inform the Member in writing of the terms of any restriction imposed in terms of this Rule.

22.2.2 A Member who has retired in terms of Rule 21.3 on becoming disabled shall be paid a benefit prescribed under section 28 of the Act, subject to a maximum benefit of such amount as may be specified from time to time by the Registered Insurer. If the Member's disablement occurs after he or she has reached such age as may be set out in the policy issued by the Registered Insurer the benefit shall be reduced in accordance with the provisions of that policy.

22.2.3 A benefit payable in terms of Rule 22.2.2 shall be subject to any restrictions (if any) as may apply in terms of the policy issued by the Registered Insurer,

22.2.4 The benefit payable in terms of Rule 22.2.2 shall be insured with a Registered Insurer and the following shall apply:

(a) such benefit shall not be paid unless the claim thereof has been admitted by the Registered Insurer; or

(b) such benefit shall not be payable if the policy issued by the Registered Insurer is suspended or cancelled for reasons beyond the control of the Board.

22.2.5 Payment of the disability benefit shall be made as an ill health early retirement benefit and payment shall be made as soon as possible after the date of the disablement of a Member, provided that:

(a) should the Member fail to claim his or her benefit for any reason within a period of 6 months from the date of leaving Service, the Fund shall be liable to pay tax on the unclaimed benefit in accordance with the requirements of the Revenue Authority, if applicable; and

(b) should the Member die prior to the receipt his or her benefit, such benefit shall be dealt with in accordance with the decision of the Board, taking into account the provisions of the Act and these Rules.

22.2.6 If a Deferred Pensioner becomes disabled; a lump sum benefit equal to his or her Fund Credit at the date of his or her disablement, shall be payable from the Fund, with the investment returns thereon as at the date of payment.

23. TERMINATION OF SERVICE

23.1 Benefit and Payment (Section 31 of the Act)

23.1.1 If a Member, who is not qualified to retire in terms of Rules 21.1, 21.2 or 21.3, leaves Service for any reason other than those referred to in Rules 22.1 or 22.2 of these Rules, he or she shall become entitled to a lump sum benefit equal to his or her Fund Credit at the date of leaving Service.

23.1.2 The benefit in terms of this Rule shall be paid to the Member as a lump sum and shall, after tax has been deducted as per the requirements of the Revenue Authority, be made as soon as possible after the date of his or her leaving Service: provided that

(a) should the Member fail to claim his benefit for any reason within a period of 6 months from the date of leaving Service, the Fund shall be liable to pay tax on the unclaimed benefit, if applicable.

(b) should the Member die prior to the receipt of his or her benefit, such benefit shall be distributed in accordance with Rule 22.1; and

(c) the provisions of Section 32 of the Act shall apply *mutatis mutandis.*

23.1.3 The Member may, instead of receiving the benefit entirely as a lump sum, elect to transfer all, or, subject to the proviso to this Rule, part of the benefit to another approved fund, provided that:

(a) transfer shall be subject to the requirements of the Regulator, as may be specified from time to time; and

(b) transfer shall take place within 60 days of the date of receipt of the Member's written request to transfer his or her benefit; and

(c) should the Member's benefit not be transferred in terms of paragraph (b) above, interest calculated at the current bank rate shall be added to the Member's benefit until the date of transfer of the benefit.

23.1.4 When a benefit has been paid to the Member as a lump sum in terms of Rule 23.1.2 or transferred in terms of Rule 23.1.3, the Member shall have no further claim on the Fund.

24. Prohibition on cession and attachment of benefits (Section 32)

24.1 A benefit granted under the Act shall not be assignable, executable, payable or transferable, or be capable of being assigned, or transferred, or pledged or charged or otherwise being subject to a security interest, however described; or be liable to be attached, sequestrated, or levied upon for or in respect of any debt or claim whatsoever except for the purpose of satisfying: -

(a) a debt due to the Government, which includes any loss caused to the Government by the Member for which the Member is liable in law to refund the Government.

(b) a maintenance order validly issued by a court against the Member.

