

# Retirement Claim Form

(WR2023)



Ensimini

## Instructions to complete this form

1. This form must be completed and signed by members that are entitled to a retirement benefit in terms of the rules of the University of the Witwatersrand Retirement Fund.
2. It constitutes the member's instruction to the fund and its administrator on the retirement benefit option selected by the member.
3. It also constitutes the employer's confirmation to the fund and its administrator that the member has left the employment of the employer.
4. Members must make sure that they fully understand the implications of the selection of the retirement benefit option. Members are encouraged to engage with a registered Financial Services Provider or with Ensimini to ensure that they fully understand the implications before they select one of the retirement options.
5. Both the employer and member must ensure that all information requested is completed in full, that both the employer's authorised signatory and the member sign the form and that all relevant supporting documentation referred to herein is attached to the form. Failure to do so will cause delays in processing the member's instructions.

## Options available on Retirement

Members (including paid-up members) may retire at any time from age 55. Normal Retirement Age will be defined in the rules of the University of the Witwatersrand Retirement Fund for the various categories of membership.

The options available on retirement are outlined below. Please refer to the Retirement Benefit Counselling document or Retirement Benefit Counselling provider for fund-specific details on each of the options.

Please note this information is not intended to be advice as contemplated in terms of the Financial Advisory and Intermediary Services Act of 2002. Should members be uncertain of what option to select they are encouraged to seek financial advice from a registered Financial Services Provider.

The following benefit options are available on termination of membership:

### 1. Defer retirement to a later date

- Retirement may be deferred to a date later than the Normal Retirement Age.
- This can be done in the fund or outside of the fund via a retirement annuity or a preservation fund.
- If done in the fund:
  - The retirement benefit remains in the fund until the member elects to retire from the fund.
  - The retirement benefit remains invested in the same portfolio until the date that the benefit is paid to the member.
  - The retirement benefit will continue to earn investment return (positive or negative) until the date that the benefit is paid to the member.
  - Fees will continue to be deducted from the retirement benefit in line with the agreement(s) between the fund and its service provider(s).
  - No transition or transfer cost will be deducted from the retirement benefit.
- If done outside of the fund:
  - The retirement benefit will be transferred to the preservation fund or retirement annuity of the member's choice.
  - No Income Tax will be payable at this stage.
  - No transfer cost will be deducted from the benefit by the fund, but a transfer fee or initial fee or up-front commission may be charged by the fund that the member transfers to.
  - The fund will deduct amounts due in respect of divorce orders, maintenance orders, housing loans or other deductions permissible in terms of section 37D of the Pension Funds Act before the transfer is made.

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- Members must ensure that they familiarise themselves with the fees and charges that the preservation fund or retirement annuity they select will deduct from their benefit once transferred. These may include an initial fee, ongoing administration and asset management fees.
- The member may select the options below at any time after deferring retirement.

## 2. Receive a pension (also referred to as an annuity)

- The following legal limitations applies:
  - When retiring from a pension fund at least 2/3 (two thirds) of the value of the retirement benefit must be used to purchase a pension.
  - When retiring from a provident fund, the vested portion of the benefit may be taken as a cash lump sum. Only 1/3 (one third) of the non-vested portion of the benefit may be taken as a cash lump sum. The non-vested portion of the benefit must be used to buy a pension. At least 2/3 (two thirds) of the non-vested portion must be used to buy a pension. If the total of the non-vested portion is less than R 247,500.00 the full non-vested portion may be taken as a cash lump sum.
- Pensions will be purchased as annuities outside of the fund unless the fund's rules allow for annuities to be paid via the fund. Please refer to the specific fund's rules and the annuity policy for details on whether annuities will be allowed in the fund.
- Types of pensions (annuities)
  - Life Annuity
    - The monthly annuity payment is determined by the annuity provider and is based on the amount of the retirement savings used to purchase the annuity and other mortality-related factors.
    - The annuity will be paid until the retiree dies.
    - Beneficiaries will only receive a benefit if the member dies in the chosen guarantee period selected by the member (see below).
    - The following add-ons may also affect the monthly annuity payment:
      - Minimum guarantee period selected.
      - Whether the annuity will continue to be paid to a surviving spouse and / or child when the annuitant dies.
    - The retiree must consider which type of annuity increase is required. These include:
      - Flat annual increase,
      - Increase based on the performance of the assets in which the annuity is invested ("with profit annuity"),
      - Increase linked to inflation, and
      - No increase (level annuity).
    - There is no investment risk to the retiree, except in respect of the amount of the annuity increase for a "with profit annuity".
    - The retiree cannot change conditions of the annuity once it has commenced.
  - Living Annuity
    - The member may withdraw between 2.5% and 17.5% per annum of the total value of the living annuity as an annuity payment.
    - The member must select the investment portfolios in which the living annuity is invested after retirement and may make changes thereto. The options available will be determined by the living annuity provider that the member selects.
    - The member carries the risk of investment performance.
    - The annuity that is received from the living annuity is not guaranteed for life. There is a risk that the balance in the living annuity could be depleted during a member's lifetime before the member dies.
    - The annuity payment could reduce if the amount of the annuity taken exceeds the income earned on the investments.
    - Nominated beneficiaries will receive the balance remaining in the living annuity upon the member's death.
    - The retiree may amend the amount of income received, subject to the overall limitation noted above.

