

Withdrawal form

Resignations, retrenchments and dismissals

Fund			
Participating Employer			
Date of withdrawal from the fund	DD/MM/YYYY		
Date of last contribution to the fund	DD/MM/YYYY		
Member details			
Title	Mr/Mrs/M/Prof/Dr/etc		
Full name/s			
Surname			
Date of birth	DD/MM/YYYY		
Identity number/Passport number			
Reason for withdrawal	Resignation <input type="checkbox"/>	Retrenchment <input type="checkbox"/>	Dismissal <input type="checkbox"/>
If retrenched, do you hold more than 5% of the issued share capital or member's interest in the employing company?	Yes <input type="checkbox"/> No <input type="checkbox"/>		
Postal address	<input type="checkbox"/> Same as the residential address <div style="text-align: right;">Code</div>		
Residential address	<div style="text-align: right;">Code</div>		
Your private email			
Contact number/s (cell & home)	(C) <input type="text"/>	(H) <input type="text"/>	
Income tax number			
Tax office			
Your preferred method/s of communication?	Email <input type="checkbox"/>	SMS <input type="checkbox"/>	WhatsApp <input type="checkbox"/> Phone <input type="checkbox"/>

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GTC is nationally represented in Johannesburg, Cape Town and Durban.

The GTC Privacy Policy can be viewed on the GTC website at <https://gtc.click/Group-Privacy Policy>

Benefit options

Refer to the benefit counselling annexure for more details and select one or more of the following options:

1. ☐ **Benefit to remain paid-up in the fund**

Benefit remains invested in the fund until you decide to transfer to another fund or cash in the benefit. No portion of the benefit may be taken in cash or transferred to an external fund.

2. ☐ **Transfer to external preservation fund, retirement annuity fund or new employer's retirement fund**

Note: This amount will be the value of the benefit less any cash taken.

Name of fund

Contact details of advisor or fund administrator

Advisor _____	or
Administrator _____	
Contact number:	
Email address:	

3. ☐ **Cash to be paid out**

Amount **or** percentage of the benefit to be taken in cash.

Note: If both are selected, only the Rand amount will be considered.

R		%	
Name of bank		Branch name	
Account holder		Branch code	
Account number		Type of account	
Accountholder relationship	Own <input type="checkbox"/> Joint <input type="checkbox"/> Third party <input type="checkbox"/>		

Note: Payments can only be made to a third party if the specific deductions are allowed in respect of Section 37D of the Pension Funds Act.

Benefit deductions

Has the fund benefit been utilised as security for an approved pension-backed housing loan? Yes ☐ No ☐

Are you indebted to the employer due to theft, dishonesty, fraud or misconduct in terms of Section 37D of the Pension Funds Act? Yes ☐ No ☐

Is there a pension interest payable to an ex-spouse in terms of a court order in terms of the Divorce Act 1989 (Please attach a copy of your divorce decree)? Yes ☐ No ☐

Note: In the case of indebtedness to the Employer, the Employer must provide a member admission of liability form or provide the Fund with full details of the case.

Continuation of risk benefits (if applicable)

You may have the option to take over your existing risk benefits which may include life cover, disability cover and severe illness cover, in your personal capacity, according to the terms and conditions as set out in the insurer's policy document.

The Fund makes provision for you to continue the group life benefit in your own capacity. A portion of this may be available without any further underwriting criteria.

Please contact your accredited advisor if you would like to discuss the continuation of your group risk benefits, if any, in your own name. Alternatively, you may contact GTC as your administrator. Refer to Annexure A (attached).

Retirement benefits counselling

In terms of current legislation members are given access to retirement benefit counselling before any withdrawal benefit, as determined in the fund rules, is processed.

I, the undersigned member, have read the information provided in respect of the options available, and (by ticking one of the following):

- have made my own decision and do not require any further assistance from a GTC counsellor or accredited financial advisor. ☐
- require further counselling , and hereby request a GTC counsellor to contact me. ☐
- require further advice, and hereby request a GTC accredited financial advisor to contact me. ☐
- have engaged with my own financial advisor, and require no further counselling from GTC. ☐

Notes

1. A payment or transfer cannot be processed unless one of the boxes under retirement benefits counselling has been ticked.
2. By signing this form I confirm that I have been provided with retirement benefits counselling and have read and understood the options detailed in the attached Annexure A (which constitutes retirement benefits counselling).
3. Any alterations made to this form, which have not been initialled by both the Employer representative and you, will result in this form being null and void. A new Withdrawal form will then be required.

Your signature

Authorised signature of employer

Date

Date

Company stamp

Annexure A - Options available on leaving service prior to retirement

Annuity

This term means that at retirement a member may only take one third of the retirement benefit in cash and the remaining two thirds must be utilised to secure a regular pension/annuity. If, however, the retirement benefit is less than R247 500, the entire retirement benefit may be taken in cash. The retirement benefit amount used to compute the annuity will not include a Vested benefit.

