



OLD MUTUAL PROTEKTOR ALL ABOUT **DEATH CLAIMS**

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sincere

> condolences

As you read this overview, you may be dealing with the death of an employee, a colleague, a friend, or even a loved family member. If this is the case, please accept our sincere condolences. Old Mutual Protektor is committed to helping our members and those who rely on our members in a way that is caring and professional.

WHY is it so complicated to pay a death benefit



Paying a death benefit from a retirement fund like the Old Mutual Protektor is complicated, and can cause lots of frustration.



Why is it so difficult? Why can't we just pay out the benefit now?

- The **laws about retirement funds** in South Africa say that we must follow a very **specific process**. The law is there to make sure that all the people who depended on the member are fairly considered and protected.
- This process means that **before we may pay the death benefit, we have to check ALL the facts**.
- The laws about a death benefit from a retirement fund are **very different** to the laws about a funeral policy or a life policy (where you can decide exactly who gets your benefit if you die).

THE GOOD NEWS IS THAT YOU CAN HELP!

If we receive accurate and complete information, the process can go much faster.

WHAT IS THIS DEATH BENEFIT WE KEEP TALKING ABOUT ?

When a member of the Old Mutual Protektor dies, there is normally a sum of money which needs to be paid out, called a **death benefit**.

DEATH BENEFIT



The **amount that the member saved** in the Protektor (with investment returns).



SO WHAT IS THE PROCESS WE HAVE TO FOLLOW?

FIRST: WE IDENTIFY DEPENDANTS.

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- The law says that the Fund must try to identify **everyone** who was legally dependant on the deceased member, as well as anyone else who depended on the member for financial support. We have to consider all of their needs and circumstances before allocating the portions of the death benefit.
- We will always consider everyone that the member has listed on their **Beneficiary Nomination Form**.
- If there is any question about other people who might have relied on support from the member, then the Fund may need to wait for up to 12 months before allocating the portions of the death benefit. Only if we are sure that we know about all the member's dependants will we pay out sooner than **12 months** after the member's death.
- We rely heavily on the family to help to identify everyone who relied financially on the member. **It can really speed up the process if we are sure that we know about all the potential dependants.**

SECOND: WE NEED TO UNDERSTAND HOW EACH PERSON RELIED FINANCIALLY ON THE MEMBER, AND HOW THEY WERE RELATED TO THE MEMBER.

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- This means that we need all kinds of information, like ID documents; marriage and birth certificates; a copy of the member's Will; the **Beneficiary Nomination Form**; and financial details about dependants. The **Old Mutual Protektor Death Claim Form** and the supporting Annexures act as sworn affidavits – these are very important!
- We need certified copies in order to be sure that the correct people receive an allocation of the benefit.

THIRD: WE ALLOCATE THE DEATH BENEFIT.

