ANNEXURE A

EXPLANATION OF BUDGET, ESTIMATES OF EXPENDITURE AND LEVY PROPOSALS

1. INTRODUCTION

1.1 In terms of section 239(1) of the Financial Sector Regulation Act, 2017 ("FSR Act"), the Office of the Pension Funds Adjudicator ("OPFA") as a financial sector body, must for each financial year prepare and adopt:

(a) a budget in accordance with section 248 that includes an estimate of its expenditure;
(b) a proposal for the fees that will be charged and levies that will be imposed by the financial sector body; and
(c) projected estimates of its expenditure for next 2 financial years.

1.2 In terms of section 240 of the FSR Act, Part 1 of Chapter 7, with the exception of section 100, applies with the necessary changes to the adoption of the budget, estimates of expenditure as well as the levy proposal as provided for in section 239.

1.3 As such, in adopting the budget and determining levies, the OPFA must publish the following documents for public comment:

(a) the budget, including estimates of expenditure;
(b) the levies proposal for the relevant financial year;
(c) the projected estimates of its expenditure for next 2 financial years; and
(d) an explanation of the budget, estimates of expenditure and levies proposal, and of the variation of the budget, estimates of expenditure and the fees and levies proposals against the budget, estimates of expenditure and the levies proposal adopted for the previous financial year (section 240(2)(b) of the FSR Act).

1.4 The OPFA hereby provides the explanation referred to in paragraph 1.3(d) above.

2. BACKGROUND

2.1 The FSR Act introduced important changes to the regulation and supervision of the South African financial sector. Among other things, the FSR Act established a dedicated market conduct regulator in the Financial Sector Conduct Authority ("FSCA"), that was assigned an expanded scope of responsibility as compared to its predecessor, the Financial Services Board.

2.2 One of the fundamental principles set out in National Treasury's document titled 'A safer financial sector to serve South Africa better released by National Treasury, 23 February 2011', is that regulators of the financial sector should be appropriately and adequately funded to enable them to effectively execute their mandates. According to this policy document, the regulated entities should ideally fund the operational budgets of regulators including ombud schemes in a way that eliminates conflicts of interest. The FSR Act provisions have been implemented in phases including amendments to the ombud system and its funding as stated in the Financial Sector and Deposit Insurance Levies Act, 2022 ("Levies Act").

2.3 Proclamations no. 3186 and 3187 were published in the Government Gazette No. 48291 dated 24 March 2023, on the commencement of Levies Act and the commencement of certain provisions of the FSR Act that amend the Pension Funds Act, 1956 ("Pension Funds Act") as they relate to funding and governance requirements of the Office of the Pension Funds Adjudicator, with effective dates of 01 April 2023 and 01 June 2023, as applicable.

2.4 The following is a summary of the changes to the Pension Funds Act:

- *Section 30R: Funds of Adjudicator* - The funds of the Adjudicator shall consist of funds accruing to the Adjudicator in terms of the Levies Act on the grounds of a budget submitted to, and approved by, the Minister of Finance ("Minister"). Previously, the OPFA was funded by the Financial Sector Conduct Authority ("FSCA") on the grounds of a budget submitted to it that required an approval by the FSCA Commissioner. The new funding model reinforces the independence of the OPFA as a statutory ombud scheme from the FSCA in its operations and the manner in which it is funded.
- *Section 30S: Remuneration and terms and conditions of employment of Adjudicator and employees* - The remuneration and other terms and conditions of employment of the Adjudicator shall be determined by the Minister and any employee of the

Adjudicator shall be determined by the Adjudicator with the concurrence of the Minister.

- *Section 30T: Accountability* - the Adjudicator is the accounting authority of the Office of the Pension Funds Adjudicator. After dissolution of the Financial Services Board, the FSCA Commissioner was made the interim accounting authority of the OPFA with governance committees assisting in the oversight functions of the OPFA. Effective 01 April 2023, the Adjudicator assumed the new role and this necessitates a review in the organisational design, processes and governance framework to ensure good governance outcomes are achieved.

