

## DEVELOPMENTS ON THE SALGBC PENSION FUND RESTRUCTURING – COLLECTIVE AGREEMENT

### HIGH COURT INTERDICT

Dear Members and Stakeholders

I refer to our last newsflash on 20 May 2022 wherein I confirmed that, as previously advised, the Municipal Retirement Organisation (MRO) and various other funds had launched a review application in the Pretoria High Court against the South African Local Government Bargaining Council (SALGBC) and the other parties to the Collective Agreement (the agreement) to set aside the agreement. The LA Retirement Fund is represented by the MRO in all legal proceedings related to the unlawfulness of the agreement as it pertains to retirement funds. We await confirmation of the review application court date.

Subsequently, the Municipal Workers Retirement Fund (MWRF) was granted an interim interdict by the Pretoria High Court on 26 June 2022. This means that no employer is permitted to implement the agreement in respect of any municipal fund pending the final outcome of the High Court review application brought by the MWRF. This interdict is welcomed by ourselves and most of the funds within the municipal retirement fund industry. All participating employers have been informed and have been requested not to participate, implement, or take any action in terms of the agreement for as long as the interdict remains in force. They have specifically been requested to cease all “Freedom of Association” (FOA) presentations from so called accredited funds.

We remind you that, as previously advised, the concept of FOA as promised within the agreement is not what it is set out to be and the implementation of the agreement will not be in your best interest. It will lead to damages (for example member share values are likely to be negatively impacted on transfer to other funds) and loss of future earnings (for example contribution rates may be reduced).

As such, we again request you to stay resolute and not to make any hasty, or misinformed decisions that will impact on your future investment returns and ultimately your pension. We continue to do our utmost to protect your interests. We will continue to keep you informed regarding the progress of the legal action.

Kind regards



**Danie Carstens**

**Chairperson**

30 June 2022