SENTINEL
retirement fund

WITHDRAWAL BENEFIT

Brochure – July 2026

Your future preserved

INTRODUCTION

If you are reading this brochure, it is likely that you have either already left, or are planning to leave, the service of your employer. Making decisions about what to do with your retirement savings may, therefore, be at the forefront of your mind.

This brochure aims to help you make a decision that best aligns with your successful retirement planning. It provides information regarding your benefit options, the tax implications of each option, and the process that must be followed to claim a withdrawal benefit. Please take the time to read this brochure carefully to understand the implications of your decision.

Please note that the information in this booklet is a summary of the Rules of the Fund and does not create any rights and obligations. If differences or disputes arise, the Rules will prevail. The full set of Rules is available on the Fund's website and at its offices.

QUALIFICATION CRITERIA

You may claim a withdrawal benefit if you left your employer because of **retrenchment, resignation, or dismissal** and have not yet reached your Normal Retirement Age (NRA). Paid-up members who have not reached NRA may also claim a withdrawal benefit. A withdrawal benefit may **NOT** be claimed if you have instituted proceedings to be reinstated through the CCMA and this process has not been finalised.

WITHDRAWAL OPTIONS

A withdrawal benefit is based on your full Fund Credit and consists of your vested, savings, and retirement components in the Fund. However, your retirement component cannot be encashed and must be transferred to the retirement component of another approved fund or be utilised for paid-up membership.

OPTION 1: PRESERVE YOUR BENEFIT AS A SENTINEL PAID-UP MEMBER

1.1 You may preserve your benefit (all components) as a Paid-up Member.

The fact that you have terminated employment with a participating employer does not mean that you must leave the Fund. You can extend your membership as a paid-up member (no further contributions can be made) in the Fund and no tax is payable on this being selected. For more details, please read the Paid-up Membership brochure available here: Sentinel Repository.

As a Paid-up Member, you can withdraw into the future or retire in Sentinel once you qualify.

1.2 If you have started employment with another employer that participates in Sentinel.

You will have a new active member account and can elect to transfer your benefit or paid-up membership account into your new active account. You can also choose to continue with both a new contributing member account and a paid-up membership account.

OPTION 2: EARLY RETIREMENT

If you are within 10 years from your Normal Retirement Age (NRA), you can elect early retirement. Should you qualify and decide to retire, you may withdraw a maximum of 1/3 of the balance in your Vested Component, plus the balance (or a lesser amount) in your Savings Component, as a lump sum.

The remainder of your Vested Component and any Savings Component balance not taken as a lump sum, plus your Retirement Component balance will be utilised to provide you with a monthly pension. For more details, please read the Pension Income Choice brochure available here: Sentinel Repository.

OPTION 3: TRANSFER YOUR FULL FUND CREDIT TO ANOTHER RETIREMENT FUND

You may transfer your full Sentinel Fund Credit (Vested Component, Savings Component, and Retirement Component), the one not without the other, to an approved retirement Fund. Should you elect this option, no lump sum benefit will be paid to you directly. All your components in Sentinel will be transferred (including any Provident Fund Vested Rights if applicable) to the same components in your selected new retirement fund tax-free. You may select one of the following retirement fund types to transfer to:

- Your new employer's approved pension or provident fund; or
- An approved retirement annuity fund; or
- An approved preservation fund (pension or provident fund).

OPTION 4: FULL OR PARTIAL LUMP SUM WITHDRAWAL AND TRANSFER

You may withdraw a portion, or the full balance available in your Vested and Savings Components (if no Savings Withdrawal Benefit has already been taken in the current tax year) and transfer the remaining balance (if any) of these components, plus your Retirement Component balance, to your new employer's approved pension/provident fund, or to an approved preservation fund, or to an approved retirement annuity fund.

Note: If you have already taken a Savings Withdrawal Benefit during the tax year, you will normally need to wait until the next tax year before making another withdrawal. However, if you leave the Fund during the same tax year, you may withdraw a portion or the remaining balance in your savings component. If only a portion is withdrawn, the remaining balance must be transferred to another approved retirement fund, as your membership in this Fund will have ended.

Any Savings Component withdrawal will be taxed at your marginal tax rate. The portion withdrawn from the Vested Component will be taxed based on the Withdrawal Tax Table, except in the event of retrenchment, this portion will be taxed based on the Retirement/Retrenchment Tax Table. The transferred portions, including the Retirement Component, will be transferred tax-free.

TAX IMPACT EXPLAINED

The following provides a summary of the income tax impact on the various withdrawal benefit options.

1. VESTED COMPONENT

- The Withdrawal Tax Table will apply to the lump sum amount you withdraw if you resigned or were dismissed from employment, OR
- The Retirement / Retrenchment Tax Table will apply to the lump sum amount you withdraw if you were retrenched from employment, OR
- The amount transferred to another approved fund, or applied to Paid-up Membership, is done tax-free.

2. SAVINGS COMPONENT

Any lump sum withdrawal from the Savings Component is taxed at your marginal tax rate (rate applied to your gross income in the tax year). Any amount transferred to another approved fund, or applied to Paid-up Membership, is done tax-free.

3. RETIREMENT COMPONENT

The Retirement Component cannot be encashed or withdrawn. It must remain in Sentinel if a Paid-up Membership is selected or be transferred to another approved fund. Both these options are tax-free.

For more details, please read the Taxation in South Africa brochure available here: Sentinel Repository.

DECISION-MAKING PERIOD

Once your former employer notifies Sentinel of the termination of your employment, you will automatically become a paid-up member of Sentinel. Your Fund Credit (all components) will not be disturbed during the changeover, and you will still be able to exercise investment choice, should you elect to do so.

You will have sufficient time to consider your options and make an informed decision, as your paid-up membership continues indefinitely. However, should you decide to withdraw your accumulated retirement savings, you must exercise this option before you reach your Normal Retirement Age (NRA). After NRA has been reached, you can still transfer to another approved fund, but a lumpsum withdrawal will no longer be possible, even in this new fund.

APPLICATION PROCESS

Your former employer will notify Sentinel of your termination of employment. This notification and the payment of your final contributions are normally done simultaneously, on or before the seventh day of the month following your discharge from employment. Once this notification has been received, you will become a paid-up member.

Should you decide to apply for a withdrawal benefit, your completed withdrawal application form and all required supporting documents must be submitted to Sentinel. The Fund will then process the withdrawal benefit and obtain a tax directive from SARS before any payment is made.

CONTACT DETAILS

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CLIENT SERVICE CENTRES

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Office hours are 08:00am to 04:15pm
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