

13 June 2005

Dear Member,



MGF

MUNICIPAL GRATUITY FUND

CITY OF JOHANNESBURG AND UAC'S: APPLICATION TO WITHDRAW

The City of Johannesburg, including the UAC's lodged an application with the Municipal Gratuities Fund to withdraw from the Fund in terms of section 44(3)(a) of the Rules of the Fund.

Section 44(3)(a) provides as follows:

A local authority may apply to the Committee in writing for the termination of its contributions to the Fund, who shall only grant their approval if the Committee, in its absolute discretion, resolves that the reason tendered by such local authority is acceptable.

Although section 44(3)(a) empowers the Management Committee to grant approval if it resolves "in its absolute discretion" that the reason tendered is acceptable, the Management Committee deemed it prudent to invite your opinion in this regard due to the importance of the matter.


* Attached is a schedule of comparisons between the MGF and the eJoburg Fund.

Section 44(3)(b) further provides that if 90% of the MGF members working for the City (including the UAC's) decides to participate in the eJoburg Fund the Management Committee may transfer the actuarial value (fund credit) of each member concerned to the eJoburg Fund. Alternatively the fund credit will remain with the MGF to be managed to the benefit of the member concerned.

The City and the UAC's propose to contribute to the eJoburg Retirement Fund only.

Please complete the portion below and return this letter to the Fund's offices at Bedfordview not later than 8 July 2005.

Kind regards


DEWALD JACOBSSOHN
CHIEF EXECUTIVE OFFICER

I,, I.D. no. pension number employee number (SAP no) respond as follows:

1. Should the Fund approve the application by the City of Johannesburg, including the UAC's, to withdraw from the MGF?

Yes OR No

2. If the Fund approves the application by the City and the UAC's to withdraw, my fund credit, must be transferred to the eJoburg Retirement Fund?

Yes OR No

3. Further comments _____

SIGNED: _____

DATE: _____

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