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## Welcome

We have reached the middle of the year and can feel the chill in the air. As the trees shed the last of their autumn coloured leaves we know that the winter months are here.

As the seasons change, we are reminded of the different chapters we experience in our own lives. Whether you have just entered the working arena or are nearing retirement, it is important that you remain informed about your retirement fund and understand the benefits of the Fund.

In this edition of the newsletter, we focus on the Funeral Benefit and the importance of nominating your dependants or beneficiaries if something should happen to you and you pass away.

*"Winter is a season of recovery and preparation."*

– Paul Theroux

## The importance of nominating your dependants / beneficiaries

Your death benefit will be allocated in terms of the Rules of the Fund as well as Section 37C of the Pension Funds Act, which deals with the duties of the Trustees in the allocation of death benefits.

The Pension Funds Act allows trustees 12 months to investigate and decide how death benefits will be distributed. The Act requires the Trustees to consider all dependants, regardless of whether you have listed them on your Beneficiary Nomination Form or not. If you do not have dependants, your benefit will go to your nominated beneficiaries. If there are no beneficiaries or dependants the benefit will be paid into your estate.

**The purpose of the Beneficiary Nomination Form is:**

- **To make it easier to trace dependants** by contacting family members using the contact details you have provided; and
- **To speed up the process of assessing who your dependants are** and the extent to which they depend on you.
- **To identify any other beneficiaries**, apart from your dependants, to whom you may wish to allocate a portion of your benefit.

It is therefore important to complete your Beneficiary Nomination Form at least once a year and also at any time your details may change, i.e. birth of a new child, divorce etc. By completing this form, you identify your dependants and can state who you want to receive your death benefits and in what proportion.

Your beneficiary nomination form will serve as a guideline to Trustees during the section 37C process of allocating your death benefits. The final decision of who will receive the death benefits rests with the Trustees who must also consider any other dependants not nominated. Should you not wish a dependant to be considered by the Trustees, you should still list the person involved, but allocate 0% and give a reason for so doing, e.g. this person will inherit my life assurance policies.



**By completing a Beneficiary Nomination Form you are identifying your dependants and it will help the Board make informed decisions.**

## Funeral benefit for when your loved ones need it most

The funeral benefit pays out if you and/or any of your immediate family members die. All active members of the Fund and their immediate family members are covered by this benefit, provided contributions and premiums are paid on time and are up to date. Part of the money your employer contributes every month pays for this benefit.

Immediate family includes a maximum of two spouses and six children. Children receive cover up to the age of 21 years and up to the age of 26 years if they are registered, full-time students at an educational institution. Physically or mentally disabled children are also covered.

## Repatriation of mortal remains

Where a member, spouse or child passes away in an area over 50 kilometres away from the primary residence, the costs of the repatriation of the body of the deceased to the primary residence will be covered. The transportation extends to all SADC Countries.

- Claims are limited to R20 000 per family per annum.
- The claim is only paid if proof is provided that a repatriation benefit is being used.

The funeral benefit pays out if you and/or any of your immediate family members die	
Member	R65 000
Spouse	R65 000
Children: Age 14 - 21 (up to age 26 if full-time student)	R48 000
Age 6 - 13	R13 000
Age 1 - 5	R10 000
Age 0 - 11 months	R5 000
Stillborn	R3 900

## NB: New Nomination Form for the Funeral Benefit

**Members are now required by law to complete the Funeral Nomination of Beneficiary Form.** In the event of your death, the funeral benefit will be paid to the person who you nominated in your nomination form. Please ensure that the person you nominate as a beneficiary for the funeral benefit is over the age of 18 years, and would be responsible for paying or organising your funeral. Only appoint one person as the beneficiary of the funeral benefit in the event of your death. Should you not complete a nomination form, the benefit will be paid into your estate. **Please note** that your estate may take up to 12 months to be finalised and your family may not have the money to bury you should a completed form not be available. **Please click on the following link to access the form:**

<https://www.rflipfund.co.za/images/documents/claim-forms/claims-beneficiary-nomination.pdf>

## To achieve financial well-being

One useful way to look at your financial situation is to think about the **three "growth-containers"** that you will have to keep filled, in order to achieve financial well-being.



