

Death & Funeral Benefits

KZN

MUNICIPAL PENSION FUND



Your family will receive a benefit if you die while still in service

A portion of the company's contribution is used to help your dependants and loved ones with money if you die while you are working for the employer. The fund pays your family a lump sum death benefit in the event of your death.

Death before normal retirement age

If you die before your normal retirement age, while still working for the employer and the death claim is approved, your dependants will receive a lump sum death benefit equal to:

- Your fund credit PLUS
- A multiple of your annual fund salary as follows:

Members with less than 3 years service	Members with more than 3 years service	
	Age	Benefit multiple
1.5 times annual fund salary	18-19	6.0
	20-24	5.5
	25-29	5.0
	30-34	4.5
	35-39	4.0
	40-44	3.5
	45-49	3.0
	50-54	2.5
	55-59	2.0
	60-65	1.5

This death benefit cover is subject to medical examinations as may be required. You may also be requested to go for a medical checkup if your potential death benefit cover is higher than the set death cover limit. If this is the case, the fund will let you know in writing.



Death after normal retirement age

If you die after your normal retirement age, while still working for the employer, your dependants will get a lump sum benefit equal to your fund credit only.

The trustees share the death benefit out according to the law

This is one of the most important tasks set out for trustees in the *Pension Funds Act*. Firstly, they have to decide who qualifies for the benefit and then they have to decide what percentage of the benefit each person will get.

Trustees must make sure a thorough investigation of all those claiming or qualifying as a dependant or nominated beneficiary is done. They must also take all reasonable steps to identify, trace and contact all dependants and nominated beneficiaries. Then, taking into account the relevant circumstances, the trustees divide the lump sum in a fair and equitable way. This process can take up to 12 months to complete. This may seem easy to do, but when a nomination of beneficiaries form has not been completed, and family members are difficult to contact, the procedure becomes complicated and as a result there may be a delay.

Always keep your nomination of beneficiaries form up to date

You must update your nomination of beneficiaries' form each time your circumstances change, such as divorce, marriage, or the birth of a child. The nomination of beneficiaries form acts as a guide for the trustees. The trustees are not compelled to distribute the death benefit according to this form. It only shows them who you would like to receive some or all of your death benefit. The final decision of who receives the benefit lies with the trustees.

Your Will can't tell the trustees who gets the benefit

The law says that your Will and nomination of beneficiaries form can't affect the distribution of your death benefits from your retirement fund. Therefore, if you state in your nomination of beneficiaries form that you would like your death benefit to go to a particular person, the trustees still have the authority to override these wishes and distribute your death benefit in a way that they feel is fairer considering each situation individually.

If you have a beneficiary or dependant that you would not like to receive a death benefit you need to name them on your nomination of beneficiaries form as receiving 0%, and give a valid reason for your decision. You can get these forms from your human resources department.

Documentation required for the processing of death claims

Documents required in respect of the Deceased

- **Original** certified copy of the death certificate and deceased's ID book.
- Copy of the deceased's payslip of last full month in service.
- Copy of the Nomination of Beneficiary form completed by the deceased.
- Death Notification form
- If the cause of death was unnatural ie. Murder, we require a police report to ensure that none of the beneficiaries have been implicated in the murder.

Documents required in respect of the Beneficiaries

- Affidavits from the possible dependants and beneficiaries.
- **Original certified** copies of ID documents/birth certificates for all dependants.
- **Original certified** copy of the marriage certificate, if applicable. If married by customary union or if the spouse is regarded as a "common law" spouse, we require an affidavit from an independent third party confirming they lived as man and wife and the number of years they lived together.
- For those dependants at school: original letter from the school confirming they are bona fide pupils, the fees payable and the grade they are currently in.

- For those dependants studying at tertiary institutions we require letters from the institutions confirming they are students, fees payable and the number of years left to complete their degree or diploma.
- For major dependants (over 18 years of age): banking details are required.
- For **all** beneficiaries receiving a benefit a tax number is required.
- For all major dependants who were receiving financial support from the deceased: we require an affidavit confirming the extent of the support received eg. a Rand amount or items paid for by deceased on monthly basis.
- For dependants with special needs: we require an affidavit and supporting documentation providing details of the disability and the cost implications.
- **For major dependants:**
 - If unemployed – an original affidavit confirming the dependant's prospects of finding employment and what efforts are being made in this regard.
 - If they are in receipt of a disability or old age pension – an original affidavit or payslip confirming the pension amount per month.
- Certified copy of the Divorce Order (if applicable)

Please note that the Trustees may request additional documentation to assist them in their decision to distribute the benefit.



Funeral benefit

A funeral benefit, based on the following scale, is payable in the event of your death or any of your family members:

Member	R35 000
Spouse	R35 000
Child (14 yrs – 21 yrs)	R35 000
Child (6 yrs – 13 yrs)	R17 500
Child (1yr – 5 yrs)	R8 750
Child (0 – 11 months)	R8 750
Stillborn	R8 750

You may claim for a funeral benefit by consulting your nearest staff clerk who will assist in making a funeral benefit claim in the event of the death of your loved ones. In the event of the member's death the benefit will be paid to one of the member's primary beneficiaries in order to pay funeral costs.

Note:

Funeral cover continues for disability claimants.

If you choose the in-fund living annuity option on your retirement you can choose to continue to be covered for the funeral benefit.

Documentation required for the processing of funeral claims

Funeral Claims - Member:

- Funeral claim form
- Certified copy of the death certificate
- Certified copy of the member's ID document
- BI1663

Funeral Claims - Spouse:

- Funeral claim form
- Certified copy of the death certificate
- Certified copy of the deceased's ID document
- Certified copy of the member's ID document
- BI1663
- Certified copy of marriage certificate / labola letter / affidavit confirming relationship if life partner
- Any additional requirements the Insurer might have to confirm the claim

Funeral Claims - Child:

- Funeral claim form
- Certified copy of the death certificate
- Certified copy of the deceased's ID document / birth certificate
- Certified copy of the member's ID document
- BI1663
- Affidavit from the member confirming that he/she is the biological parent of the child
- Any additional requirements the Insurer might have to confirm the claim

If payment in the above instances is made to a beneficiary, the following is required:

- Certified copy of the ID document
- Bank statement

