



LIBERTY

LIFE INVESTMENTS HEALTH CORPORATE PROPERTIES ADVICE

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## A COMPREHENSIVE GUIDE TO THE PROCESS AND REQUIREMENTS FOR FAMILY BENEFIT (FUNERAL) AND DEATH CLAIMS

### 1. Fully-completed claims forms ensure superior service delivery

We are often unable to finalise benefit payments when the claims submission forms have not been fully completed and when the supporting documentation is missing. This communiqué aims to clarify the requirements and the process for funeral, approved and unapproved death claims. We hope that by providing this information, we are able to work together to initiate an efficient and positive service experience.

### 2. How can you help us?

Please ensure that the following important information is included with the claims submission form before it is sent to us:

- **The authorised signature on the form should be the most current one and match to that of the specimen signature form as closely as possible.** We are obliged to validate the authorised signatory to ensure that the claim is valid.
- **Please take note of the compulsory fields on the applicable form.**

Please remember that the final month's contribution for the member needs to be paid and allocated to the member's record before we are able to start the claim process. This ensures that the full benefit entitlement is paid.

## Family benefits (claims) requirements

A claim must be submitted as soon as possible, but not later than 12 months after the death of the main member or family member.

Requirements	Main member	Spouse/Partner	Child
Death/Family benefits (funeral) notification form signed by the authorised signatory	X	X	X
Certified copy of the identity document	Of the member	Of the spouse/partner	Or a birth certificate
Certified copy of the death certificate	X	X	X
Banking details of the payee - an original cancelled cheque, an original bank statement, or a stamped letter from the bank	X	X	X
Other requirements		Certified proof of relationship (i.e. marriage certificate) if a civil marriage, or an affidavit signed by a Commissioner of Oaths	Certified proof of relationship (i.e. full birth certificate) or an affidavit signed by in the presence of a Commissioner of Oaths; if a stillborn, please forward an affidavit confirming this
			Proof of education if the child was between 21 and 25 years old and studying at a tertiary institution
			Medical or other relevant evidence (e.g. comprehensive doctor's report or a copy of the social grant) for a permanently incapacitated child over the age of 21 years

### 3. Death claims requirements

Please take note of the following requirements for umbrella, stand-alone and free-standing arrangements:

**Umbrella funds** are directed by a Board of Management to approve the distribution of the approved death benefits. The Board must follow the requirements for the payment as set out in section 37C of the Pension Funds Act. The main aim of this section is to ensure that all the dependants of the deceased member are left with sufficient financial support. The Board will work with the employer to demonstrate that significant effort has been taken to identify and trace all the beneficiaries and the dependants of the deceased.

**Stand-alone retirement funds** are directed by their own Board of Management. Liberty Corporate relies on the Board to inform the distribution of the approved benefits. The Board is responsible for ensuring that the beneficiaries and dependants are identified and traced in accordance with Section 37C of the Pension Funds Act.

**Free-standing/Self-standing group policy arrangements** provide unapproved risk benefits and are not governed by Section 37C of the Pension Funds Act. These benefits are also known as Group Life Assurance (GLA) schemes and are described as unapproved, if they provide death benefits in terms of an insurance contract that exists separately from any pension or provident fund.

## 4.1 The apportionment of approved group life death benefits

Approved group life benefits are policies held in the name of the fund and subject to the rules of the fund. The apportionment of death benefits from a pension or provident fund is governed by Section 37C of the Pension Funds Act.

When a death benefit claim is requested, the Board of Management of the retirement fund must consider the requirements as stipulated in Section 37C before they finalise a decision regarding the distribution of the benefit.

### 4.1.1 How are the approved death benefits distributed?

The Board of Management is required to identify and make a reasonable attempt to trace all dependants and beneficiaries of the deceased. The beneficiary nomination form will be used in the identification process, but will not be the only information that the Board will use. Over and above the listed beneficiaries, the Board will be required to identify the legal, factual and future dependants of the deceased.

The definitions of the different types of beneficiaries are detailed in the table below.

