



## DEFERRED RETIREMENT NOTIFICATION

From 1 March 2015, a member may elect when to receive their retirement from the fund. This election is only available once the member has reached **normal retirement age**. This means that the retirement benefit will no longer be deemed to accrue when the member retires from his/ her employer. The date of accrual of the retirement benefit (used for tax purposes) will be the date that the member elects to receive his/her retirement benefit. This is also known in the industry as 'phased retirement'.

### 1. Member details

**Please note, fields marked with an asterisk (\*) are compulsory.**

Fund name	*	Fund number	*
Employer name	*	Employee/payroll reference no.	*
Member's ID no.	*	Membership number	*
Member's full name (as per ID document)	Surname	*	
	First names	*	
Contact number's	Work	Home	Cell
Email address			
Residential address	*		
Postal address		Code	
		Code	
Member's income tax reference number	*		
Is the member a foreign person?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
If "Yes," in which country is the member tax resident in?			
Please see the definition of a foreign in the important notes section.			
<b>Note: Liberty will be sending/ requesting information via SMS messaging.</b>			

### 2. Deferred retirement (phased retirement)

Date of member leaving service of employer due to retirement	*	Date elected to receive retirement benefit (deferred retirement)	
<b>Investment options:</b>			
• Switch the retirement benefit to money market?		<input type="checkbox"/> Yes	<input type="checkbox"/> No
• Leave the retirement benefit in the investment portfolios it was invested in immediately prior to reaching normal retirement age?		<input type="checkbox"/> Yes	<input type="checkbox"/> No

**Note: Should the member prefer a different option the member will need to complete the standard investment portfolio switches form and the member will be limited to the investment portfolios available as per the fund rules.**

#### Impact of deferring retirement (phased retirement)

- 2.1 The date elected by the member above will be the date on which the retirement benefit **accrues** to the member for tax purposes. It is this date that will be used when a tax directive is applied for.
- 2.2 Should the member wish to change this elected date, this is allowed and the date on which this election is made shall be the date used when applying for a tax directive.
- 2.3 Should the member not elect a date on which to receive the retirement benefit and only notify us that the member wishes to defer the receipt of retirement benefit to sometime in the future, the retirement benefit will become payable at the maximum age of retirement prescribed by the Minister from time to time .
- 2.4 The ability to defer a retirement benefit in an occupational retirement fund does not allow for the translocation of a retirement benefit to a preservation fund or retirement annuity fund.
- 2.5 All correspondence from the fund and us will be sent to the member directly and will no longer be directed via the employer. It is therefore very important that the member notify us timeously of any changes to contact information. This will enable us to send on-going fund and benefit related information directly to the member.
- 2.6 No further monthly or voluntary contributions may be paid into the fund. This means that all approved risk benefits, such as approved group life assurance, shall cease.

- 2.7 Should the member pass away before reaching the deferred date that was elected to receive the retirement benefit, Section 37C of the Pension Fund Act will apply in terms of the distribution of the benefit.
- 2.8 **Investment options:** the member needs to check what the registered rules of the fund state in respect of the investment options available to a deferred retiree member.
- 2.8.1 Should the employer change the status of a member to pending retirement, the member's share of fund is automatically switched to money market as per the fund rules. If the member only notifies us after the employer has told us of this status change that he/she wishes to defer the receipt of their retirement benefit, the member must please inform us which investment portfolios they wish their benefit to be invested in, by completing and submitting the standard investment portfolios switches form.
- 2.8.2 Corporate Selection Umbrella Funds:
- Deferred retiree members shall remain in the investment portfolios he/she was invested in immediately prior to reaching normal retirement age.
  - Should the member wish to switch their investment portfolios he/she will need to complete the standard investment switches form and submit this to us to process.

### 3. Employment declaration

#### Employer details

- 3.1 Company PAYE reference number \_\_\_\_\_
- 3.2 Company PAYE contact person: \_\_\_\_\_
- a. Name \_\_\_\_\_
- b. Telephone number \_\_\_\_\_
- 3.3 Company postal address \_\_\_\_\_
- Code \_\_\_\_\_
- 3.4 Company physical address \_\_\_\_\_
- Code \_\_\_\_\_
- 3.5 The member is to retire in terms of the following provisions of the rules: (please tick appropriate block)
- Attainment of normal retirement age.
- Early retirement with consent of the employer.
- Early retirement due to ill-health (medical evidence will be required).
- Late retirement.

\_\_\_\_\_  
Fund authorised signatory  
(print name and sign)

\_\_\_\_\_  
Date

Company Stamp

### 4. Member signature

\_\_\_\_\_  
Member's signature (print name and sign)

\_\_\_\_\_  
Date

Liberty strongly recommends that members seek professional advice before retiring. It is crucial that benefits are arranged correctly to provide financial security after retirement.

The following options are generally available on retirement, irrespective of whether retirement takes place at normal retirement date, or at an earlier or later date.

### Option 1: Taking the benefit in cash

In the case of retirement from a provident fund the member may decide to take the full benefit in cash. If the member is retiring from a pension fund, up to one-third of the full benefit may be taken as a cash lump sum, and the balance will have to be taken in the form of a pension.

The member will receive a portion of the lump sum commutation free of tax – refer to latest tax tables.

### Option 2: Taking the benefit as a pension

On retiring from a provident fund, the member may choose to take all or part of their benefit as a pension.

There are two ways of doing this:

- Purchasing a voluntary purchase annuity from a registered Insurer. The advantage here is that only a portion of the monthly pension is subject to tax, or where the rules of the member's provident fund state that the retirement benefit is a lump sum.
- Selecting a compulsory purchase annuity with the full pre-tax proceeds available at retirement. The resulting monthly income is taxable in full.

