NTRF
NATIONAL TERTIARY RETIREMENT FUND

# Retirement Claim Form

***A plain-language guide to help you complete form MRA085NTRF0426***

**IMPORTANT**
This guide does not replace the official retirement claim form. Keep the form open next to this guide and enter all your information and choices on the form.

## Before you start

**Have the following information and documents nearby for your submission:**

- Your South African ID or passport. If you have an ID card, copy both sides.
- Your employee number, NTRF policy/reference number and income tax number.
- Your bank account details.
- Your spouse's details, if applicable.
- Your retirement benefit quotation.
- Any maintenance or divorce orders and settlement agreements that apply.

**GET ADVICE BEFORE YOU SIGN**
Your retirement choices may affect your income for the rest of your life. Some choices cannot be reversed. Speak to a registered financial advisor or benefit consultant and obtain the quotations you need before completing Section 3.

## Sections 1 and 2 | Your details and exit information

### Section 1: Member details

- Complete every field that applies to you. Make sure your contact details will still work after you leave your employer.
- Use the policy/reference number shown on your NTRF benefit statement.
- Attach your ID or passport copy. Missing or unclear copies can delay your claim.
- Check that your name and ID/passport number match your supporting documents.

### Section 2: Exit detail

Your employer completes this section. Your claim can only be processed after the Fund has received your final contribution and your employer has confirmed that your employment has ended.

## How to use Section 3

**Your retirement benefit is divided into three components (sometimes called pots):**

| Component | What it means |
|---|---|
| **Retirement component** | Must normally be used to buy an annuity (pension). |
| **Vested component** | Contains retirement savings built up under the rules that applied before and after 1 March 2021. Savings before 1 March 2021 can be taken fully or partly in cash. Savings after 1 March 2021: maximum one third in cash. |
| **Savings component** | May be taken fully or partly in cash. |

## Section 3a | Choose what to do with your benefit

**CHOOSE ONE MAIN OPTION**

Tick only one of the three options in Section 3a of the PDF. If you choose Option 2 or Option 3, you must also complete Section 3b.

**Option 1:** Defer your full retirement benefit

**You can postpone receiving your retirement benefit by choosing one of the following:**

- Keep your full benefit invested in the Fund. This is not available to AIPF members.
- Transfer your full benefit to a preservation fund or retirement annuity fund. You must also complete the Transfer Detail Form.

**If you keep your benefit in the Fund:**

- You may withdraw a portion of your Savings Component in each tax year; this is taxed at your marginal income tax rate.
- Your money remains in the same investment portfolio(s), although you may switch to another portfolio offered by the Fund.
- You will not have insurance benefits through the Fund.
- You cannot make further contributions.
- You must tell the Fund when you want your retirement benefit to be paid.

**Option 2:** Use the full benefit to buy an annuity

You take no cash. Complete Section 3b to show which annuity option(s) you want and how much must go to each option.

**Option 3:** Take cash and buy an annuity with the balance

Use your retirement quotation to state how much cash you want from each component. Enter either a percentage or a Rand amount - not both.

| Component | Cash available | What must buy an annuity |
|---|---|---|
| **Retirement** | 0% | 100% |
| **Vested: pre-1 March 2021** | Up to 100% | Any amount not taken in cash |
| **Vested: post-1 March 2021** | Up to one-third | The remaining two-thirds |
| **Savings** | Up to 100% | Any amount not taken in cash |

**SMALL-BENEFIT EXCEPTION**
If your Retirement Component plus two-thirds of the post-1 March 2021 portion of your Vested Component totals R240 000 or less, you may be allowed to take the full amount in cash.

**TAX ON CASH**
Cash lump sums are taxed using SARS's retirement lump-sum tax tables. The tax-free amount is applied across your lifetime and takes earlier retirement or severance lump sums into account. The extended form notes a cumulative tax-free amount of R550 000; confirm the current position and your personal tax impact before deciding.

