

# Withdrawal Pack



## **Dear Member**

As you are moving to an employer that does not participate in the National Tertiary Retirement Fund (NTRF), there are a few things you need to consider regarding your retirement savings in the NTRF.

You can download your Benefit Claim form from the funds website.



**Benefit Claim Form**  
<https://ntrf.co.za/ntrf/forms>

**Download**

## **Your options at withdrawal before retirement age**

When you leave the Fund before your retirement date, your total accumulated funds in the Fund become due and payable to you. Certain amounts may be deducted from your total accumulated funds in the Fund before your withdrawal benefit is paid (a housing loan, for example).

### **Leave your money in the Fund (paid-up members):**

Should you choose this option, it is important to keep the Administrator informed of any changes to your contact details.

Legislation allows you to leave your retirement savings in the Fund to become a paid-up member. Your retirement savings will stay invested, in line with the Fund's investment strategy, until you instruct the Fund in writing either to pay out your benefit in cash or transfer the benefit to another retirement arrangement.

### **The following will apply to paid-up members:**

- No further contributions towards retirement will be accepted.
- No further deductions/cover for risk benefits will apply.
- Admin and investment fees will be deducted from your Fund credit.

### **Transfer your money to your new employer's fund:**

From 1 March 2021, transfers between most retirement funds are permitted on a tax-neutral basis.

The exception is transfers from retirement annuity funds, which can only be transferred tax free if transferred to another retirement annuity fund.

### **Transfer your money to a retirement annuity fund:**

There are a range of retirement annuity funds to choose from, with an assortment of different investment options.



Speak to your financial advisor about the different options available to you. A retirement annuity works exactly like a pension fund. At retirement you will only get a portion in cash and the balance must be used to purchase a lifelong pension from a registered insurer. **This is a tax-free transfer.**

**Please Note:** There is no withdrawal benefit in a retirement annuity fund, other than from the Emergency Pot. Therefore, you can only get your money out at retirement, between the ages of 55 and 70 years.

**Transfer your money to a preservation pension fund or preservation provident fund:**

There are a range of preservation funds to choose from, with an assortment of different investment options. Speak to your financial advisor about the different options available to you. **This is a tax-free transfer.**

When you retire from a preservation pension fund, you may only take a portion in cash and the balance must be used to purchase a lifelong pension from a registered insurer.

**Please note:** You have only ONE withdrawal from your Vested Pot in a preservation fund. This can be the entire amount, or a portion. If you have an amount deducted from your withdrawal benefit at the date of withdrawal, such as an outstanding housing loan that is settled or an amount payable to your spouse, it will not be seen as your once-off withdrawal.

**Take some or all of your vested pot and savings pot money in cash (NOT recommended):**

This is a tempting option for some of us. Who doesn't like having some extra money to spend, or to help us pay off some excess debt? However, this might mean the difference between a retirement of leisure, or one filled with financial worries.

**Savings Pot claims can only be paid into the account to which your salary is paid. The following applies for each of category of your retirement savings:**

<b>Vested pot:</b> "OLD" savings up to 31 August 2024	<b>Savings pot:</b> "EMERGENCY" money – only for emergencies!	<b>Retirement pot:</b> NO TOUCHING
You may withdraw the full balance.	You may withdraw the full balance, but you may only withdraw once in a tax year unless the amount in savings pot is less than R2 000	You cannot make withdrawals from this pot. This money must be used to purchase an annuity when you retire.
Taxed in line with tax tables for withdrawal.	Any withdrawals from this pot before retirement will be taxed at your marginal rate – in other words, the same rate as your income. At retirement it will be in line with retirement tax table.	The annuity that you buy will be taxed as and when you receive your monthly pension income, in line with tax tables for retirees.



***Should you take a portion of your benefit in cash, you will not be able to accumulate a retirement benefit which gives you 70% or 75% of your salary as a pension. In other words, the income that replaces your salary will be insufficient for you to maintain your standard of living.***

### **The benefits of leaving your investment in the Fund**

- ▶ As the money is not withdrawn from the Fund, no tax is payable.
- ▶ Your money will remain in the same investment portfolio as it is while you are an active member of the Fund, unless you elect to change your investment portfolio.
- ▶ There is no break in your money being invested, as there would be during the transfer process for the other options.
- ▶ You will continue to have access to the Fund's investment portfolios and can switch at any time.
- ▶ Your money will continue to earn investment returns in the Fund until you need to access it for retirement.
- ▶ You will continue to benefit from the competitive fee structure of the Fund.

***You need to ensure that the Administrator has your updated personal email address and contact number, as your benefit statement will be emailed to you annually. It is your responsibility to ensure that your contact details remain current.***

***You must also ensure that your Expression of Wish form is updated regularly, to ensure that the Trustees are aware of who is eligible for a portion of your Fund benefit, should you pass away.***

## **The withdrawal process**

You will need to fully complete and sign a Benefit Claim form, on which you will need to indicate what you would like to do with your benefit, based on the options available as detailed above.

### **Important information required**

- It is important to ensure that your tax number is correct and active at SARS and that your tax affairs are in order. The Administrator will not be able to pay your benefit without a valid active tax number.
- Your banking details must be correct and the bank account must be in your name.
- Your postal and physical address are required for the tax application.
- Your contact details are required to allow for communication during the claim process.

**Once you have filled in the form, submit it to your HR department before you leave the institution, with the following supporting documents:**

- A copy of a recent bank statement or a letter confirming your banking details stamped by the bank
- A copy of your identity document

### **What happens if you don't fill in and submit a fully completed Benefit Claim Form?**

If you do not submit a fully completed Benefit Claim form, you will automatically become a paid-up member of the Fund. This means that you will remain a member of the Fund and your benefit will remain invested until such time as you claim the benefit either as a withdrawal benefit, or at retirement.

## The claim process

Once the Administrator has received the fully completed and signed Benefit Claim form together with the required supporting documentation, the claim processing commences. You need to submit the documents before the 7th of the month in which you leave the service of the employer.

1. Your last month's contributions are allocated to your member record (7th to the 15th of the month).
2. Once the Administrator has received the applicable unit price, which is usually around the 15th of the month, your savings in the Fund will be disinvested.
3. Final fees are deducted (23- 25th of the month).
4. Any transfer details will be verified.
5. The claim is processed.
  - a. Administrators do the final verification of the member's instructions.
  - b. Administrators send the instruction for quality checking.
  - c. After passing quality checking, the benefit is sent for tax calculation.
  - d. Once tax has been deducted, the benefit is released for payment.

SARS issues an electronic tax directive within 15 business days of receipt of disinvestment and verification of banking details where applicable.

Should you wish to track the progress of your claim, please contact the contact centre at **0860 000 071** or send an email with your member number to [ntrf@momentum.co.za](mailto:ntrf@momentum.co.za)

I, \_\_\_\_\_ (full names) have read and understood the contents of this Exit Communication, and have sought advice where I need assistance to make a decision on the payment of my benefit.

Date: \_\_\_\_\_ Signature: \_\_\_\_\_

## Contact information

### Administrators

Contact the Administrator for all claim queries and other Fund-related queries.

**0860 000 071**

[NTRF@momentum.co.za](mailto:NTRF@momentum.co.za)

### Office Of The Principal Officer

Contact the Principal Officer for all escalations of queries.

**011 258 8825**

[info@gobenefits.co.za](mailto:info@gobenefits.co.za)