Please take note of Vested benefits and Non-vested benefits as described below.

Vested benefits and Non-vested benefits

Members must take note of Vested benefits and Non-vested benefits before considering the options below.

A Vested benefit is that portion of a benefit which will not be automatically subject to annuity. This means that a Vested benefit may be taken as a cash lump sum at retirement, or a member may voluntarily elect to use a portion or all of the Vested benefit to secure a pension/annuity. The choice remains that of the member.

A Non-vested benefit is that portion of a benefit which will automatically be subject to annuity. A member does not have a choice with a Non-vested benefit because at least two-thirds of this benefit must be utilised to secure a pension/annuity.

Provident fund members who are 55 years or older as at 1 March 2021, will not be affected by the annuity requirements in respect of their benefits that are payable on retirement, provided that they remain in the same provident fund. All their contributions prior to 1 March 2021 and post 1 March 2021, plus investment growth thereon, will be regarded as a Vested benefit and such members will still be permitted to take 100% of their retirement benefit in cash when they retire. However, if a provident fund member leaves the fund and joins a new fund, all contributions to the new fund will be subject to annuity.

Provident fund members who are younger than age 55 as at 1 March 2021, will have their benefits split into a Vested benefit (accrued benefit up to 28 February 2021 and subsequent growth thereon) and a Non-vested benefit (contributions paid after 1 March 2021 and growth thereon). Only the Non-vested benefit will be subject to annuity at retirement. If a provident fund member leaves the fund and joins a new fund, all contributions to the new fund will also accrue as a Non-vesting benefit and will be subject to annuity.

Although the general rule is that all Vested benefits are transferable to another approved retirement fund, the responsibility and onus of ensuring that the fund receiving a benefit will accept and record the Vested benefit falls on the Member.

Options on leaving service prior to retirement

In accordance with current legislation and the Rules of the Fund, the following options are available to you on leaving the service of your current employer prior to retirement:

Option 1 - Preserve your full benefit inside the fund as a paid-up benefit

Your entire benefit will not be transferred out or paid as a cash lump sum but will remain in the fund and will continue to be invested in your current investment portfolio. You may select a different investment portfolio as allowed by the fund. It is recommended that you seek financial advice for this selection.

The benefits of selecting this option are:

- no tax consequences;
- no additional administration fees;
- no up-front costs;
- no forced disinvestment;
- ongoing competitive institutional pricing.

A paid-up benefit certificate will be issued to all members whose retirement savings are preserved in the fund.

Your retirement savings will, by default remain in the existing investment portfolio (where the portfolio continues to be on the fund's list of approved portfolios), or may be switched to an investment portfolio within the fund's default life-stage investment strategy model.

Members who are paid-up may not make further contributions towards the fund and will not derive any other benefit except their Fund Credit (i.e. their accrued retirement savings).

Option 2: Transfer to the retirement fund of your new employer

There are no tax consequences and no commission payable.

You must ascertain what fees apply on the new fund.

The advantages of preserving your retirement fund monies by transferring to the retirement fund of your new employer:

- The money remains invested in your name under the new fund
- There is no Capital Gains Tax.
- There is no Dividends Tax.
- Fee scales applicable in retirement funds are normally lower than individual preservation and retirement annuity funds.
- The transfer will be tax-free.
- The transfer to the new fund will include the Vested benefit, Non-vested benefit or both, as the case may be.

Option 3: Transfer to a preservation pension fund, or to a preservation provident fund of your choice, or you can transfer to a retirement annuity fund of your choice.

Preservation fund transfers:

- The transfer to a preservation fund will be tax free.
- Following a transfer into a Preservation fund, monies can be wholly or partially withdrawn.
- Only one withdrawal prior to retirement is allowed in a Preservation fund. If you make a partial withdrawal, you are not allowed to withdraw the balance at a later date before retirement except on formal emigration..
- The cashed portion is taxed in terms of the resignation tax tables.
- The transfer to the preservation fund will include the Vested benefit, Non-vested benefit or both, as the case may be.
- On reaching retirement, the options on retirement become available in terms of the rules of the preservation fund
- Future contributions to a preservation fund are not allowed

Transfers to a retirement annuity fund

- Transfers to retirement annuity funds are tax-free.
- Monies transferred into a retirement annuity fund cannot be accessed until age 55 except on formal emigration.
- You may contribute to a retirement annuity fund after transfer. These post transfer contributions will accrue as a Non-vested benefit.
- On reaching retirement, the options on retirement become available in terms of the rules of the retirement annuity fund.

The transfer to the retirement annuity fund will include the Vested benefit, Non-vested benefit or both, as the case may be.

Option 4: Take a portion of your benefit in cash and transfer the balance

- You may take a portion of your benefit in cash and then transfer the balance to the retirement fund of your new employer, a preservation fund or retirement annuity fund.
- The portion taken in cash is subject to tax payable on resignation (see below tax tables).
- The portion of the benefit to be transferred will be tax free.