2.5 The Levies Act provides for the imposition of financial sector levies on supervised entities for the funding of the OPFA as per newly amended section 30R of the Pension Funds Act. Schedule 5 of the Levies Act (Annexure C) provides for the formula of the financial sector levy in respect of the funding of the OPFA. Section 237(1)(b) of the FSR Act provides that, the OPFA, as a financial sector body, may impose levies in accordance with the FSR Act, read with the Levies Act to fund its operations.

2.6 After the completion of the process prescribed in section 239 of the FSR Act, -

(a) the OPFA must publish the levies that have been imposed in the register and on its website in terms of section 237(2) of the FSR Act; and

(b) the Minister–

(i) must amend the Schedules to give effect to the increase of the levies by the arithmetic mean of the Consumer Price Index as published by Statistics South Africa in the preceding calendar year as contemplated in section 10(4)(b) of the Levies Act; or

(ii) may amend the Schedules to the Levies Act as contemplated in section 10(2)(a) of the Levies Act to give effect to a proposal for levies made by the financial sector body in terms of section 239(7)(b) of the FSR Act.

(iii) If Parliament approves or adopts the amendments, the Minister must then publish them in the *Gazette* and the Schedule will take effect on the publication date in accordance with section 10(1)(e) of the Levies Act.

2.7 The OPFA's budget, supported by the imposed levies, is therefore critical to ensure that it is adequately funded to effectively execute its mandate.

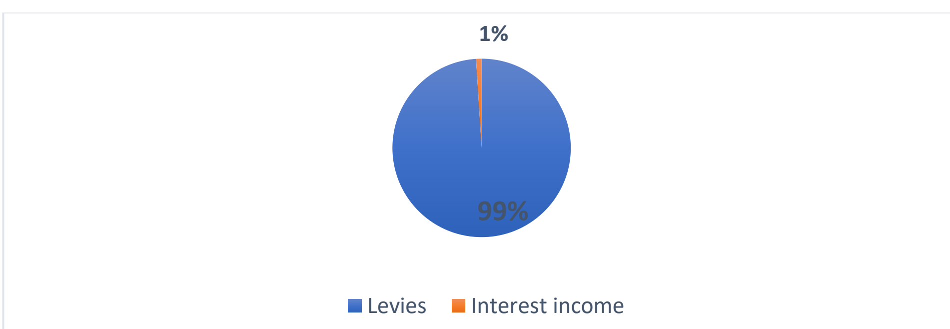
3. FUNDING MODEL

3.1 The OPFA is funded in terms of section 30R of the Pension Funds Act by imposing levies on the pension funds industry as detailed in the Levies Act. The levies are the main contributor to the OPFA's revenue base and as such, the costs associated with the disposal of complaints are funded primarily from the levies income.

3.2 The OPFA must raise sufficient levies to cover its operational requirements and shall not, as a general principle, budget for a surplus/deficit unless prior approval is obtained from the National Treasury. For the financial year 2024/25 the OPFA budgets gross revenue of R108 million (Budget 2023/24: R90 million), operations expenditure of R100 million (Budget 2023/24: R94 million) and R8 million (Budget 2023/24: R5 million) capex, resulting in a breakeven position in the 2024/25 financial year.

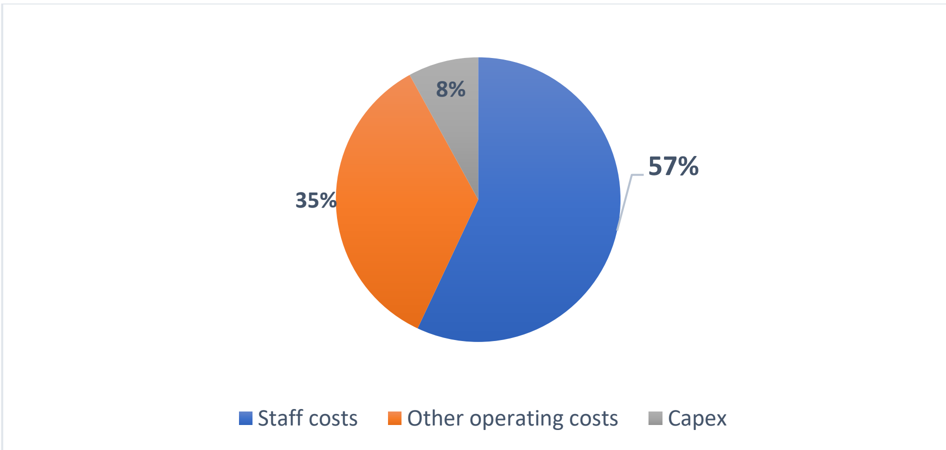
3.3 The gross revenue budget of R108 million comprises mainly of levies accounting for 99% (Budget 2023/24: 99%) of the gross revenue. The levy income is charged to the supervised entities based on a formulae and the invoices are generated annually. Included in the levy budget is the special levy of R7 million (Budget 2023/24: R6 million) to cover establishment costs and other expenses that are not part of the ordinary course of discharging the mandate (i.e. capex expenditure).

