Fund Administrators (Pty) Ltd
Quality Managed Retirement Fund Administration Services

Notice to members on leaving the fund

Introduction

The purpose of the Retirement Fund is to serve as a tax-efficient investment vehicle to provide members with income while on retirement. Benefits are however also available to members when leaving the employment due to resignation, dismissal or retrenchment. This results in most employees retiring without making enough provision for the income on retirement. We highly recommend these benefits to be preserved where possible.

This notice briefly describes options available to a member when leaving the fund. Please read it before completing a Withdrawal and Retirement Claim Form. The member should contact the fund consultant or a financial planner for further advice.

Withdrawal

1. Become a Paid-up member in the fund
   A member can elect to become a paid-up member in the fund when the member leaves the service of the employer because of resignation, dismissal or retrenchment. The member will remain a member of the fund. All other benefits such as insured benefits (risk benefits) will fall away and the member cannot make any further contributions to the fund. The fund will have costs associated with this option and the member should ascertain these from the fund.

2. Taking an after-tax benefit in cash
   On this option the whole benefit net of tax and, housing loan settlement (if applicable) and divorce settlement (if applicable) will be paid directly into the member's bank account as a full and final settlement from the fund. This benefit can only be paid to the member.

Transferring the benefit to the new employer's approved fund

The benefit payable here will be transferred to the new employer's retirement fund and the transferred benefit will not be taxed.

3. Transferring the benefit to a Preservation Fund
   The preservation fund is a fund that caters for the member to preserve their withdrawal benefit until retirement. No further ad-hoc contributions are allowed into this fund. Any portion of the benefit transferred to a Preservation fund will be tax free. There are however additional criteria that apply to preservation funds that should be discussed with a registered financial planner before a member makes a decision.

4. Transferring the benefit to a Retirement Annuity
   The Retirement Annuity is also an individual policy set up for the member. Depending on the type, the member will be allowed to do ad-hoc contributions to this policy. These benefits will only be accessed at retirement date also from age 55.

5. A combination of the above options

   A member may elect a combination of the options mentioned above.

Retirement

1. Pension Fund Benefit

   The member can take the maximum of 1/3rd in cash and the 2/3rds balance has to purchase a pension. The member can, however, use the whole benefit to purchase a pension. The purchased pension should be payable for life and spouse consideration is optional. The monthly pension paid to the member may be taxed.

2. Provident Fund Benefit (Vested benefit as at 1 March 2021)

   The entire benefit is available to the member to do as he wishes. Any amount taken in cash will be taxed. Any amount can be used by the member to purchase a pension.

Before making any decision relating to benefit options the member should get advice from a registered financial adviser.

Disclosure of information

GQM and the fund understand privacy and the confidentiality of personal information. If required, we may disclose your personal information to 3rd parties. These 3rd parties are insurance and service providers who are involved in the delivery of products or services to you. The same strict confidentiality standards are imposed on 3rd parties. Signing of this form confirms acknowledgement and consent to the above. We will treat personal information with caution and have security measures in place to protect it. The information provided will be used for intended purpose only. Such purposes include fund and related communications. We may also disclose your information:

- Where we have a duty or a right to disclose in terms of law or industry codes;
- Where we believe it is necessary to protect our rights.

Where the person signing this document is someone other than the person whose personal information is being supplied, such signatory confirms that the necessary consent has been obtained to supply personal information and that the information is true and correct.