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Retirement election

Fund	
Participating employer	
Date of retirement	DD/MM/YYYY
Date of last contribution to the fund	DD/MM/YYYY

Member details

Title	Mr/Mrs/Ms/Dr/Prof/etc
Full name/s	
Surname of member	
Date of birth	DD/MM/YYYY
ID number/Passport number	
Postal address	☐ Same as residential address
Residential address	Code:
Your private email	
Contact number/s (cell & home)	(C) (H)
Income tax number	
Tax office	
Your preferred method/s of communication?	Email ☐ SMS ☐ WhatsApp ☐ Phone ☐

Nature of retirement

Normal ☐ Ill-health early ☐ Early ☐ Late ☐

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13B licence no. 24/318

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

Benefit options

Refer to the benefit counselling annexures for more details and select one or more of the following options.

1. ☐ Deferred retirement (No cash commutation available)

Please refer to the descriptions of Annuitisation, Vested Benefits and Non – Vested Benefits in Annexure A.

Benefit remains invested in the fund until the member elects to retire. Members may only select a cash portion and draw an income from the benefit when they actually retire from the Fund. Options on actual retirement are set out in numbers 2 to 5 below. Refer to Annexure A (attached).

2. ☐ Transfer to a Retirement Annuity Fund or a Preservation Fund (Full benefit to be transferred)

Please refer to the descriptions of Annuitisation, Vested Benefits and Non – Vested Benefits in Annexure A.

An external Retirement Annuity Fund or Preservation Fund may be selected:

Name of registered insurer/Fund	
Details of Retirement Annuity or Preservation Product	
Administration company name	
Contact details	Name:
	Contact number:
	Email address:

3. ☐ Cash to be paid out to the member (actual retirement only)

Please refer to the descriptions of Annuitisation, Vested Benefits and Non – Vested Benefits in Annexure A.

Amount **<u>or</u>** percentage of the benefit to be taken in cash		R	%
Name of bank		Branch name	
Account holder		Branch code	
Account number		Type of account	
Accountholder relationship	Own ☐	Joint ☐	Third Party ☐

Note – payments can only be made to a third party in the event of the specific deductions allowed in terms of <u>Section 37D</u> of the Pension Funds Act.

4. ☐ Transfer to an external annuity

Amount **or** percentage of the benefit to be taken in cash (balance to purchase an annuity).	R	%
Annuity policy number		
Administration company name		
Contact details	Name:	
	Contact number:	
	Email address:	

5. ☐ Transfer to the Fund's annuity strategy

Amount **or** percentage of the benefit to be taken in cash (balance to purchase annuity).	R	%

Benefit deductions

Has any benefit portion been utilised as security for an approved housing loan?	Yes ☐	No ☐
Is the member indebted to the employer due to theft, dishonesty, fraud or misconduct in terms of Section 37D of the Pension Fund Act? (attach a court order or member admission of liability)	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 ☐

Mandatory requirements

- Copy of identity document.
- Proof of banking details (stamped bank statements required, no Internet bank statements accepted).
- Personal income tax number.
- Copy of application form (if 2, 3 or 5) above applies.

Continuation of Life cover benefit (if available)

Please contact your GTC accredited advisor if you would like to discuss the continuation of your group risk benefits, if any, in your own name. Refer to Annexure A.

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 can only t be processed once one of the boxes under Retirement Benefits Counselling has been ticked.
2. By signing this form you confirm that you have been provided with retirement benefits counselling and have read and understood the options detailed in Annexure A and B (which constitutes retirement benefits counselling) to this form.
3. Any alterations made to this form, which have not been initialled by both signatories, can result in this form being null and void and a complete new form required.

_____________________________	_____________________________
Member's signature	Authorised signature of Employer
_____________________________	_____________________________
Date	Date

Company stamp

Annexure A - Options available on retirement

Annuitisation

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 annuitisation will not include a Vested benefit.

Pension funds have always been subject to the annuitisation requirement and as from 1 March 2021 provident funds are also subject to annuitisation, except that any Vested benefit will not automatically be subject to annuitisation as explained below.

It is important that you please take note of the Vested benefits and Non-vested benefits as described below when considering your options:

Vested benefits and Non-vested benefits

A Vested benefit is that portion of a benefit which will not be automatically subject to annuitisation. 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 annuitisation. 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 annuitisation 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 elects to transfer to a retirement annuity fund, all contributions to the retirement annuity fund will be subject to annuitisation.

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 annuitisation at retirement. If a provident fund member leaves the fund and elects to transfer to a retirement annuity fund, all contributions to the retirement annuity fund will also accrue as a Non-vesting benefit and will be subject to annuitisation.

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.

1. Deferred retirement benefit

In terms of changes in legislation you are not forced to utilise your retirement benefit immediately upon retirement from service but may preserve your **full** benefit inside the fund if you do not need to access the money immediately.