Figure: 1: Revenue budget composition



3.4 The operations expenditure of R100 million (Budget 2023/24: R94 million) comprises of staff expenditure of R62 million (Budget 2023/24: R58 million) and general expenditure of R38 million (Budget 2023/24: R36 million). Staff expenses represent 57% of R108 million, general expenditure 35% and capital expenditure 8% of the total expenditure budget.

Figure: 2: Expenditure breakdown



3.5 To cover the budgeted operational expenditure (which includes the capex expenditure) and the implementation of the recent changes to the Pension Funds Act, the OPFA proposes an increase of 35% in the levy from 7.70 cents to 10.38 cents i.e. if the number of eligible pension fund members remain the same.

3.6 For detailed information on the budget and explanatory notes refer to **Annexure B** of the OPFA Budget 2024/25.

4. LEVY PROPOSAL

4.1 The financial sector levy payable by a supervised entity to the OPFA as contemplated in Part A of the Levies Act, read with Schedule 5 of the Levies Act, in respect of the 2024/2025 levy year, is an amount equal to the sum of the amounts specified in or calculated in accordance with Table E in Schedule 5, in relation to that supervised entity, in the Levy Proposal as per **Annexure C**.

4.2 The levy amount specified is determined based on the OPFA's operational funding requirements and divided by the number of registered pension fund members and all other persons who receive regular periodic payments from such a fund (excluding any member or such person, whose benefit remained unclaimed and beneficiaries of members of pension funds) as reflected in the latest annual financial statements furnished to the FSCA as at 28 February of the preceding levy year depicted as letter "L" on Table E Schedule 5. The assumption is that this number of eligible pension fund members will remain the same for the purposes of the annual budget, expenditure estimates for the medium term and proposed levy determination.

4.3 The number of eligible pension fund members (L) were reported at 10,8 million as at 28 February 2023.

4.4 The levy amount formula is determined as the base amount (i.e. budget year levy amount) plus a variable amount which is the increment from the current budget year amount.

4.5 The OPFA levy proposal for the 2024/2025 financial year as per **Annexure C** (Schedule 5, Table E), illustrates the proposed change to the variable amount in the column "Proposed Variable Amount" and the variable percentage as "% change".

4.6 The OPFA proposed a levy amount of 10.38 cents which is a difference of 2.68 cents which amounts to a variance percentage increase of 35%. This is above the estimated CPI and will require the Minister to table for Parliament approval as per section 10(1)(a) of the Levies Act. This increase is to ensure that the changes in legislation, as explained above, are implemented optimally to achieve the desired outcomes of an improved, independent and more effective alternative dispute resolution mechanism.

ANNEXURE B

OFFICE OF THE PENSION FUNDS ADJUDICATOR BUDGET FOR 2024/25 AND ESTIMATES OF EXPENDITURE FOR 2025/26 AND 2026/27

The Office of the Pension Funds Adjudicator, in terms of section 240 of the FSR Act, hereby proposes its budget for 2024/25 and estimates of expenditure for 2025/26 and 2026/27.