Option 5: Take your benefit in cash

You may elect to receive your retirement savings benefit in cash. Taking any portion of the retirement savings benefit in cash may result in the proceeds being taxed.

It is recommended that you seek accredited financial advice before electing this option.

Taxation

In terms of current legislation pre-retirement withdrawals from a retirement fund (**excluding retrenchment**) will be taxed as follows:

Benefit amount bracket	Tax amount
R0 – R25 000	Tax free
R25 001 – R660 000	18% of amount above R25 000
R660 001 – R990 000	R114 300 plus 27% of amount above R660 000
R990 001 and above	R203 400 plus 36% of amount above R990 000

In terms of current legislation pre-retirement withdrawals from a retirement fund as a result of **retrenchment** will be taxed as follows:

Benefit amount bracket	Tax amount
R0 – R500 000	Tax free
R500 001 – R700 000	18% of the amount above R500 000
R700 001 – R1 050 000	R36 000 plus 27% of the amount above R700 000
R1 050 001 and above	R130 500 plus 36% of the amount above R1 050 000

The tax tables are cumulative. For example if you use up your R25 000 tax free amount when resigning from an employer, you cannot get this deduction at a later stage when you resign from your next employer and choose to take the cash option.

Any cash taken will also be accounted for in determining your tax on your retirement benefit and retirement tax tables.

Continuation of risk benefits – life, disability and severe illness cover (where applicable)

- You may have the option to take over your existing risk benefits which may include life cover, disability cover and severe illness cover, in your personal capacity, according to the terms and conditions as set out in the insurer's policy document.
- All, or part of this amount is insurable, without undergoing major medical underwriting.

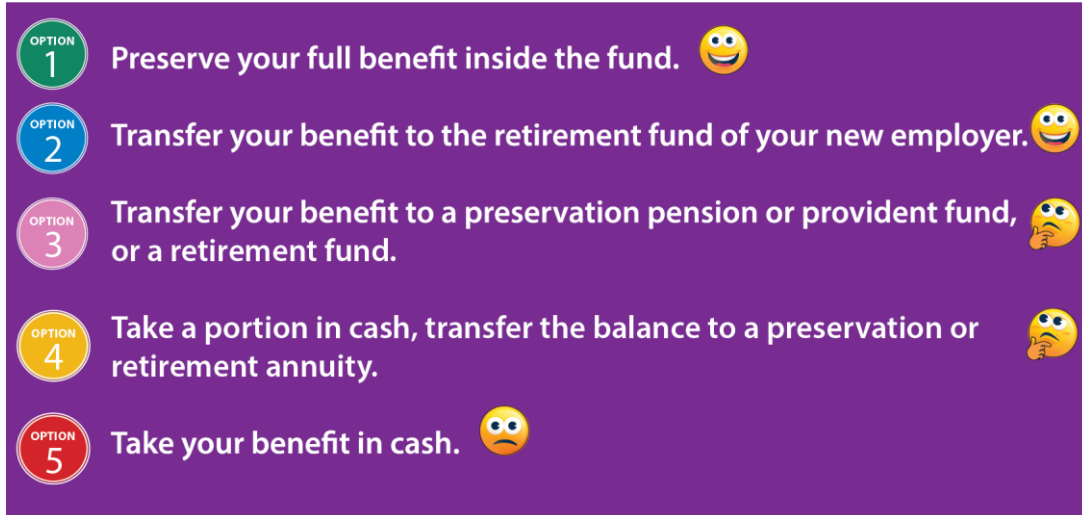
All group risk benefits will cease on date of terminating service with your current employer. A continuation option with the employer's appointed insurer on risk benefits may apply.

The costs of the benefits will vary and individual policy premium rates will apply. It is essential that you get a quotation in order to establish what the new premiums will be.

NB: Usually this option must be exercised within **one month** of the date of leaving service, so it is important that your financial advisor and the insurer is notified of the intention to take up the continuation option as soon as possible.

Based on the information provided, it is recommended that you **carefully** consider the options available to you before making a decision regarding your retirement fund monies.

As you can see from the tax table, two of the best options are to either preserve your money in the fund, or to transfer it to the fund of your new employer.



Option	Description	Emoji
OPTION 1	Preserve your full benefit inside the fund.	😊
OPTION 2	Transfer your benefit to the retirement fund of your new employer.	😊
OPTION 3	Transfer your benefit to a preservation pension or provident fund, or a retirement fund.	🤔
OPTION 4	Take a portion in cash, transfer the balance to a preservation or retirement annuity.	🤔
OPTION 5	Take your benefit in cash.	😬

GTC, as your administrator, can provide you with all of the information regarding your fund that you require to make these important decisions. 010 597 6800 or retirementfunds@gtc.co.za.

You are urged to seek accredited financial advice in this regard.