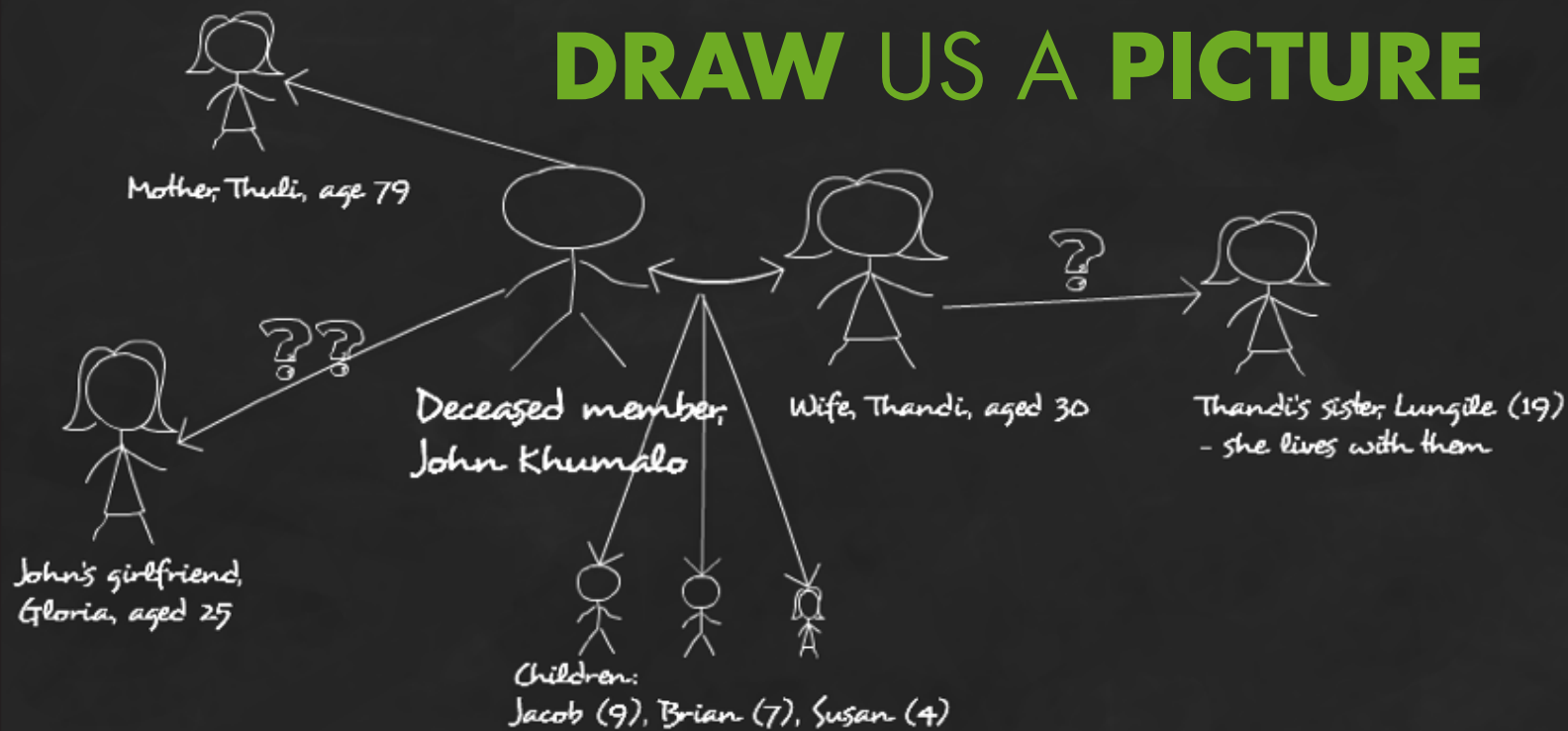
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- We have to allocate the portions of the benefit fairly and reasonably to the people who were actually dependant on the member for support, and who would have depended on the deceased in future.
- **We do consider the member's written preferences** (the Beneficiary Nomination Form), but we sometimes need to act differently to obey the law. This may also mean that we can't always follow cultural or religious traditions.
- If the death benefit is big enough to provide appropriately for the needs of the member's financial dependants, then the law guides us in how we share any money between the member's Estate and nominees. This does not happen often, since the full benefit is normally allocated to the member's dependants.

FINALLY: WE ARE IN A POSITION TO PAY OUT THE DEATH BENEFIT.

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- We usually pay each person's share of the benefit into their bank account.
- However, if the benefit is for a child, we must make sure that the parent or guardian has the skills to manage the money. This means that sometimes we may put the money into a special Beneficiary Fund, so that it can be paid out monthly or annually to help meet the child's needs.
- We have to **deduct tax** (where applicable) from the benefit paid to each person. We provide a benefit payment letter to each person, together with a copy of the relevant tax form (Form IRP5 or Form IT3a).

We need to know about everyone and their relationship with the member. If it will help, draw us a picture or a diagram showing how everyone is related!

DRAW US A PICTURE



WHICH laws tell us how to deal with the death benefit from a retirement fund ?



Pension and provident funds in South Africa are governed by the **Pension Funds Act**.

The sections which tell us about how to deal with the death benefit are:

- **Section 37C**, which tells us about the **disposition of death benefits**; and
- **Section 1**, which gives us the exact definition of a **dependant**.

There is also **case law** which guides us.

How to SPEED THINGS UP



What is the difference between A DEPENDANT & A NOMINEE?



- A **dependant** is usually someone who depended on the member for regular financial support – this is a **factual dependant**. Some people (such as a wife or a child) have a legal claim for maintenance, and they will also be considered as a legal dependant.
- A **nominee** is someone who the member nominated in their **Beneficiary Nomination Form** to receive a portion of the benefit. They may ALSO be a **dependant**, but not always.

We have to consider the circumstances of all the dependants. Only if there is money left (after considering the needs of all the dependants) will a **nominee** who is not a **dependant** receive a share of the benefit.

- Make sure that the Death Claim Form and supporting Annexures are completed with as much accurate information as possible, and send them to us as quickly as possible. We need to know about everyone who may have depended financially on the member – rather give us too much information than too little! Remember, we don't know any details about the member's dependants – we need it in writing.
- Provide us with a copy of the member's completed **Beneficiary Nomination Form**.
- Provide us with **certified copies** of all the other documents we need.

A checklist of all our requirements can be downloaded from our website at www.oldmutual.co.za/corporate/forms.

CONTACT US



For more information, please contact our Member Support Services for members on **0860 388 873** or for service assistance, please contact **0860 20 30 40**.

What information does PROTEKTOR NEED?



- We need a fully completed **Death Claim Form**, which gives details of the dependants. The family or dependants will probably need help to fill in this form.
- The Death Claim Form and Annexures act as **sworn affidavits**, and must be signed by a Commissioner of Oaths (such as a policeman, an attorney, a certified post office employee, or selected Old Mutual branch employees). If there is any other information which the dependants want to submit, they can also do this by giving us a sworn affidavit.