

WHAT ARE MY FUND OPTIONS ON RETIREMENT?

When you retire from your Employer's service you need to complete and submit a retirement claim form (to be obtained from the forms section of the Fund's website) instructing the Fund what you wish to do with your member share.

You have one of the following 7 options:

1. ELECT A PHASED RETIREMENT FROM THE FUND EVEN THOUGH YOU RETIRED FROM EMPLOYMENT



This means that you choose to delay retiring from the Fund and receiving your benefit. You are effectively regarded as a paid-up member until you complete and submit a retirement claim form confirming what you wish to do with your retirement benefit. No further contributions are made to the Fund. Your insured benefits i.e. death cover, disability cover, funeral cover and Voluntary Critical Illness benefit stop on your becoming a paid-up member. Please refer to the explanatory Q&A document on the Fund's website for further information.

2. USE YOUR FULL BENEFIT TO PURCHASE AN IN-FUND LIVING ANNUITY AND/OR POOLED ANNUITY FROM THE FUND.



3. TAKE PART OF YOUR BENEFIT AS A CASH LUMP SUM AND USE THE BALANCE TO PURCHASE AN IN-FUND LIVING ANNUITY AND/OR POOLED ANNUITY FROM THE FUND.



4. USE YOUR FULL BENEFIT TO PURCHASE MORE THAN ONE ANNUITY WHICH MAY INCLUDE THE IN-FUND LIVING ANNUITY AND/OR POOLED ANNUITY.

(Subject to SARS requirements)

5. TAKE PART OF YOUR BENEFIT AS A CASH LUMP SUM AND USE THE BALANCE TO PURCHASE MORE THAN ONE ANNUITY WHICH MAY INCLUDE THE IN-FUND LIVING ANNUITY AND/OR POOLED ANNUITY.

(The lump sum may be subject to tax.)

6. TRANSFER YOUR FULL BENEFIT TO A RETIREMENT ANNUITY OR PRESERVATION FUND.

(Subject to SARS approval.)



7. TAKE THE FULL BENEFIT AS A CASH LUMP SUM.

This option is only available to members who were 55 and older on 1 March 2021 and who have not chosen to opt into the two-pot retirement system.

(The lump sum may be subject to tax.)

Outstanding housing loan surety or other legitimate deductions

Any legitimate deductions will be made from your benefit irrespective of your option chosen. This is particularly relevant if you have an outstanding pension backed housing loan balance at the time of your retirement. You cannot elect a phased retirement if you have an outstanding pension backed housing loan unless you settle the loan with other savings you may have (i.e. not from your member share). The same applies if you elect to transfer your benefit to a retirement annuity or preservation fund.

Retirement Benefits Counselling

You are given access to retirement benefits counselling prior to you making a decision on the payment of your Fund benefit. Please contact the Fund Services Centre if you have not received a call from the Fund Counsellor shortly after you have submitted your completed retirement claim form.

Payment of cash lump sums on retirement

Cash lump sums may only be taken from your savings pot and/or your vested pot on retirement. The full amount in your retirement pot must be used to purchase an annuity/ies on retirement. The only exception to this is if the combined value of your member share in the retirement pot and 2/3rds of the non-vested right in your vested pot on retirement amounts to less than the minimum amount specified in legislation, known as the de minimis amount. In this instance, the full benefit may be taken as a cash lump sum and may be subject to tax.