LA RETIREMENT FUND
Formerly known as the Cape Joint Pension Fund
Securing your retirement

FUND OPTIONS
ON RESIGNATION

With effect from 1 March 2019, you automatically become a paid-up member in the Fund on the termination of your employment. This means that your member share remains in your various "pots" in terms of the two-pot retirement system and is invested in your default or chosen investment portfolio and will therefore continue to be adjusted with investment returns. You remain a paid-up member in the Fund until you complete and submit a withdrawal 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.

Each of your pots may be treated differently on your resignation. Please see below:

Question	Vested pot	Savings pot	Retirement pot
What can I withdraw when I resign from employment before retirement?	**You may withdraw the full balance as a cash lump sum. Alternatively, you can retain your vested pot in the Fund (i.e. you become a paid-up member) or transfer it to your new vested pot in another approved fund.**	**You may withdraw the full balance as a cash lump sum but if you have already withdrawn from this pot during the same tax year then you will not be permitted a further cash lump sum withdrawal unless the value in the pot is less than R2 000. You may also choose to transfer the balance in your savings pot to your retirement pot or you may leave it in your savings pot.**	**You cannot make withdrawals from this pot. You may retain your retirement pot in the Fund (i.e. you become a paid-up member) or you may transfer your retirement pot to your new retirement pot in another approved fund.**
What are the tax implications?	**If a withdrawal as a cash lump sum on resignation – taxed according to the withdrawal tax table. The transfer of your vested pot in this Fund to your vested pot in another approved fund is tax-free.**	**Any withdrawals as a cash lump sum from this pot before retirement will be taxed at your marginal tax rate. Any amount transferred from your savings pot into your retirement pot is tax-free. The transfer from your savings pot in this Fund to your new savings pot in another approved fund is tax-free.**	**You cannot make withdrawals from this pot. The annuity/ies or pension will be taxed as income when it is paid to you. The transfer of your retirement pot in this Fund to your retirement pot in another approved fund is tax-free.**
From which pots will my Section 37D deductions be processed?	**Proportionately from all pots. These deductions (see below) will continue to be taxed in accordance with the withdrawal tax table except in the case of divorce and maintenance orders which will continue to be taxed at marginal tax rates.**		

DEDUCTIONS

In terms of section 37A of the Pension Funds Act, no benefit of a member may be reduced, transferred, ceded or pledged by a fund other than as provided for in the Act. For the same reason, a member in debt may also not pledge, transfer or cede their retirement benefit to satisfy that debt.

Section 37D of the Pension Funds Act does permits certain deductions from a member's retirement fund benefit. These are:

- Amounts due in respect of housing loans, granted by the fund/employer or for which the fund/employer agreed to stand surety;
- Pension interests awarded to former spouses on divorce;
- Maintenance claims awarded against the member and the fund;
- Damages due to an employer caused by a member's misconduct;
- Amounts specifically approved by the Authority.

RETIREMENT BENEFITS COUNSELLING

You are given access to retirement benefits counselling prior to you making a decision on the payment of your Fund benefit and before your benefit is paid to you or is transferred to another approved fund. Please contact the Fund Services Centre if you have not received a call from the Fund Counsellor shortly after you have submitted your completed withdrawal claim form.