



# UNIVERSITY OF KWAZULU-NATAL

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## Retirement Fund

### IMPORTANT INFORMATION FOR MEMBERS WHO ARE LEAVING THE FUND

#### 1. FORMS TO BE COMPLETED

When you leave the service of the University a form will be provided to you by your Human Resources Site Administrator, which **must be completed and returned as soon as possible**. Your completed form provides the Fund with your instructions for the payment or transfer of your retirement fund benefit.

- If your termination of service is due to resignation, retrenchment or dismissal, you must fill in a Withdrawal Notification Form.
- If you are retiring you must fill in a Retirement Notification Form.

You will also be required to provide certified copies of various personal documents. Check that you have copies of all the documents specified on the claim form before scheduling a meeting with your Human Resources Site Administrator. You will be advised at this meeting whether any further information or documentation is required in order for the Fund's Administrators to process your claim.

#### 2. ADMINISTRATIVE PROCESS

Once they receive the appropriate Form, the Fund's Administrators will obtain a tax directive from the South African Revenue Services (SARS). SARS will not issue a tax directive if you are not a registered tax payer, or if your tax affairs are not in order. **To avoid any delays in the payment or transfer of your benefit please ensure that your tax affairs are in order.**

#### 3. DETAIL OF OPTIONS AVAILABLE

There is information on your withdrawal form about the various options available to you on **withdrawal** from service prior to becoming eligible for a retirement benefit. You will also be provided with a copy of the Alexander Forbes brochure 'Options When You Leave Your Retirement Fund', which will provide further details. Particularly if your Fund Credit is substantial, it would be in your interest to consult with a registered financial advisor before deciding which option best suits your individual circumstances.

#### 4. DEFERRED BENEFICIARY OPTION

An option available on Withdrawal that is not listed on the Withdrawal Form is to become a **Deferred Beneficiary**. This will allow you to leave your benefit in the Fund. Once you have elected to become a Deferred Beneficiary, your Fund Credit will be transferred to the Deferred Beneficiary section. No further contributions may be paid, and you will **not be** covered for risk benefits. An administration fee of R120 per month will be charged. This fee may be amended from time to time.

If you wish to select this option, **write on your withdrawal form** under 'Payment Options' that you wish to become a **Deferred Beneficiary**, and read and complete the **Deferred Beneficiary Option form** that is available on the following link: <http://retirementfund.ukzn.ac.za/DeferredBeneficiaryandRetireeOptionForm0915Final.pdf>

Once you become a Deferred Beneficiary, you can either remain in the Fund until you reach retirement age (from age 55) and then retire from the Fund; or you can choose to withdraw your full Fund Credit at any time prior to retirement age.

Your retirement or withdrawal benefit will be taxed in the usual way.

If you elect this option you must also provide the Fund with your future contact details, and complete a Beneficiary Nomination Form.

These forms are available on the Fund's website: <http://retirementfund.ukzn.ac.za/DependantandNominations.htm>.

#### 5. DEFERRED RETIREE OPTION

Following a change in the taxation laws, from 1 March 2015 if you retire from service with UKZN you may elect, in terms of Rule 5.4, to defer the payment of your retirement benefit until a later date. **If you wish to leave your benefit in the Fund on this basis, you must complete the Fund's retirement form indicating this choice, or after 24 months it will be regarded as an unclaimed benefit.**

Once you have elected to become a Deferred Retiree, your Fund Credit will be transferred to the Deferred Retiree section. No further contributions may be paid, and you will **not be** covered for risk benefits. An administration fee of R120 per month will be charged. This fee may be amended from time to time.

At a later date, known as your Retirement Election Date (the date on which the Fund receives your notification), you may retire from the Fund. At this stage you will be required to submit a retirement claim form providing details of how you wish your benefit to be paid.

This change does not affect the timing of your retirement from service with UKZN, but simply allows you to leave your benefit in the Fund until the date of your actual retirement.

If you die after the date of leaving service but before your Retirement Election Date, your benefit will be distributed in terms of Section 37C of the Pensions Fund Act. Hence, it is a requirement that you submit an annual Certificate of Existence to the Fund, as well as an updated Nomination of Beneficiary Form detailing your contact details.

## 6. GETTING ADVICE

If you are **retiring** from service you should consult a registered financial advisor about how to structure your retirement benefit in the most suitable and tax efficient way, taking into account your own circumstances, and on the possible purchase of an annuity to provide you with income during your retirement years.

If you do not have a financial advisor or wish to obtain a second opinion, a free pre-retirement consultation is available to you from age 58. If you elect early retirement a free pre-retirement consultation is available to you prior to the age of 58. Please contact Rasheena Badri, [badrir@forbes.co.za](mailto:badrir@forbes.co.za) should you wish to avail yourself of this free service.