INTRODUCTION

The OPFA is a schedule 3A public entity in terms of the Public Finance Management Act, 1999. It was established in terms of section 30B of the Pension Funds Act to investigate and determine pension fund related complaints lodged in terms of the Pension Funds Act and those designated to the Adjudicator in terms of the FSR Act. Section 30D requires that the Adjudicator, when disposing complaints, must:

- apply, where appropriate, principles of equity;
- have regard to the contractual arrangement or other legal relationship between complainants and any financial institutions;
- have regard for the provisions of the Pension Funds Act; and
- act in a procedurally fair, economical, and expeditious manner.

The OPFA is guided by its mandate and is committed to achieving its strategic goals and contributing to social protection of consumers of pension products and services by:

- being a trusted, independent and impartial Pension Funds Adjudicator;
- being an organisation that leads by example and is committed to service excellence;
- providing access to complainants;
- creating awareness on the role of the OPFA, educating and informing consumers of their rights; and
- establishing meaningful and collaborative relationships with relevant stakeholders.

The OPFA's strategic objectives in the medium-term focus on discharging its mandate, improving the efficiency of its operations through an effective system of internal control and sound governance, and having informative and value adding interactions with its stakeholders, namely:

- Strategic goal 1: Dispose of complaints received;
- Strategic goal 2: Achieve operational excellence; and
- Strategic goal 3: Effective stakeholder engagement.

The consolidated budget for the 2024/25 financial year as presented is drawn from the funding requirements to implement the various programmes of the OPFA derived from these strategic objectives.

Furthermore, this budget accounts for recent changes detailed above in the Pension Funds Act to fund the transition to a more independent statutory ombud scheme that has a more comprehensive mandate to realise the *Treating Customer's Fairly* outcomes for consumers of pension fund products and services.

The OPFA budgets for a gross revenue of R108 million, staff costs of R62 million, operating costs of R38 million and capital expenditure of R8 million for the 2024/25 financial year.

1. OPFA BUDGET 2024/25

1.1 PRINCIPAL BUDGET ASSUMPTIONS

General budget assumptions applied– Economic Indicators

MTEF budgeting guidelines	Where practical budgeting is aligned to MTEF guidelines in reducing costs overall.
Inflation (CPI)	Annual CPI inflation 6% expected.
Interest on investments	The current yield on Corporation of Public Deposits (CPD) is 8.25% and this is expected to remain in a high inflation environment.

Staff Costs

Salaries	Actual as at July 2023, with budgeted increase of 6% from 1 January 2024.
Relief Staff Expenditure	As budgeted based on the projections based on team requirements. Savings from vacancies used to augment budget in the circumstance of high seasonal complaints.
Other Staff Expenditure	Other staff expenditures including employer contributions for Retirement, Seta levy and UIF.

General Expenses

IT maintenance and support	Increments based on OEM software packages maintenance costs and existing support contracts.
Audit fees	Based on the internal audit plan and a CPI adjustment on external audit from prior year fees.
Depreciation and Armortisation	Based on Capex budget and the existing asset balances with diminishing carrying values in the fixed asset register.
Legal fees	Budget according to current legal cases in progress, historical information and probabilities.
Rentals and Utilities	Based on existing lease agreement plus rates, taxes, water and electricity.
Telephone, Postal services and connection	Telephone and postal services costs based on actual costs and new data cards contract for mobile connections.
Other operating expenditure	Telephone and postal services costs based on actual costs and new data cards.

1.2 ABRIDGED INCOME STATEMENT

Table 1: Annul budget 2024/25 and variances

ITEM	REFERENCE	ACTUAL BUDGET 2023/24 R'(000)	ACTUAL BUDGET 2024/25 R'(000)	VARIANCE	% VARIANCE
REVENUE					
LEVY INCOME	1.3.1	(83,379)	(99,487)	(16,109)	19%
SPECIAL LEVY	1.3.2	(6,253)	(7,462)	(1,208)	19%
INTEREST INCOME	1.3.3	(427)	(1,068)	(641)	150%
GROSS REVENUE		**(90,059)**	**(108,017)**	**(17,958)**	20%
EXPENDITURE					
OPERATING COSTS	1.3.4	36,284	38,200	1,916	5%
STAFF COSTS	1.3.5	58,139	61,913	3,774	6%
GENERAL EXPENDITURE		**94,423**	**100,113**	**5,690**	**6%**
CAPITAL EXPENDITURE	1.3.7	5,360	7,904	2,544	47%
TOTAL ESTIMATED EXPENDITURE		**99,783**	**108,017**	**8,234**	**8%**
BUDGET SHORTFALL/(SURPLUS)		**9,724**	-		

