



## African Chrysotile Asbestos (ACA) / Msauli

### Briefing Note on Diminishing Funds and the Application of an Apportionment Formula

- As communicated at the Asbestos Relief Trust's (the Trust) 2009 and 2010 Annual General Meetings, the funds made available by ACA/Msauli to the Asbestos Relief Trust for payment of compensable claims which fall to be paid out from their pool of funds (see below), is nearing exhaustion. Once exhausted no further claims which fall within this category can be considered for payment until such time as more funds are received from ACA/Msauli for these purposes.
- In order to compensate as many qualifying claimants as possible with the remaining funds, the Trustees have decided to pay a portion of the total potential amount payable out of the ACA/Msauli pool of funds equal to 25c in every rand.
- Claimants who qualify for this payment scheme are those whose award was approved and calculated on or before Friday 15 October 2010. The Trustees cannot guarantee that the unpaid portion of the award will be paid in future if funds become available.
- Potential claimants whose claim applications were *not* finalised as at Friday 15 October 2010 are excluded from this payment scheme. If these potential claimants finalize their claim applications at a date after Friday 15 October 2010 and the claim is approved and calculated, they can only be considered for payment if and when ACA/ Msauli make more funds available to the Trust.
- It is important to remember that the ACA/Msauli pool of funds is used to pay compensation to claimants who were exposed to asbestos from the operations of the ACA/Msauli mine in the period *before* 1 January 1965 and *after* 31 December 1988.
- Therefore, it does not affect claimants who were exposed to asbestos from the operations of ACA/Msauli *between* 1 January 1965 and 31 December 1988. A different pool of funds, the Gencor pool, is used to pay compensation to claimants who were exposed during this period. This pool of funds is not exhausted and the portion of an award that qualifies to be paid out of this pool of funds will at this stage continue to be paid in full.
- If a claimant worked at the ACA/Msauli mine during a period which overlaps both pools, ie. ACA/Msauli and Gencor, he/she would be paid in full for the portion which falls under Gencor pool of funds and an apportioned amount (based on an amount of 0.25c in the rand) for the portion of the award which falls under the ACA/Msauli pool. In this case the following illustration would apply:

**Illustration (this is an example; each claim will be calculated according to the details on file)**

Mr Xhosa worked at Msauli Mine between 1 January 1960 and 31 December 1984. He was diagnosed with a compensable asbestos related disease and the *total* potential compensation payable was R25 000.

**Calculation:**

**Occupational history:** 1 January 1960 – 31 December 1964 – qualifies under the ACA/Msauli pool of funds  
1 January 1965 – 31 December 1984 – qualifies under the Gencor pool of funds

**Total Potential Compensation:** R25 000

ACA / Msauli pool of funds R 5 000

Gencor pool of funds R20 000

**Application of apportionment to ACA/Msauli portion:**

ACA/Msauli =  $0.25c \times R5\ 000 = R1,250$  payable after apportionment. Therefore total amount payable by the Trust:

ACA R 1,250

Gencor R20 000

R21,250

Mr Xhosa will receive a total award from the Trust of R 21,250.