Various forms of annuities can be selected according to the member's needs, for example:

- Is there a requirement to make provision for a spouse or other dependants if the member dies after retirement?
- Will there be a requirement to verify the minimum period for which the annuity will be paid irrespective of whether the member survives to the end of that period?
- Will the member want the annuity to increase each year to offset inflation?
- Will the member want to take advantage of a Living Annuity where income may be varied and the residual capital on death may be made available to dependants?

Annuities to meet all these requirements are freely available and we suggest that the member seeks advice from his/her financial advisor.

### Option 3: Mix of cash and annuity

The member may take benefits as a mixture of cash and a compulsory purchase annuity. The proportions selected can be chosen at the member's discretion (a maximum of 1/3 on Pension Funds). Through careful selection, the member can structure their retirement benefits to suit their needs in the most tax-effective manner.

### Option 4: Deferred retirement

From 1 March 2015, a member may elect when to receive their retirement from the fund if the rules of the fund allow this. This election is only available once the member has reached **normal retirement age**. This means that the retirement will no longer be deemed to accrue when the member retires from his/ her employer. The date of accrual of the retirement benefit (used for tax purposes) will be the date that the member to receive his/her retirement benefit. We will update the fund records accordingly.

Should the member wish to defer receipt of their retirement benefit he/she needs to complete the Retirement Deferral Form. Members who would like to defer their retirement should notify Liberty Corporate timeously of any changes to their contact information. This will enable us to send on-going fund and benefit related information directly to the deferred retiree.

### Actual retirement benefits

The actual retirement benefit that will become payable to each member, will be a result of the combination of actual investment returns earned, membership duration and the actual contribution made in the period of membership. Please refer to illustrative benefits reflected on any member benefit statement.

### Financial Advisory and Intermediary Services Act 37, 2002

The FAIS legislation was introduced for your protection against the possibility of receiving inappropriate advice regarding your financial needs. Please ensure that your financial adviser is duly licensed under the FAIS Act and provides you with a written record of the advice given to you. Your financial adviser is obliged to fully disclose any material information pertaining to the product, the product supplier and his/her relationship with the product supplier. In terms of this legislation, your financial adviser must ensure that all the necessary steps have been taken to place you in position to make an informed decision in respect of your retirement fund benefit.

### Protection of Personal Information Act 4, 2013

We are required to share, collect and process your Personal Information (PI). Your PI is collected and processed by our staff, representatives or sub-contractors and we make every effort to protect and secure your PI. You are entitled at any time to request access to the information Liberty has collected, processed and shared. Errors and omissions are excluded. The information contained in this document does not constitute financial, tax, legal or accounting advice by Liberty. Any legal, technical or product information contained in this document is subject to change from time to time. If there are any discrepancies between this document and the contractual terms or, where applicable, any fund rules, the latter will prevail. Any recommendations made must take into consideration your special needs and unique circumstances. Liberty Group Ltd is an Authorised Financial Services Provider in terms of the FAIS Act (no. 2409). © Liberty Group Ltd. All rights reserved.

### Important note:

A natural person will be regarded as a 'foreign person' if:

- He or she is not 'ordinarily resident in South Africa; or
- He or she has not been physically present in South Africa for a period of 91 days in aggregate in a tax year as well as for a period of 91 days in aggregate of the preceding five tax years and for a period exceeding 916 days in aggregate during those five preceding tax years; or
- He or she has been physically outside South Africa for a continuous period of at least 330 full days.

## Contact us

### Queries

For more information, please contact your accredited Liberty financial adviser, or the Liberty Corporate support centre:

#### **Liberty Corporate contact centre**

Email address: [lc.contact@liberty.co.za](mailto:lc.contact@liberty.co.za)  
Tel. number : +27 (0)11 408 2999  
Fax number: +27 (0)11 408 2264

### Complaints

Our complaints handling procedure is available on our website ([www.liberty.co.za](http://www.liberty.co.za)), or we can send it to you on request. Complaints should be directed in writing to:

#### **The Complaints Resolution Manager**

##### **Liberty Corporate**

P O Box 2094, Johannesburg, 2000  
Email address [contactlcb@liberty.co.za](mailto:contactlcb@liberty.co.za)  
Tel number +27 (0)11 408 2771  
Fax number +27 (0)11 408 4440

#### **OR The Liberty Internal Adjudicator**

##### **Liberty Group**

P O Box 10499, Johannesburg, 2000  
Email address [internaladjudicator@liberty.co.za](mailto:internaladjudicator@liberty.co.za)  
Fax number +27 (0)11 408 4195

If the complaint is not resolved to your satisfaction by Liberty, you may contact one of the legislative bodies that have been tasked to look after your interests a customer

### For fund complaints

#### **The Pension Funds Adjudicator**

P O Box 580, Menlyn, 0063  
Email address [enquiries@pfa.co.za](mailto:enquiries@pfa.co.za)  
Tel. number +27 (0)12 748 4000  
Fax number 086 693 7472

#### **OR The Ombudsman for long term insurance**

The Honorable Mr. Justice RP McLane  
Private Bag X45, Claremont, 7735  
Email address [info@ombud.co.za](mailto:info@ombud.co.za)  
Tel. number +27 (0)21 657 5000  
Share call +27 (0)86 010 3236  
+27 (0)21 674 0951

### For complaints regarding a financial adviser

#### **FAIS Ombudsman**

PO Box 74571, Lynnwood Ridge, 0010  
Email address [info@faisombud.co.za](mailto:info@faisombud.co.za)  
Tel number +27 (0)12 470 9080  
Fax number +27 (0)12 348 3447