Revenue

The OPFA's main revenue source is levies based on the levy rate as determined in line with the Levies Act. The FSCA is responsible for the collection of levies on behalf of the OPFA from pension funds as per the Levies Act. The gross revenue also includes a special levy, which the Levies Act allows the OPFA to raise in the first 2 years of its enactment to cover establishment costs. Interest is earned on cash balances which is not material. The revenue required is based on a proposed budget that is driven by the costs of funding the OPFA operations. The gross revenue budget of R108 million (Budget 2023/24: R90 million) comprises mainly of levies accounting for 99% of the total revenue.

Expenditure

Operating costs consists of audit fees, depreciation, IT maintenance and support, legal fees, telephone, postage, operating lease rentals etc. The average growth in operating expenditure is 5% and driven by CPI related factors.

Staff costs consists of salaries, retirement funds contributions, workmen's compensation, employee assistance programmes, governance fees, internship fees etc. The average increase on staff costs is 6% and largely driven by CPI linked adjustments and 2 new positions created.

Capital expenditure consists of cost to procure computer equipment & software, furniture & fittings, office equipment etc. The growth in capex expenditure is primarily driven by the investment in IT equipment and software, investment in ICT security management as well as the implementation of the ERP system to improve overall ICT capabilities and realise more efficiencies.

The OPFA is heavily reliant on its human resources capacity to deliver its mandate. Therefore, it will continue to strive to provide a positive organisational climate and comply with employment equity requirements. The OPFA will continue to evaluate its operations to ascertain possible opportunities for more efficiencies including improving its systems and processes.

1.3 DETAILED OPERATIONAL BUDGET

Table 2: Gross revenue budget

ITEM	REFERENCE	ACTUAL BUDGET 2023/24 R'(000)	ACTUAL BUDGET 2024/25 R'(000)	VARIANCE	% VARIANCE
REVENUE					
LEVY INCOME	1.3.1	(83,379)	(99,487)	(16,109)	19%
SPECIAL LEVY	1.3.2	(6,253)	(7,462)	(1,208)	19%
INTEREST INCOME	1.3.3	(427)	(1,068)	(641)	150%
GROSS REVENUE		**(90,059)**	**(108,017)**	**(17,958)**	**20%**

Levy budget and Interest income

1.3.1 Pension Funds Levies R99 million (Budget 2023/24: R83 million)

The levy budget is based on the rates as determined in line with the Levies Act. The overall OPFA levy increased by 35% compared to the 2023/2024. The OPFA raised the levies by this margin in order to cover its operational requirements, to cover additional costs as a result of the separation (decoupling) with the FSCA and funding the contingency reserves of 15% (section 239(3) of the FSR Act) to be accumulated over a three-year period (i.e. 5% per year).

1.3.2 Special Levy R7.5 million (Budget 2023/2024: R6.2 million)

The Levies Act allows the OPFA to raise a special levy in the first two years of its enactment to cover establishment costs. The special levy is calculated at 7.5% of the amount to be invoiced as a proposed levy of 10.38.

1.3.3 Interest Income R1 million (Budget 2023/24: R0.427 million)

The interest income is based on the cash management strategies to optimise unutilised funds throughout the year to augment the OPFA budget. The savings deposited with the

South Africa Reserve Bank CPD as required by the PFMA, at a current yield of 8.5% per annum.

