



OLDMUTUAL

# OLDMUTUAL SUPERFUND WITHDRAWAL GUIDE



**CORPORATE**

DO GREAT THINGS EVERY DAY

# YOUR OLD MUTUAL **SUPERFUND OPTIONS**

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when leaving your employer due to  
resignation, retrenchment or dismissal

## **AS AN OLD MUTUAL SUPERFUND MEMBER, YOU HAVE A NUMBER OF OPTIONS IF YOU RESIGN, ARE RETRENCHED OR DISMISSED FROM YOUR CURRENT EMPLOYER.**

This guide is intended to help you:

1. Understand your retirement savings options.
2. Complete the processes and paperwork.
3. Make the right decisions.
4. Review your death, disability, funeral and medical cover.

**FOR FREE GUIDENANCE**, speak to an Old Mutual SuperFund Member Retirement Counsellor (MRC) or call Old Mutual Member Support Services on 0860 388 873 - who will answer any questions you have about the options available to you and help you to reach a decision. This MRC will not, however, give you advice on what option you should choose. Alternatively, speak to your financial adviser.

**For more information on what Old Mutual SuperFund has to offer, visit [oldmutual.co.za/superfund](http://oldmutual.co.za/superfund) or phone the Old Mutual SuperFund service centre at 0860 20 30 40.**

### **NOTE:**

1. The purpose of this Withdrawal Guide is to give information only.
2. This Withdrawal Guide has been prepared based on legislation and the Rules of the Old Mutual SuperFund Pension and Provident Funds.
3. Every effort has been made to ensure the information in your Withdrawal Guide is correct. However, should any error have been made, the Rules of the two Funds will apply.
4. You are encouraged to read the Rules of the Old Mutual SuperFund. You can obtain these from your employer or by phoning the Old Mutual SuperFund service centre at 0860 20 30 40 or [superfund@oldmutual.com](mailto:superfund@oldmutual.com).

**Remember: Your rights as a member of the Fund are contained in the Fund Rules.**

# YOUR OLD MUTUAL

## SUPERFUND RETIREMENT SAVINGS

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As an Old Mutual SuperFund member, when you resign or are retrenched or dismissed from your job, your fund membership automatically continues even though you are no longer with your employer. This means that your retirement savings will remain invested and can continue to grow.

If you prefer not to stay with Old Mutual SuperFund, you can cancel your membership and transfer your retirement savings to another fund and/or take the money in cash.

Given that the amount in your retirement fund has been built up over many years, and it plays an important role in how well you can retire, it is vital that you make the right decision.

**Let's take a closer look at your three retirement savings options:**

# OPTION 1

## STAY AN OLD MUTUAL SUPERFUND

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Old Mutual SuperFund provides you with an innovative way of keeping your retirement savings invested, protected and growing – without having to pay any tax. It does this by letting you become a Preserver member.

There are many benefits to becoming a Preserver member.

- **Helps your retirement planning to stay on track** – since your retirement savings will stay invested, while allowing you investment choice and flexibility.
- **You keep your options open** – although you should do everything you can to keep your retirement savings intact, we understand that sometimes you need access to cash. Should the need arise; you can withdraw your retirement savings in cash. Or you can transfer your retirement savings to another retirement fund.
- **You have the time and flexibility to make good choices** – since your retirement savings have the ability to continue growing, you can take time deciding what to do with them. This also gives you the time to speak to a financial adviser if you need to.
- **Best of all – this option is incredibly simple to activate – no forms, no fuss!** The most important thing when choosing this option is to ensure that Old Mutual SuperFund has your latest contact details on record. Give these to your payroll administrator or phone the Old Mutual SuperFund service centre at 0860 20 30 40.

## NOTE: THE FOLLOWING IMPORTANT INFORMATION ABOUT PRESERVER MEMBERSHIP

1. Preserver membership is only available to members of Old Mutual SuperFund Pension and Provident Funds.
2. Preserver membership is not available if, on exit from employment, an employer lien deduction has to be made against your benefit in terms of section 37D of the Pension Funds Act. However, if you are in this situation you can still keep the balance of your retirement savings intact by moving your benefit to another retirement fund. For more information on this, keep reading.
3. **Retrenched** Old Mutual SuperFund members get a tax break when they choose a cash withdrawal instead of becoming a Preserver member. For more information, call the Old Mutual SuperFund service centre at 0860 20 30 40.
4. Old Mutual SuperFund members cannot partly withdraw cash and invest the rest of their retirement savings into Preserver. There are also no part withdrawals allowed once invested in Preserver. A member must either invest all their retirement savings or withdraw all.
5. Even though Preserver membership offers you lots of investment choice, it does not include all of the investment portfolios offered under the Old Mutual SuperFund Customised option.
6. If you were invested in the Old Mutual SuperFund Customised option you will have 60 days from when you start your Preserver membership to give us your investment choice. If we don't get this information from you in that time, your retirement savings will be switched to the Trustee elected default investment portfolio.
7. There is no minimum amount for investing in Preserver.
8. Members with R30 000 or less in their Old Mutual SuperFund account: We recommend that you invest in the Trustee Choice investment package as this will keep fees to a minimum. This will protect you against the risk that fees reduce your investment growth over time.