Description	Definition
Legal dependant	A person who is legally entitled to be maintained by the deceased, due to their relationship to the deceased. An example of a legal dependant is a spouse or a biological child.
Factual dependant	A person who was in fact dependent on the member at the date of death for maintenance, for example, a person who lived together with the deceased as husband or wife, but without being formally married to them.
Future dependant	A person who would have become legally liable for maintenance if the member had not died, for example, a fiancée or a person who would have married the deceased.

The benefits may only be apportioned once all the known dependants are identified. The Act allows the Board of Management up to twelve months to trace dependants.

As guided by Section 37C, the Board is required to consider the following criteria when identifying potential dependants:

Eligibility and eligibility criteria	Umbrella fund	Stand-alone fund
<b>Spouse/Partner</b> <ul style="list-style-type: none"> <li>• Civil law marriage;</li> <li>• Customary union (may include more than one wife);</li> <li>• Permanent life partner;</li> <li>• Same-sex marriage.</li> </ul>	X	X
<b>Child (minor and major)</b> <ul style="list-style-type: none"> <li>• Member's biological child;</li> <li>• Posthumous child;</li> <li>• Adopted child;</li> <li>• Illegitimate child;</li> <li>• Excluding stepchildren and foster children (only factual dependants).</li> </ul>	X	X
<b>Parents and grandparents</b> <ul style="list-style-type: none"> <li>• If they were unable to support themselves;</li> <li>• If the deceased member had the means to do so; or</li> <li>• Proof that they would have become dependent on the member at a future date.</li> </ul>	X	X
<b>Ex-spouse/Ex-partner</b> <ul style="list-style-type: none"> <li>• Voluntary maintenance;</li> <li>• Or in terms of a divorce order and agreement; or</li> <li>• Liability to pay medical aid contributions is also classified as maintenance in terms of the Divorce Act.</li> </ul>	X	X
<b>Nominated beneficiaries</b> <ul style="list-style-type: none"> <li>• Nominations must be in writing;</li> <li>• May be contained in a will of the deceased – will be used merely as a guideline for the distribution;</li> <li>• A nomination form – will be used merely as a guideline for the distribution.</li> </ul>	X	X
<b>Estate</b> <ul style="list-style-type: none"> <li>• In the event of there being no beneficiaries or dependants.</li> </ul>	X	X

Additional documents may be requested when further clarification is required to identify all the potential dependants of the deceased member. Each case is unique and will be treated on its merits.

Once the Board has concluded their investigations in identifying all factual, legal, spouses/partners, children and future dependants, they must consider the following information when apportioning a death benefit:

- The financial affairs of the dependant, including future earnings;
- The maintenance or divorce order;
- Whether the ex-spouse/ex-partner has remarried;
- The deceased member's wishes in terms of the last will and testament;
- The extent of dependency;
- The ages of the beneficiaries;
- The relationship with the deceased;
- The amount that is available for distribution;
- The nominees on the beneficiary form;
- Whether the deceased member was solvent; and
- Other amounts that may be received from other funds or inheritance.

#### 4.1.2 Death claims requirements for approved group life benefits

Please submit the following information with the claim:

- A fully-completed death notification form;
- A nomination of beneficiary form;
- An original certified copy of the death certificate;
- If available, a copy of the last will and testament of the deceased, as this will be used as a guideline for the distribution;
- If there are no dependants or beneficiaries, details of the deceased's estate and the name of the executor;
- The addresses and contact details of all the dependants; and
- The banking details (copy of cancelled cheque, bank statement or stamped letter from the bank) of all the beneficiaries to whom benefits will be paid.

The requirements per beneficiary are detailed in the table below:

Requirements per beneficiary	Umbrella fund	Stand-alone fund
<p>If there is a <b>spouse/partner</b></p> <ul style="list-style-type: none"> <li>• Certified copy of the marriage certificate (civil or customary);</li> <li>• Certified copy of the identity document;</li> <li>• Proof of income and the financial position of each spouse or partner;</li> <li>• Confirmation that the deceased and spouse/partner were living together at the date of death – if not, why not?</li> <li>• If a permanent life partner – an affidavit to substantiate that there was a common household, the duration thereof, plus proof of dependency, e.g. joint-ownership of house, etc.</li> </ul>	X	X