### Day-to-day

This growth-container will pay for all your day-to-day living expenses.



### Retirement dreams

This growth-container will pay for those things that you dreamed of doing in retirement.



### Unexpected costs

This growth-container will pay for any emergency or unexpected costs and will also give you a sense of security through good and challenging times.

## Start planning for your retirement today

Benjamin Franklin once said: **“The only certainties in life are death and taxes”**. To that **you can add retirement**, yet research shows that less than 10% of us can retire comfortably.



## 5 Steps you can take to ensure that you retire more comfortably

### Get rid of your debt

This is probably the most important step you can take towards retiring more comfortably. Remember that interest on your debt compounds and you don't want to divert your retirement income to paying off debt. Pay off your debt with the highest interest rate first. Make sure all your debt is paid before you reach retirement age.

### Save!

**As with the cost of debt compounding, so amounts put into retirement funding will also compound and realise more income on your retirement.**

Don't forget, you are allowed a deduction of 27.5% of your taxable income towards retirement funding, up to a maximum of R350 000, this includes contributions towards your provident fund and private retirement annuity.

Remember, SARS also allows a tax-free saving R36 000 per annum now per tax year, with a lifetime maximum of R500 000 in a tax-free savings account.

Speak to your financial advisor to help you find the most tax-efficient savings method.

Saving requires a certain mindset. Once you get in the habit it can be amazing how much you can achieve. So start practicing this habit now.

### Limit withdrawals

Be extremely prudent when you must withdraw any savings, for example when you change jobs. Weigh up the cost to your retirement and only take out the minimum you need.

### Rainy day funds

No one goes through life without some form of crisis. We live in an age of uncertainty. If you can, put aside funds specifically for rainy days, as you don't want to eat into your retirement funding to cover a crisis.

In the unlikely event, you don't need to use this rainy day money, it will add to your retirement savings and improve the quality of your retirement.

### When is enough actually enough?

Many people have doubts as to whether they have enough to retire and delay their retirement. You need to be disciplined about this – if you and your financial adviser have set targets for retirement, stick to them unless unplanned events make it impossible to achieve your target.

## Living Your Life - What you need to know about the State Old Age Grant

During the National Budget Speech, Minister of Finance Enoch Godongwana announced an increase in the Older Persons Grant (Old Age Pension). The increases are summarised as shown in this table:

Date of increase	Recipients between 60 and 74	Recipients 75 years and older
as from 1 April 2023	R2 080.00	R2 100.00
as from 1 October 2023	R2 090.00	R2 110.00

### To qualify for the Old Age Grant you must be:

- A South African citizen, live in South Africa
- Must be 60 years or older
- You and your spouse must meet the requirements of the means test
- You must not be maintained or cared for in a state institution (prison, rehabilitation, or state old age home)
- You must not receive another social grant for yourself.

### What is the means test?

The means test is used to determine if you qualify for the grant or not.

### If you are single:

- You may not earn more than R86 280 per year (R7190 per month)
- You may not own assets of more than R1, 227 600.

### If you are married:

- You and your spouse's combined monthly earnings may not exceed R14 380 or R172 560 annually.
- You and your spouse may not own assets valued at more than R2, 455 200.

Remember that you will have to submit 3 month's bank statements and provide other proof of income and assets, when you apply.

For any further information you can contact SASSA at 0800 60 10 11 or visit their website at [www.sassa.gov.za](http://www.sassa.gov.za)

## Be Money Wise - Remember to claim UIF when you retire

Did you know when you retire you can still apply for UIF? As you have effectively become unemployed you may claim 45% of the maximum UIF salary (R17 712) for about 6 months.

**Example:** You may earn R30 000 per month at the time of your retirement, but your UIF contributions will only be paid on the UIF maximum earnings ceiling which is R17 712. So, you could receive an amount of R7 970 per month for six months, even if you are receiving a pension income.

## We are ready and waiting to be of service to you



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