One of the documents that requires your signature in order for payment to be made is an Instruction and Indemnity Form. To speed up your payment, please take a copy of this form with you when you consult with your registered financial advisor. Details of any financial product that you have elected to purchase must be inserted **prior to your signing the document**. In the event that you wish your benefit to be paid in cash, you can complete this form yourself and indicate on it '100% cash payment'. **Before you do so, be sure that you understand the taxation implications of electing a cash benefit, which are set out in the Member Booklet.**

Please inform your financial advisor the value of any lump sum payment in respect of accrued leave that you may be due to receive from UKZN, as this will form part of your one-time tax free portion at retirement, and should be factored into their calculations.

If you are **withdrawing** from service and wish to consider preservation options, you can consult with a financial consultant (free consultations are available on campus on a quarterly basis), or contact the **Alexander Forbes Individual Advice Centre on 0860 100 983 for assistance.**

## 7. PAYMENT OF YOUR BENEFIT

Provided that your claim form and all the necessary documents have been submitted timeously and there is no problem encountered in obtaining a tax directive, your claim should be paid within four weeks of the "calculation date", which is the date on which Alexander Forbes disinvests the assets equal to your Fund Credit in preparation for the payment of your claim.

## 8. INVESTMENT RETURN DURING THIS PERIOD

Until the calculation date, your benefit value will be adjusted daily in line with the investment performance of the portfolio in which your Fund Credit is invested. This return adjustment can be positive or negative.

From the calculation date until the date on which the payment process is completed, your Fund Credit will be held in an interest-bearing cash management bank account, and your benefit will be credited with the bank interest rate earned in this account.

## 9. DELAYS IN SUBMITTING YOUR FORM

If you delay sending in your retirement or withdrawal form, your benefit will continue to be invested, and hence will be subject to market fluctuations. Should you not have decided how you wish your benefit to be paid, you may submit your otherwise fully completed Withdrawal or Retirement Form and provide your payment instructions at a later date. **If you fail to complete and return the form within 4 months of your exit date your unsigned form will be submitted to the Fund's administrator. The administrator will then divest your benefit from the investment market and keep your benefit in the Fund's bank account until such time as you provide the administrator with a benefit payment instruction. After two years your benefit will be regarded as unclaimed, and will be transferred to an unclaimed benefit fund.**

## 10. BANKING ACCOUNT REQUIREMENTS

If you elect a cash payment, please check that your **banking account number is correctly reflected** on your claim form, and that your account **name is exactly as reflected on your banking account.**

The Administrators **will not pay your benefit into a joint account or into a third party account.**

If you elect to purchase a financial product, such as an annuity, with all or a part of your benefit, you must furnish a signed copy of the proposal that reflects the Registered Insurer's banking account details. A transfer will then be made directly into that account.

Within a month of the date of your claim payment, you will receive confirmation of the transfer and, if tax was deducted, a tax certificate will be provided to you by Alexander Forbes.

**11. EXTENDED RISK COVER OPTION**

If you are withdrawing from the Fund, taking early retirement or retiring at your Normal Retirement Date as per the Fund’s Rules, you have the **option of continuing with your existing Group Life cover in your personal capacity** without producing medical evidence of good health.

This option must be elected **within 90 days of your date of exit.**

If you wish to avail yourself of this option you should **ask your financial advisor to:**

- 1) Contact Shamilla Smith from Alexander Forbes on 031-573 8269 or [Smiths1@aforges.co.za](mailto:Smiths1@aforges.co.za) for information on your Group Life cover, then
- 2) contact Elaine Govender (Momentum Marketing Adviser) on 031 279 4000 or [elaine.govender@momentum.co.za](mailto:elaine.govender@momentum.co.za) and ask for a quotation to convert your cover under group Policy No. UVK-RE1, in the name of the University of KwaZulu-Natal Retirement Fund, to an individual policy.

Some indicative monthly premiums\* for the continuation of your group life cover, as provided by Momentum were:

\*Valid for 2017

	R 500,000	R1,000,000	R2,000,000
Male aged 40	154.92	281.12	533.52
Male aged 45	212.07	395.43	762.16
Male aged 50	293.36	558.12	1087.63
Male aged 55	408.18	788.06	1547.82
Male aged 60	583.67	1139.29	2250.52
Female aged 40	150.00	190.00	351.27
Female aged 45	150.00	268.40	508.11
Female aged 50	205.33	382.07	735.53
Female aged 55	285.99	543.68	1059.05
Female aged 60	406.55	785.03	1542.00

**12. IF YOU NEED ASSISTANCE**

If you have any problems with the processing of your withdrawal or retirement claims or if your claim has not been finalized within two months of your date of exit, please contact the **UKZN Retirement Fund Office on 031-260 1007 or [lessing@ukzn.ac.za](mailto:lessing@ukzn.ac.za)** for assistance.

University of KwaZulu-Natal Retirement Fund  
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