DEATH OF MEMBER IN A NUTSHELL

SENTINEL retirement fund

EVENT

DEATH OF MEMBER

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MEMBER DEATH BENEFIT BROCHURE

PENSION INCOME CHOICE BROCHURE

QUALIFYING CRITERIA

A death benefit becomes payable when you die, irrespective whether you passed away at work or not, and the Fund has been notified of your death.

BENEFIT DETAILS

A deceased contributory member's Fund Credit will be enhanced by additional death risk cover if the member contributed towards Death Risk Cover at date of death.

The Fund Credit of a deceased paid-up member's and deceased contributory member who did not contribute towards Death Risk Cover, will be used as the basis for the benefit.

50% Of the total benefit is used to provide a spouse(s) pension (if applicable) and the balance (50% with spouse or 100% without spouse) is paid in lump sums to dependents, nominees or the Estate.

OPTIONS

A lump sum allocation to a spouse, or part thereof, may be applied to increase the spouse pension.

Spouses of deceased members can sculpt their monthly pension income from the Pension Income Choice model, which offers the following options:

Guaranteed Pension

- Lifelong pension for the pensioner.
- Ability to choose Term Guarantee options.
- With profit increases.

Flexible Pension

- Self-managed income and investment choice.
- Annual income draw-down rate between 2.5% and 17.5%
- Choice of Member Investment portfolios.
- Option to convert to a Life Annuity later.

Hybrid Pension

- Capital can be split in any proportion between a Guaranteed and Flexible Pension.
- Same features apply as under Guaranteed and Flexible Pension options.

TAX TREATMENT

Lump sums are taxed in the hands of the deceased member.

Tax table applied to Death Benefit lump sums:

Withdrawal Lump Sum Tax Table:

Lump Sum Value	Rate of Tax
R1 to R550,000	0%
R550,001 to R 726,000	18% of amount above R550,00
R770,001 to 1,155,000	R39,600 + 27% of amount above R770,000
R1,155,001 and above	R143,550 + 36% of amount above R1,155,000

This table is applied on an accumulative basis.

Monthly pensions are taxable and fall within the ambit of PAYE regulations.

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