

INFORMATION ON OPTIONS AVAILABLE ON RESIGNATION, RETRENCHMENT OR DISMISSAL FROM THE KZN MUNICIPAL PENSION FUND

1. Introduction

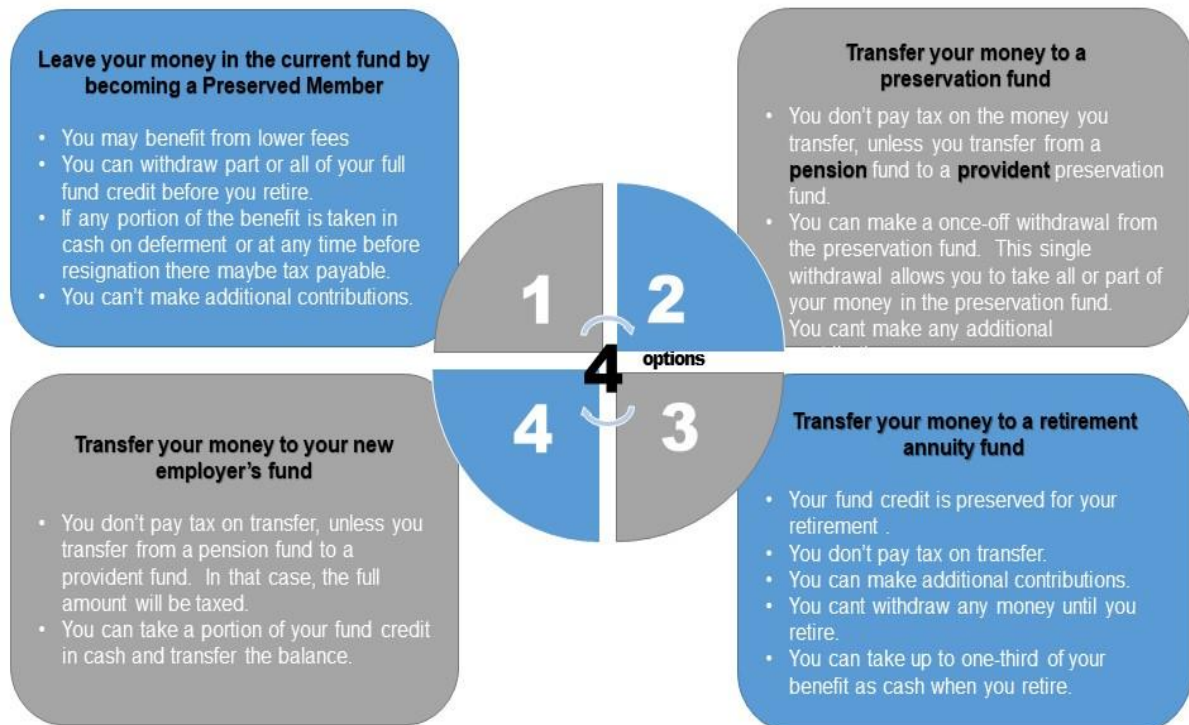
One of the important financial decisions you need to make is what to do with your retirement savings that you have with your current employer when you resign, are dismissed or are retrenched. This document is meant to assist you in making the correct decision when you leave employment with your current employer under any of the above circumstances.

Research shows that majority of the people who retire do not have enough money saved for retirement due largely to non-preservation when they move from one employer to another. Preservation is when you keep your retirement savings in the current fund or transfer them to a new fund instead of drawing the cash when you leave your employer.

At the outset it is important to state that considering the complexity of the options available, you are encouraged to obtain assistance from a professional financial advisor to establish which option is the most appropriate for you given your particular circumstances.

2. What are your options for preserving your retirement savings and reducing the risk that you won't save enough for retirement?

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IMPORTANT: You may have to pay tax on the cash amount you withdraw

Note the default option on leaving the current Employer is the default preservation option (also referred to as becoming a preserved member or paid-up member).

In addition, to the summary above, you should review the following brochures which will assist you in making the right decision when you leave your employer.

- *Options on Leaving (excluding Retirement).*
- *Member Investment Choice (A brief description of the Investment Choice Portfolios available to you)*
- *Tax Implications (information on how your tax will be calculated)*
- *Fund Fact Sheets (saved on Fund's Website www.kznmpf.org provides details on the Investments Choices Offered)*

3. Financial Advice

Even though the Front Office cannot provide you with advice they can provide you with information in order to assist you in making the right decision with your money in the Fund when leaving the Employer. We encourage you to make an appointment with Mr V Ngcobo to discuss your options.

Advice from a Financial Planner/ Advisor will support all your decisions as you plan for retirement. It is advisable to seek advice from a planner who is certified by the Financial Planning Institute (FPI).

4. Where to from here?

- If there is any aspect about the leaving the fund in this information note (and brochures referred to above) that you don't understand, and you want to discuss these with someone to get a better understanding; then please contact the Front Office, which will be able to assist you further.
- Contact your HR division regarding the completion of the Claim forms required by Alexander Forbes to process the payment of your exit benefit.
- It is important that your tax affairs are in order with the South African Revenue Services (SARS) as Alexander Forbes must obtain tax approval/ directive before paying your benefit.