

REPUBLIC OF SOUTH AFRICA

PENSION FUNDS AMENDMENT BILL

*(As introduced in the National Assembly (proposed section 75); explanatory summary of
Bill and prior notice of its introduction published in Government Gazette No. 43726 of
18 September 2020)
(The English text is the official text of the Bill)*

(DR D T GEORGE, MP)

[B 30—2020]

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GENERAL EXPLANATORY NOTE:

Words underlined with a solid line indicate insertions in existing enactments.

BILL

To amend the Pension Funds Act, 1956, so as to enable pension fund members to access a percentage of their pension fund before retirement as guarantee for a loan; and to provide for matters connected therewith.

BE IT ENACTED by the Parliament of the Republic of South Africa, as follows:—

Amendment of section 19 of Act 24 of 1956, as amended by section 13 of Act 80 of 1959, section 9 of Act 58 of 1966, section 1 of Act 80 of 1969, section 2 of Act 23 of 1970, section 7 of Act 91 of 1972, section 23 of Act 101 of 1976, section 11 of Act 94 of 1977, section 11 of Act 80 of 1978, section 14 of Act 103 of 1979, section 39 of Act 99 of 1980, section 14 of Act 82 of 1982, section 20 of Act 46 of 1984, section 17 of Act 86 of 1984, section 11 of Act 50 of 1986, section 5 of Act 51 of 1988, section 8 of Act 53 of 1989, section 11 of Act 64 of 1990, section 2 of Act 94 of 1997, section 2 of Act 65 of 2001, section 33 of Act 45 of 2013 and section 290 read with schedule 4 of Act 9 of 2017 5 10

1. Section 19 of the Pension Funds Act, 1956, is hereby amended by the insertion after subsection (5B) of the following subsection:

“(5BB) A registered fund may, if its rules so permit and subject to prudential standards, furnish a guarantee in favour of a person other than the fund in respect of a loan granted or to be granted by such other person to a member, which guarantee may not exceed 75 per cent of that member’s share in the value of the fund.”. 15

Short title

2. This Act is called the Pension Funds Amendment Act, 2020. 20