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OPFA COMMUNICATION 1 of 2025

THE APPLICATION OF THE *IN DUPLUM* RULE

BACKGROUND

1. On 18 March 2025, the Eastern Cape High Court, Makhanda issued a judgment in *Blue Crane Route Municipality v Municipal Workers Retirement Fund and Another* (1827/2024) [2025] ZAECMKHC 28, confirming the application of the *in duplum* rule to late payment interest ("LPI") accrued in terms of section 13A(7) of the Pension Funds Act ("the Act").
2. OPFA Communication 1 of 2024, issued on 5 February 2024, advised that the *in duplum* rule does not apply to LPI calculated in terms of section 13A(7), based on a judgment, issued by the Pietermaritzburg High Court in *Municipal Workers Retirement Fund v Umzimkhulu Local Municipality and Others* (11458/2015) [2023] ZAKZPHC 80.

PURPOSE

3. The purpose of this OPFA Communication is to confirm the position adopted by the OPFA considering the *Blue Crane Route Municipality* judgment.

THE APPLICATION OF THE *IN DUPLUM* RULE TO LPI

4. The *Blue Crane Route Municipality* judgment determined that the *in duplum* rule applies to LPI calculated in terms of section 13A(7) of the Act. Given that this decision was rendered by a full court, it takes precedence over the *Umzimkhulu* judgment, which was issued by a single judge.

5. In adherence to the principle of *stare decisis*, the OPFA considers itself bound by this ruling and aligns its position accordingly.
6. This Communication is issued based on the prevailing interpretation by the Court. Please direct any enquiries to Nondumiso.Ntshangase@pfa.org.za.
7. Thank you for your continued co-operation.

A handwritten signature in black ink, appearing to read 'Ma Lukhaimane', is written over a horizontal line.

MA LUKHAIMANE

PENSION FUNDS ADJUDICATOR

08 MAY 2025