(c) a divorce order validly issued by a court against the Member.

(d) a debt arising from a housing loan issued or guaranteed by the Fund in respect of a housing loan of that Member; and

(e) any tax owing by the Member to the Revenue Authority.

24.2 For application of Rule 24(1) (d) above, the Fund may enter into agreement with the Employer, the Member and a lending institution on the conditions of lending, provided, that; -

(a) the lending period shall not exceed the remaining period of employment of the Member.

(b) the Member meets the employer's criteria for qualification; and

(c) the guarantee shall not exit 60% of the Members' Fund Credit at the time of application for a housing loan.

24.3 The Board may, in consultation with the Government, add or alter any of the conditions set out in Sub-Rule 24.2 above as it deems to be appropriate.

25. Unclaimed Benefits

25.1 Pursuant to these Rules, and subject to other provisions on unclaimed benefits, any benefit which is unclaimed for a period of 1 year must be credited to the Unclaimed Benefits Account.

25.2 If such benefit remains unclaimed after 5 years from when it first became payable, it may, at the discretion of the Board, and provided they have placed an advertisement in a local newspaper of wide national circulation, and through electronic media and sought the services of a tracing agency (if deemed necessary), be cancelled and revert to the Fund.

25.3 Provided that an unclaimed benefit which originates from a death benefit which was distributed in terms of Rule 22.1 must after such time as the Board considers appropriate be redistributed in such proportions as the Board considers appropriate amongst the original surviving and traced beneficiaries to whom that death benefit was awarded. Any unclaimed benefit which reverts to the Fund in terms of this Rule shall be treated as surplus or otherwise dealt with for the benefit of the Fund as the Board in its absolute discretion decides upon receipt of advice from the Actuary.

26. TRANSFERS (Section 38 (2) (d) of the Act)

26.1 Transfers into the Fund

26.1.1 If a Member was a member of a Previous Fund, the Fund shall receive such amount as becomes payable to the Fund by the Previous Fund as the result of the transfer of such member to the Fund. Such an amount shall be applied under the Member's Fund Credit.

26.1.2 If a Member, who was a member of an approved fund prior to becoming a Member of the Fund, chooses to transfer the benefit to which he is entitled on leaving that fund into the Fund, the amount so transferred shall be applied under the Member's Fund Credit.

26.1.3 Any amount transferred to the Fund from another fund in terms of Rule 26 or Rule 27 shall be treated in accordance with Section 99 of the Income Tax Act, 1 993 as amended (Act No.9 of 1993).

27. Transfers out of the Fund

If a Member resigns from the Service of the Employer and joins another organisation, the Member may elect to transfer his benefit payable under this Fund to an approved fund established for the benefit of the employees of the organisation which he or she joins, and he or she shall have no further claim on the Fund.

28. 33. Deductions from benefits

28.1 The Board shall have the right to make such deductions from the benefit to which a Member or other beneficiary is entitled in terms of the Rules as are permitted in terms of Section 32 of the Act and in respect of which a claim has been lodged in writing within such reasonable time of the event giving rise to the benefit as the Board may from time to time fix for making such claims.

28.2 Notwithstanding any contrary provisions in these Rules, the Board may, where the Employer has instituted legal proceedings in a court of law against a Member for compensation in respect of damage caused to the Employer as contemplated in Section 32 of the Act, withhold payment of the benefit until such time as the matter has been finally determined by a competent court of law or has been settled or formally withdrawn, provided that, a court order or judgment has been made in respect of such legal proceedings.

29. Disputes

29.1 Any question which may arise with regard to a claim by any person under these Rules shall be decided by the Board.

29.2 If any person affected by a decision of the Board in terms of Rule 29.1 is dissatisfied with the decision, he or she shall have the right to refer the matter to mediation, conciliations or arbitration.

29.3 Notice in writing of intention to exercise such right shall be given by the person concerned to the Board not later than three (3) months from the date of the Board's decision and before the arbitration, conciliation or mediation commences the person concerned shall furnish such security for the costs of the arbitration as the Board may reasonably require.