## Understanding your Vested Component

**The law changed on 1 March 2021 (often called T-day). This is why the Vested Component may contain a pre-2021 portion and a post-2021 portion. Which portions you have depends on your circumstances.**

| Your situation | Pre-2021 portion | Post-2021 portion |
|---|---|---|
| Provident fund member, under 55 on 1 March 2021 | Savings built up by 28 February 2021 | Savings built up from 1 March 2021 |
| Provident fund member, 55 or older, who stayed in the same fund | All savings, including amounts after 1 March 2021 | None |
| Provident fund member, 55 or older, who transferred after 1 March 2021 | Amount held on transfer date | Savings in the new fund and later funds |
| Pension fund member (usual position) | None | All savings |
| Pension fund member who transferred from a provident fund | Amount held at transfer | Savings built up after transfer |

## Section 3b | Choose your annuity option

**Complete this section only if you chose Option 2 or Option 3 in Section 3a. Enter either a percentage or Rand amount for each route you choose - not both.**

**External insurer**
Transfer the amount used to buy an annuity outside the NTRF. Complete the Recognition of Transfer Form.

**NTRF in-fund living annuity**
Your retirement savings remain invested and you draw an income. Complete the Living Annuity Application Form and Indemnity Form.

**NTRF in-fund life annuity**
You receive a monthly pension for life. You must also choose a guarantee period and an inflation target.

**Split life and living annuity**
State how much must go to each annuity and complete all required supporting forms and life-annuity choices.

**TAX WHEN SPLITTING YOUR ANNUITY**
If you receive separate life- and living-annuity pensions, the PAYE deducted from each pension may be less than your combined tax liability for the year. Consider arranging additional monthly tax after taking advice.

### If you choose an NTRF life annuity

**You must make both of the following choices in the PDF:**

| Choice | Option | Effect |
|---|---|---|
| Guarantee period | 5 years | Higher starting pension and less spouse cover. |
| Guarantee period | 20 years | Lower starting pension and more spouse cover. |
| Inflation target | 65% | Higher starting pension, but smaller targeted increases. |
| Inflation target | 100% | Lower starting pension, but higher targeted increases. |

**Why is there space for two spouses?**

Complete both sets of details if you have more than one legally recognised spouse, for example, a customary marriage recognised as a marriage in terms of the Recognition of Customary Marriages Act, No. 120 of 1998. These details may affect the spouse's pension payable after your death. Ask the Fund or your advisor to explain how the spouse's pension will be divided.

## Important life-annuity warnings

**THIS CHOICE IS IRREVERSIBLE**
A full life annuity from the Fund pays a monthly pension only. No cash gratuity will be paid later and you cannot ask to withdraw cash from your member share in future. Make sure you understand the quotation and obtain advice before signing.

If you die during the guarantee period, 100% of your monthly pension continues to your spouse for the balance of the chosen 5- or 20-year period. Thereafter, your spouse receives a lifelong pension based on 75% of your pension at death after retirement.

The higher the spouse protection, the lower your starting pension is likely to be.

## Sections 4 to 8 | Complete and sign

**Section 4:** Banking details

- Check the account holder's name, account number, bank, branch and account type carefully. Incorrect details can delay payment.

**Sections 5 and 8:** Employer sections

- Your employer completes these sections and must sign and stamp the declaration.
- Under section 37D of the Pension Funds Act, certain losses caused to an employer may be deducted only if supported by a court order or your written admission of liability. Personal debts such as study loans or maternity-leave amounts cannot be recovered from the Fund.

**Section 6:** Court-order deductions

- Attach any applicable maintenance order.
- Attach any applicable divorce order and settlement agreement, and complete the divorce-order form if required.

**Section 7:** Member declaration

Read the declaration carefully. Your signature confirms that the information is correct, that you understand your choices and tax implications, and that these are your final instructions.

## What happens while your claim is processed?

The Fund will place your retirement benefit in its bank account while processing your claim. This removes the risk that the value will fall because of market movements during the processing period.

## Final check before submitting

- [ ] Section 1 is complete and your ID/passport copy is attached.
- [ ] Your employer completed Sections 2, 5 (if applicable) and 8.
- [ ] You made one choice in Section 3a.
- [ ] If required, you completed Section 3b and all supporting annuity/transfer forms.
- [ ] If you chose a life annuity, you selected both a guarantee period and an inflation target.
- [ ] Bank details are correct.
- [ ] Applicable court orders and agreements are attached.
- [ ] You signed and dated Section 7 after obtaining advice.

## Sign and submit

You may print, sign and scan the form, or place a saved scanned signature in the signature block using Adobe's Comments > Add stamp > Custom stamps function. Save the completed PDF before sending it.

**NEED HELP?**
Phone the Momentum team on 0860 22 22 89. Submit the completed form using the email address shown.

*This guide explains form MRA085NTRF0426 in plain language. If anything in this guide differs from the Fund Rules, the official form or South African law, the Fund Rules and the law apply.*