



ISASA

THE INDEPENDENT SCHOOLS ASSOCIATION OF SOUTHERN AFRICA
PENSION SCHEME AND PROVIDENT FUND

BACK TO BASICS

DEATH BENEFITS

PAYING
IN

4 Steps

JANUARY 2020

4 STEPS IN PAYING FUND DEATH BENEFITS

STEP 1

The Trustees try to identify everyone who depended on the member for financial support, as well as anyone else who was legally dependant on the deceased member and any other dependants.



STEP 2

The Fund needs to understand HOW each person relied financially on the member, and how they were related to the member. We need all kinds of information, like ID documents; marriage and birth certificates; a copy of the member's Will; the **Beneficiary Nomination Form**; and financial details about dependants who wish to be considered.

DEATH BENEFIT

If you die before you retire from the Fund your dependents will receive a taxable lump sum multiple of your salary based on your age at date of death, plus a refund of your accumulated credit in the Fund. Pension Scheme Part I dependants will receive a monthly pension.



STEP 3

The Fund shares out the benefit fairly and reasonably to the people who were actually dependent on the member for support, and who would have depended on the deceased in future.

STEP 4

Finally, the Board approves the distribution of the benefits and the Fund is in a position to pay out the death benefit.

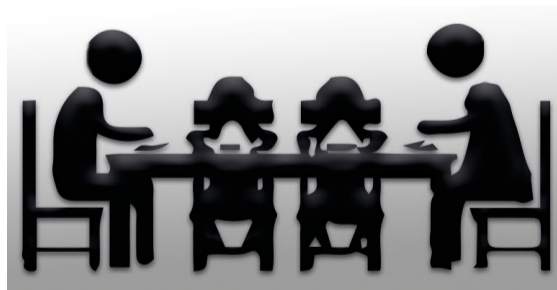
All the relevant documents must be received in order to make payment.

Usually, we pay each person's share of the benefit into their own bank account.

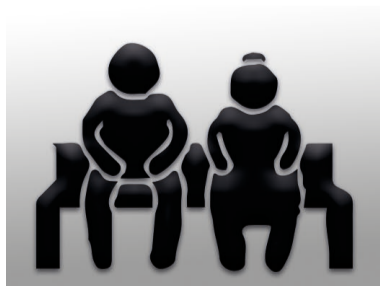


The final decision of who will receive the death benefit rests with the Trustees. They are required in terms of the Pension Funds Act (Sec 37C) to ensure that all dependants are provided for and will try and follow the member's wishes in terms of the beneficiary form as far as possible. **We urge you to complete a Nomination of Beneficiary form to identify all your dependants and thereafter to update it annually or when your circumstances change.**

A 12-month waiting period applies if you have no dependents and have not nominated any beneficiaries. After 12 months the money is paid to your Estate. Payment of death benefits may take a long time. Make sure that your spouse will have access to funds during this period.



DEPENDANTS



BENEFICIARIES

The difference between a **DEPENDANT** and a **NOMINEE/BENEFICIARY**

A DEPENDANT is a member's spouse, child or any other person who was in fact dependent on the member or a person whom the member would have been legally liable to maintain in the future had he been alive.

A NOMINEE is someone who the member nominated on their Beneficiary Nomination Form to receive a portion of their benefit. They may ALSO be a dependant, but not always.

You need to make sure that the amount of cover for death provided through the Fund is right for you and your family. If you feel it may not be adequate you may want to buy additional cover outside the Fund.

For more information, please contact an accredited financial advisor. To find a financial advisor you can go to the Financial Planning Institute at www.fpi.co.za or call Old Mutual's toll free number 0860 388 873.