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- No Income Tax will be payable on the transfer from the fund to the retirement annuity fund.
- No transfer cost will be deducted from the benefit by the fund, but a transfer fee (or initial fee or up-front commission) may be charged by the retirement annuity fund that the member transfers to.
- The fund will deduct amounts due in respect of divorce orders, maintenance orders, housing loans or other deductions permissible in terms of section 37D of the Pension Funds Act before the transfer is made.
- Members must ensure that they familiarise themselves with the fees and charges that will apply in respect of the annuity being considered.

### 3. Receive payment of the benefit (or a part thereof) as a cash lump sum

- The following legal limitations applies:
  - When retiring from a pension fund, a maximum of 1/3 (one third) of the value of the retirement benefit may be taken as a cash lump sum. However, if the total value of the benefit is less than R247,500 the full amount may be taken as a cash lump sum.
  - When retiring from a provident fund, the vested portion of the benefit may be taken as a cash lump sum. Only 1/3 (one third) of the non-vested portion of the benefit may be taken as a cash lump sum. At least 2/3 (two thirds) of the non-vested portion must be used to purchase a pension. However, if the non-vested portion is less than R247,500.00 the full amount may be taken as a cash lump sum.
- Any cash lump sum selected will be paid to the member after the deduction of tax and any other permissible deductions.
- The current Income Tax rates applicable are as follows:

Taxable Income	Rate of Tax
R1 – R550,000	0%
R550,001 – R770,000	18% of amount above R550,000
R770,001 – R1,155,000	R39,600 + 27% of amount above R770,000
R1,155,001 and above	R143,550 + 36% of amount above R1,155,000

- When SARS determines the tax payable on the table, it will take into account previous cash lump sums taken from retirement funds and severance benefits.
- In addition, the fund will deduct amounts due in respect of divorce orders, maintenance orders, housing loans or other deductions permissible in terms of section 37D of the Pension Funds Act before the transfer is made.

**Members must make sure that they fully understand the implications of the selection of the retirement benefit option.**

**Should you require assistance from a financial advisor, please contact Mr. Andrew Smythe from NMG on 083 294 0315 at [asmaythe@nmg.co.za](mailto:asmaythe@nmg.co.za) or Mr. Rainer Sztab from Octagon Financial Services on 082 440 2749 at [rainers@octagonfinancial.co.za](mailto:rainers@octagonfinancial.co.za).**

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## 1. MEMBER DETAILS

Fund Name	University of the Witwatersrand Retirement Fund		
Member's Surname			
First Names			
Identity Number/Passport Number			
Date of Birth	DD/MM/YYYY	Date of Retirement	DD/MM/YYYY
Date of Last Contribution	DD/MM/YYYY	Tax Number	
Residential Address			
	Postal Code		
Cellphone Number / Alternative Contact Number			
Was Member Employed Outside of South Africa?	Yes	No	
If YES, from	DD/MM/YYYY	to	DD/MM/YYYY

## 2. BENEFIT OPTIONS

*Please note the below information is not intended to be advice as contemplated in terms of the Financial Advisory and Intermediary Services Act of 2002. Should you be uncertain of what option to select you are encouraged to seek financial advice from a registered Financial Services Provider.*

The following benefit options are available on termination of membership:

### Lump sum cash payment

- When retiring from a provident fund, the vested portion of the benefit may be taken as a cash lump sum. Only 1/3 (one third) of the non-vested portion of the benefit may be taken as a cash lump sum. At least 2/3 (two thirds) of the non-vested portion must be used to purchase a pension. However, if the non-vested portion is less than R247,500.00 the full amount may be taken as a cash lump sum.
- When retiring from a pension fund, a maximum of a 1/3 (one third) of the benefit may be taken as a cash lump sum.
- Any amounts taken in cash will be subject to tax in terms of the tax laws in place at the time of retirement.