29.4 The costs of the mediation, conciliation or arbitration shall follow the award of the mediator, conciliator or arbitrator respectively.

PART VIII- MISCELLANEOUS

30. Dissolution

30.1 If the Fund is to be dissolved, in terms of Section 36 of the Act, the following shall apply:

(a) a liquidator shall be appointed in terms of the Act, who shall liquidate the Fund with effect from the date stipulated in the Act, after consultation with the Actuary;

(b) the total moneys available under the Fund, less expenses incurred in the liquidation, shall be applied to provide equitable benefits for ail Members, on a basis recommended by the Actuary and approved by the liquidator; provided it is the fair value of the assets of the Fund, less any current liabilities.

30.2 The amount of money available for a Member under Rule 30.1 (b) shall, as directed by the liquidator, either:

(a) be transferred for his or her benefit to another approved fund; or

(b) if the Member so requests, be paid to the Member as a lump sum benefit;

provided that any transfer to a preservation pension fund shall be subject to the requirements of the Revenue Authority as may be specified from time to time.

30.3 When all payments have been made by the Fund in terms of these Rules, the Fund shall have no further liability to any person.

31. Inspection and Payment: of benefits

31.1 Subject to payment of such fee as the Board may require, a Member shall be entitled on application to a copy of any of the documents relating to his or her benefits.

31.2 A Member shall be entitled on application to inspect at the offices of the Principal Officer of the Fund without charge a copy of any of the documents relating to his or her benefits.

31.3 Payment of each benefit in terms of these Rules shall be made to the person entitled thereto either to a bank registered in terms of the taws of Lesotho or any bank approved by the Board by means of electronic transfer into the account of the Member or any person entitled to the benefit in terms of these Rules; provided that the Member or a person referred to above shall advise the Fund in writing of his bank account.

31.4 Payment in terms of Rule 36.3 shall constitute full and final settlement of all claims to the benefit against the Fund and neither the Board nor the Administrator shall have any further liability for the benefit to any person.

31.5 Payment of benefits shall be in line with the prevailing legislation of Lesotho.

31.6 Nothing in these Rules shall in any way restrict the right of the Employer to terminate the employment of any Member or affect any agreement between the Employer and an employee in regard to conditions of Service.

32. Access to Information

32.1 Subject to payment of such fee as the Board may require, a Member shall be entitled on written application to a copy of the following documents and to make extracts thereof:

(a) Rules
(b) Valuation Reports
(c) Financial Statements
(d) Policies.

33. Amendment of the Rules

33.1 The Board may amend these Rules at any time.

33.2 No amendment to the Rules which affect the financial condition of the Fund may be made until it has been approved by the Actuary.

33.3 The Regulator shall be notified of all amendments to these Rules.

33.4 If the approval of any amendment to the Rules is done on a date after the effective date of the amendment, the amendment shall nevertheless take effect from the effective date as stated in the amendment.

34. Certification of the Rules

Certified that these are the Rules of the Public Officers' Defined Contribution Pension Fund as revised and approved by the Board of Trustees on the 30th September 2024.

Approving Body	Signature	Effective Date
Principal Officer		1st October 2024
Benefits Administration Committee		1st October 2024
The Board		1st October 2024

SCHEDULE 1

Fund	Type	pension fund
	Funding	defined contribution
Contributions	Employer	5,0% of salary towards retirement 6,2% of salary towards costs
	Member	5,0% of salary towards retirement
Normal Retirement Age	disciplined service	55
	teaching service	65 or 60
	public service	60
	local government	60
	Deferred Pensioner	65
Early Retirement Age	All	within 10 years from Normal Retirement Age,
withdrawal benefits	Active Member	Fund Credit
	Deferred Pensioner	Fund Credit
disability benefits	Active Member	2 X Fund Salary plus Fund Credit
	Deferred Pensioner	Fund Credit
retirement benefits	active member	Fund Credit
	Deferred Pensioner.	Fund Credit
death benefits	Active Member	2 X Fund Salary plus Fund Credit
	Deferred Pensioner	Fund Credit