Table 3: Staff expenditure

ITEM	REFERENCES	ACTUAL BUDGET 2023/24 R'(000)	ACTUAL BUDGET 2024/25 R'(000)	VARIANCE	% VARIANCE
STAFF COST					
SALARIES	1.3.4	47,705	50,613	**2,908**	6%
RELIEF STAFF	1.3.5	150	157	**7**	5%
OTHER STAFF EXPENDITURE	1.3.6	10,284	11,142	**858**	8%
TOTAL STAFF EXPENDITURE		**58,139**	**61,913**	**3,773**	6%

1.3.4 Salaries R47 million (Budget 2023/24: R51 million)

The overall increase in staff cost amounts to 6% which is consistent with a CPI assumption for 2024/25. Salaries represent 82% (Budget 2023/24: 82%) of the staff expenditure budget and 57% (Budget 2023/24: 58%) of total expenditure budget. Personnel costs are the main cost driver. The high ratio of salaries to total expenditure is attributable to the OPFA being a service organisation with mainly legal professionals that have specialised pension fund experience.

1.3.5 Relief Staff R0.157 million (Budget 2023/24: R0.150 million)

Relief staff expenditure budget is increased by 5%.

1.3.6 Other staff

Other staff expenditure budget increased marginally at 8% which is higher than CPI to cover some costs related to the absorption of payroll services previously done by the FSCA.

Table 4: Operating expenses

ITEM	REFERENCES	ACTUAL BUDGET 2023/24	ACTUAL BUDGET 2024/25	VARIANCE	% VARIANCE
EXPENDITURE					
AUDIT FEES	1.3.7	2,381	2,409	**28**	1%
IT MAINTENANCE AND SUPPORT	1.3.8	9,210	10,560	**1,350**	15%
LEGAL FEES	1.3.9	559	585	**27**	5%
OTHER OPERATING COSTS	1.3.10	12,682	12,165	**(517)**	-4%
TELEPHONE, POSTAGE AND CONNECTION	1.3.11	2,239	2,531	**292**	13%
RENTALS AND UTILITIES	1.3.12	9,214	9,951	**737**	8%
TOTAL EXPENDITURE		**36,284**	**38,200**	**1,917**	5%

1.3.7 Audit Fees R2.380 million (Budget 2023/24: 2.408 million)

The budget for audit fees is for internal and external audit services for the financial year with a marginal increase of 1%.

1.3.8 IT maintenance and support R9.210 million (Budget 2023/24: R10.560 million)

Computer support and maintenance budget is for computer applications and user support costs and expected to increase by 15%. The variance from the previous budget is driven mainly by the implementation of new technologies, security upgrades and support services for existing applications which are all necessary to ensure critical OPFA systems are working efficiently, sensitive data is protected and the overall network environment is secure.

1.3.9 Legal fees R0.559 million (Budget 2023/24: R0.585 million)

Legal fees budgeted for included section 30P appeals and labour matters. These expenses are dependent on number and nature of claims and expected to increase by 5%.

1.3.10 Other operating costs R12.682million (Budget 2023/24: R12.165 million)

This expense consists of general administration expenses such as cleaning, repairs and maintenance, bank charges, storage etc. The decrease is due to cost containment plans and a decrease in depreciation due to assets reaching their full useful lives and possible disposal of others when the operating lease contract ends.

1.3.11 Telephone, postage and connection R2.239 million (Budget 2023/24: R2.531 million)

This expense consists of telephone, postal, internet, data connectivity and other communication related services. This is expected to increase by 13% due to the cost of data services as most staff can now work remotely to improve productivity, as well as the increase in the bandwidth for back-up connectivity between the operating environment and the back-up environment.

1.3.12 Rentals and Utilities R9.214 million (Budget 2023/24: R9.951 million)

This expense is related to the office lease paid to the landlord and the utilities including rates and taxes, water, electricity etc. and the increment of 8% is linked to the annual increment on the existing office lease contract.

1.4 CAPITAL EXPENDITURE BUDGET

Table 5: Planned capital assets acquisitions

ITEM	ACTUAL BUDGET 2023/24 R'(000)	ACTUAL BUDGET 2024/25 R'(000)	VARIANCE	% VARIANCE
Leasehold	-	1500	1,500	100%
Library	-	-	-	0%
Computer Equipment	2,000	3,204	1,204	60%
Office Equipment	-	-	-	0%
Furniture & Fittings	1,200	1,500	300	25%
Computer Software	1,100	1,500	400	36%
Motor Vehicles	600	-	(600)	-100%
Machinery & Equipment		-	-	0%
Signage	460	200	(260)	-57%
	5,360	**7,904**	**2,544**	

Capex budget is mainly to cover costs related to a new lease contract as the current one comes to an end at the end of February 2024, refresh/upgrade of ICT infrastructure in line with the OPFA modernisation strategy, and phase 3 of the ERP project implementation.