Requirements per beneficiary	Umbrella fund	Stand-alone fund
<p><b>If there is an ex-spouse/ex-partner</b></p> <ul style="list-style-type: none"> <li>• Certified copy of the maintenance order and/or divorce agreement;</li> <li>• Proof of payment;</li> <li>• Certified copy of identity document;</li> <li>• Ex-spouse's/Ex-partner's monthly income;</li> <li>• Confirmation whether ex-spouse/ex-partner has remarried;</li> <li>• If customary union, provide proof if dissolved.</li> </ul>	X	X
<p><b>If spouse/partner is deceased</b></p> <ul style="list-style-type: none"> <li>• Certified copy of spouse's/partner's death certificate.</li> </ul>	X	X
<p><b>Children (minor and major)</b></p> <ul style="list-style-type: none"> <li>• Certified copies of the birth certificates and/or identity documents;</li> <li>• Proof of schooling;</li> <li>• Address where the children are residing;</li> <li>• Confirmation of who is supporting and looking after the children;</li> <li>• Whether the children lived with the deceased;</li> <li>• If majors, the proof of income of each major child;</li> <li>• The full extent of monthly monetary support required per child;</li> <li>• Proof of disability, if applicable;</li> <li>• Details of the guardians appointed to minor children;</li> <li>• Proof of income of the persons or guardians looking after the children.</li> </ul>	X	X
<p><b>Grandchildren</b></p> <ul style="list-style-type: none"> <li>• Certified copies of birth certificates;</li> <li>• Proof of schooling;</li> <li>• Who is supporting and looking after the grandchildren;</li> <li>• Whether the grandchild lived with the deceased;</li> <li>• Proof of financial support.</li> </ul>	X	X
<p><b>Other dependants</b></p> <ul style="list-style-type: none"> <li>• Relationship to the deceased;</li> <li>• Nature of their dependency on the member prior to death;</li> <li>• Details of their monthly income;</li> <li>• Certified copies of identity documents.</li> </ul>	X	X
<p><b>Nominees</b></p> <ul style="list-style-type: none"> <li>• Names of nominees;</li> <li>• Relationship to deceased;</li> <li>• Certified copies of identity documents;</li> <li>• Details or relationship of person verifying information of nominees.</li> </ul>	X	X

Once all of the above information has been received and the distribution decision has been finalised and communicated to the employer, the Board will allow a **20**-day period for any objections to be raised. The Board has committed to providing a response to the objection within **five** working days. Once the final decision is accepted by all affected beneficiaries, Liberty Corporate will finalise payment within **15** working days.

## **4.2 The apportionment of unapproved death benefits**

Unapproved group life policies are owned by the employer and not the fund. These benefits do not form part of the retirement fund and are therefore not subject to Section 37C.

The unapproved death benefit will be dealt with in accordance to the policy conditions, and the Long-term Insurance Act that requires it to be paid to the nominated beneficiary. If there is no nominated beneficiary, the benefit will be paid into the deceased member's estate account.

Liberty Corporate, in consultation with the employer, may decide on the method of payment where there are minor or incapacitated beneficiaries.

### **4.2.1 Group Life Assurance unapproved benefits**

The standard group policy and scheme rules specify the following in respect of the payment of the unapproved group life benefits:

- The benefit shall be payable as a cash lump sum to the beneficiary, as defined.
- The member may designate a nominee (to receive his death benefit) to his employer in writing (in the prescribed format).
- In the absence of a written designation of nominee, the death benefit shall be paid into the deceased member's estate account.

**Important to remember:** It is vital for employees to complete and update a beneficiary nomination form when a life-changing event takes place, or at least to review these details once a year.

### **4.2.2 Death claims requirements for unapproved group life benefits**

Please submit the following information with the claim:

#### **Where there is a nomination of beneficiary form**

- A fully-completed death notification form;
- A nomination of beneficiary form;
- The proof of identity (certified copy of identity document) and proof of banking details (copy of cancelled cheque, bank statement or stamped letter from the bank) of all the beneficiaries listed on the nomination of beneficiary form.

#### **Where there is no nomination of beneficiary form**

- Proof of banking details (bank statement, or stamped letter from the bank or appointed executor).