### Purchase an Annuity

- Upon retirement from a pension fund, the full benefit may be used to purchase an annuity. However, should the member elect to take a portion in cash, the minimum balance of the 2/3 (two thirds) must be used to purchase an annuity.
- Upon retirement from a provident fund, the vested portion of the benefit may be taken as a cash lump sum. Only 1/3 (one third) of the non-vested portion of the benefit may be taken as a cash lump sum. At least 2/3 (two thirds) of the non-vested portion must be used to purchase an annuity. However, if the non-vested portion is less than R247,500.00 the full amount may be taken as a cash lump sum.
- The purchase will be tax free.

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### 3. PAYMENT INSTRUCTIONS

Please indicate the selected benefit option by marking the appropriate box. Complete the relevant sections as set below.

Lump sum cash payment (Complete Section A) Please indicate portion to be paid in cash below:

Vested portion:                   % **or** R

Non-vested portion:           % **or** R

Transfer to a Preservation Fund (Complete Section B)

Transfer to another Fund/Retirement Annuity Fund (Complete Section B)

Leave benefit Paid Up in the Fund

#### SECTION A

By law, the Fund can only make payment into a third party's account if the member is unable to open a bank account. An affidavit and indemnity form must be completed in such instance. A copy of the third party's identity document is also required.

Account Holder's Name

Account Number

Bank / Branch Code

Type of Account

The following supporting documentation is required:

- Copy of Identity document
- Bank stamped confirmation of banking details not older than 3 months.

#### SECTION B

Name of Broker / Contact Person

Contact Number of Fund

The following supporting documentation is required:

- Copy of Identity document
- Copy of application form

### 4. INDEBTEDNESS (Please attach proof of indebtedness in respect of court orders attach a certified copy of the court order)

Deductions from benefits are only permissible in the following circumstances:

- Where the member's indebted in respect of a housing loan in terms of Section 19(5) of the Pension Funds Act
- Damage caused to the Employer as a result of the member's misconduct, dishonesty, theft or fraud, where a court order or admission of guilt has been obtained
- Valid court order e.g., divorce or maintenance

Do any of the following apply, affecting the payment of benefits?

Yes

No

- Housing loan in terms of Section 19(5)

Amount R

- Indebtedness to the Employer as a result of damage caused by the member

Amount R

- Court Order:

Maintenance Order

Amount R

Divorce Order

Amount R

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## 5. DECLARATION BY MEMBER

By signing this, I confirm that:

1. I have left or are leaving the service of my employer.
2. I understand and have familiarised myself with the various options available to me and the implications of each.
3. I have had access to Retirement Benefits Counselling offered by the fund.
4. All information on this form is correct and complete.
5. I hereby agree that I will be responsible for any loss that I may suffer as a result of the fund and its administrator acting on incorrect information I may have provided herein.
6. I confirm that my selection on the benefit options is an informed decision and is made voluntarily.
7. I understand that if I have failed to provide information that may be necessary to process my instruction to the fund, there may be a delay in the processing of my instruction until I supply the missing information.

<b>Name &amp; Surname</b>		<b>Identity Number</b>	
<b>Member's Signature</b>		<b>Date</b>	DD/MM/YYYY

## 6. DECLARATION BY EMPLOYER (NOT REQUIRED FOR PAID UP MEMBERS THAT ELECT TO WITHDRAW)

This section needs to be completed by the employer. By signing this section of the form, the authorised signatory of the employer confirms on behalf of the employer that:

1. He / she is authorised to sign this form on behalf of the employer.
2. The member has left or is leaving the employer's employment.
3. The employer has deducted the contributions that were required until the date that the member left its employment and these have been paid to the fund.
4. The member's details provided on this form are in line with the employer's records.
5. All information on this form is correct and complete. If anyone suffers any loss because of incorrect or incomplete information in this form, neither the fund or its administrator is responsible for the loss.
6. The member has been provided with a copy of the fund's 'Retirement Fund Termination Options' document prior to or whilst completing this form.
7. The member has signed this form.
8. The form has been signed by the employer's authorised signatory and has been stamped.

<b>Name &amp; Surname</b>		<b>Identity Number</b>	
<b>Signature of Employer's Authorised Signatory</b>		<b>Date</b>	DD/MM/YYYY
<b>Designation</b>		Company Stamp	

**In the event of any queries please feel free to contact the Fund Administrator,  
Ensimini Administration Services (Pty) Ltd.**

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