2. OPFA EXPENDITURE ESTIMATES 2024/25 AND 2026/27

ITEM	REFERENCES	BUDGET 2024/25 R'(000)	BUDGET 2025/26 R'(000)	% VARIANCE 2024/25 vs 2025/26	BUDGET 2026/27 R'(000)	% VARIANCE 2025/26 vs 2026/27
REVENUE						
LEVY INCOME		(99,487)	(111,743)	12%	(117,330)	5%
SPECIAL LEVY		(7,462)	-	-100%	-	0%
INTEREST INCOME		(1,068)	(1,121)	5%	(1,177)	5%
GROSS REVENUE	**2.1.1**	**(108,017)**	**(112,864)**	**4%**	**(118,507)**	**5%**
EXPENDITURE						
OPERATING COSTS	2.1.2	38,200	40,110	5%	42,116	5%
STAFF COSTS	2.1.3	61,913	65,009	5%	68,259	5%
GENERAL EXPENDITURE		**100,113**	**105,119**	**5%**	**110,375**	**5%**
CAPITAL EXPENDITURE	2.1.4	7,904	7,746	-2%	8,133	5%
TOTAL ESTIMATED EXPENDITURE		**108,017**	**112,864**	**4%**	**118,507**	5%
BUDGET SHORTFALL/(SURPLUS)		-	-		-	

2.1.1 Gross Revenue R113 million 2025/26 and R119 million 2026/27

Gross revenue is expected to increase by an average of 4% in 2025/26 and 5% in 2026/27 respectively, marginally lower than the CPI projections. This is because a base line would have been established in 2024/25 with the significant levy increase of 35% and the levy increment will stabilise consistent with CPI.

2.1.2 Operating costs R40 million 2025/26 and R42 million 2026/27

Operating costs is budgeted to increase by 5% on average for 2025/26 and 2026/27 respectively to account for CPI related increases in costs.

2.1.3 Staff costs R65 million 2025/26 and 68 million 2026/27

Staff costs for 2025/26 and 2026/27 is also projected to increase by an average of 5% to account for cost-of-living adjustments in salaries and related contributions.

2.1.4 Capex Costs R8 million 2025/26 and 2026/27

Capex costs is set to decrease by 2% in 2025/26 and subsequently increase by 5% in 2026/27 to cover capital expenditure because of refurbishment of the ICT environment and replacement of capital assets that would have reached end of useful life.

ANNEXURE C

LEVY PROPOSAL IN TERMS OF SECTION 239(1)(b) OF THE FINANCIAL SECTOR REGULATION ACT

The Office of the Pension Funds Adjudicator, in terms of section 240 of the FSR Act hereby proposes levies as reflected below in the form of proposed amendments to Schedule 5 of the Levies Act.

SCHEDULE 5

FINANCIAL SECTOR LEVY CALCULATION FOR SUPERVISED ENTITIES IN RESPECT OF STATUTORY OMBUD SCHEMES

(Section 4(1)(a))

Application

Table E must be applied to calculate the levy payable by a supervised entity that is—

(a) a pension fund; or

(b) a financial service provider.

TABLE E

Statutory Ombud Scheme	Type of supervised entity	Number of payments per levy	Base Amount (Rands)	Variable Amount(s) (Rands)	Proposed Variable Amount (s)	% Change	Description of Variable	Formula	Maximum (Rands)
Office of the Pension Funds Adjudicator	Pension fund	One	R0	7.70 x L	**10.38 x L**	**35%**	L = number of members and all other per- sons who receive regular periodic payments from such a fund (excluding any member or such person, whose benefit remained unclaimed and beneficiaries of members of pension funds) as reflected in the latest annual financial statements furnished to the Authority as at 28 February of the preceding levy year	Levy = Base amount + Variable Amount	Not applicable