The benefit will remain invested in your current investment portfolio or you may select a different portfolio in the same fund. Please be aware that the value of your investment can go up and down on a daily basis, due to investment market conditions. You can access your investment information through GTC's administration platform. It is recommended that you seek financial advice for this selection.

No further contributions are allowed to the fund.

There are:

- No tax consequences
- No additional administration fees
- No up-front costs
- No forced disinvestment
- Ongoing **competitive** institutional pricing

This is referred to as a "deferred" retirement benefit.

2. Transfer to a retirement annuity fund

If you do not need to access your money immediately, you may also transfer your money to a retirement annuity fund.

Transfers to retirement annuity funds are tax – free.

You have the option to continue contributions to the fund.

At retirement you may access a maximum of one third in cash, subject to taxThe remaining two thirds must be used to buy an annuity, which will provide you with a regular income. This income will be subject to income tax.

Provident fund transfers to a retirement annuity will include any Vested benefit, Non – Vested benefit, or both, as the case may be.

3. Transfer to a preservation fund

You may transfer your benefit to a preservation fund of your choice.

The transfer to a preservation fund will be tax – free.

No further contributions are allowed to the fund.

You are not allowed to withdraw any monies from a preservation fund prior to retiring.

At retirement you may access these monies within the various retirement options available.

The portion not taken as a cash lump sum must be used to buy an annuity, which will provide you with a regular income. This income will be subject to income tax.

Provident fund transfers to a preservation fund will include the Vested benefit, Non – Vested benefit, or both, as the case may be.

4. Pension fund

If you have a pension fund you may elect to commute up to one third of the benefit as a cash lump sum, subject to the tax payable and prevailing legislation at the time.

The remaining two thirds must be used to buy an annuity, which will provide you with a regular income. This income will be subject to income tax. If your retirement benefit is below R247 500 you may elect to take the whole amount as a lump sum.

You may also commute any Vested Benefit that may have been transferred into the Fund.

5. Provident fund

- If you have a provident fund, in addition to the option of taking the full benefit in cash in respect of any Vested benefit portion, and any Non – Vested benefit portion that is below R247 000–- you may also buy an annuity with all or part of the benefit which will provide you with a regular income. This income will be subject to income tax.

6. Taxation of any Cash commutation

The following tax table will be applied to any cash lump sums taken.

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

Remember: Any previous withdrawals will be taken into account when applying the lump sum tax table. Other retirement cash lump sums will also be considered by SARS.

7. Group life cover

You may have the option to take over your existing group life policy 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.

Please feel free to contact your administrator, GTC, or your accredited financial advisor for a quotation in this regard.

Important: Members usually only have **one month** in which to exercise this option so it is important that GTC or your financial advisor is notified of the intention to take up the continuation option as soon as possible.

8. Annuity options

You have the choice of electing the basis on which you receive an income after your retirement date.

The portion of your benefit which was not taken as a cash lump sum (if applicable/any) will be used to buy you an income.

There are various types of annuities which you can elect at retirement to provide you with an income, such as:

- A compulsory life annuity
- A living annuity
- A combination of a compulsory life annuity and a living annuity
- An annuityin terms of the Fund's annuity strategy – determined by the fund's Trustees.

See annexure B (attached) for more information in this regard.

Retirement is a complex and vitally important financial planning process.

The role of the **accredited financial advisor** is **critical** to ensure that you are able to make an informed decision for your retirement. The decisions you make at retirement cannot be reversed!

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.

Annexure B – Annuity options

1. Compulsory life annuity

A compulsory life annuity provides you with a fixed amount per month until your death.

You also have the option of electing that the annuity runs until the last dying of you or your spouse.

A minimum guaranteed income payment period can be elected in the event of you and/or your spouse's death.

Provision for various types of income increases are also available.

Variable income increases are known as a "with-profit" annuity.

Inflation linked income increases are also available.

This income will not reduce and will increase over time. This income will be subject to income tax.

Important: These options must be considered and be selected at inception date and cannot be amended after inception.

2. A living annuity

A living annuity is linked directly to the performance of the underlying investment portfolio selected.

The income derived from the living annuity is flexible, you can draw between a minimum of 2.5% and a maximum of 17.5% of the capital value. You can revise this rate each year.

This income can be paid monthly in arrears, or quarterly, bi-annually or annually in advance. This income will be subject to income tax as per the tax payable and prevailing legislation at the time.

The living annuity continues after the death of the annuitant and passes to the nominated dependant/s. The dependants may however also choose to commute this and receive the lump sum value.

3. Combination of compulsory life annuity and a living annuity

A combination of a compulsory life annuity and a living annuity is also an option.

4. Fund annuity strategy option

Your retirement fund has an annuity strategy option.

The trustees of your fund have established an annuity strategy that has identified a "with-profit" annuity which can be used to provide the income.

The **Just Lifetime Income Annuity** has been identified by the trustees as an 'opt-in' option for consideration by members who value the option of a lifetime income that will never reduce and will increase over time, depending on investment returns earned.