## **Activating your Preserver membership is easy - no forms, no fuss!**

### **Here's how:**

1. Tell your payroll administrator that you are choosing Preserver membership and make sure that your current contact details are sent to Old Mutual SuperFund.
2. Or, after you have left the service of your employer you can contact the Old Mutual SuperFund service centre directly at 0860 20 30 40 and let them know you want to be a Preserver member.

**To find out more about Old Mutual Preserver membership visit [oldmutual.co.za/preserver](https://oldmutual.co.za/preserver) or contact the Old Mutual SuperFund service centre at 0860 20 30 40.**

# OPTION 2

## MOVE YOUR RETIREMENT SAVINGS TO ANOTHER FUND

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You can also keep your retirement savings invested by transferring the full amount to another retirement fund<sup>1</sup>, like:

- a preservation fund;
- a retirement annuity fund; or
- your new employer's fund.

Remember transfers to other retirement funds are tax free.

If you want information about Old Mutual preservation and retirement annuity funds, phone Member Support Services at 0860 38 88 73.

### What you must do to transfer to another retirement fund:

1. Complete the Old Mutual SuperFund Benefit Reinvestment Form. Download it at [oldmutual.co.za/superfundforms](http://oldmutual.co.za/superfundforms) or request it from the Old Mutual SuperFund service centre at 0860 20 30 40.
2. Then complete the relevant application form for the new fund you have selected.
3. Attach a certified copy of your identity document (or passport if you are not a South African citizen), and ensure that you provide all required data on the application form.
4. Give all these to your payroll administrator within 60 days of leaving your employer, or call the Old Mutual SuperFund service centre at 0860 20 30 40.

<sup>1</sup> Subject to legislation and the rules of the receiving fund, at the time of transfer.

# OPTION 3

## **WITHDRAW SOME, OR ALL, OF YOUR RETIREMENT SAVINGS IN CASH (and transfer the balance, if any, to another retirement fund)**

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Your final option is to take some, or all, of your retirement savings in cash. But **beware of the risks!** Any cash you withdraw could be taxed. What's more, by not keeping your retirement savings invested, you lose out on all the extra growth you could enjoy. You will also have to start saving for your retirement all over again – which means you will need to put a lot more money aside every month from now on!

### **Think about the impact**

You need to think carefully before taking cash, as it could have a serious impact on your chances of enjoying a comfortable retirement one day.

Old Mutual SuperFund recommends that you do your utmost to invest your retirement savings rather than taking it in cash. After all, this money was saved up to help you enjoy your retirement.

If you have to take some as cash, try to withdraw as little as possible and transfer the balance of your retirement savings to another retirement fund, so that it keeps growing for your retirement.

### **What tax will you have to pay?**

The tax you will pay depends on your reason for leaving your employer.

The tax tables are as follows for withdrawal benefits:

REASON FOR LEAVING EMPLOYMENT			
Resigned or Dismissed		Retrenched	
Benefit amount <sup>1</sup>	Rate of tax	Benefit amount <sup>1</sup>	Rate of tax
R0 - R25 000	0%	R0 - R500 000	0%
R25 001 - R660 000	18% of taxable income above R25 000	R500 001 - R700 000	18% of taxable income above R500 000
R660 001 - R990 000	R114 300 + 27% of taxable income above R660 000	R700 001 - R1 050 000	R36 000 + 27% of taxable income above R700 000
R990 001 +	R203 400 + 36% of taxable income above R990 000	R1 050 001 +	R130 500 + 36% of taxable income above R1 050 000

<sup>1</sup> **Benefit Amount** means:

- the benefit that is currently being paid to you, **plus**
- the following amounts that have previously been paid to you:
  - all retirement and retrenchment benefits received by you as from 01/10/2007, **plus**
  - all other withdrawal benefits paid in cash to you as from 01/03/2009, **plus**
  - all retrenchment amounts paid to you by any employer as from 01/03/2011.

**Remember:** Every time you withdraw cash from a retirement fund, it adds up. So the amount of tax you pay each time will probably increase. Withdrawals you make now will also reduce your total tax-free amount when you retire.

Of course, if you choose to preserve your retirement savings now, you will lose nothing to tax and all your savings will keep on working hard for your retirement.

**What to do if you want to take all, or some, of your retirement savings in cash:**

1. Complete the Old Mutual SuperFund Benefit Reinvestment Form. You can download it at [oldmutual.co.za/superfundforms](http://oldmutual.co.za/superfundforms) or get it from the Old Mutual SuperFund service centre at 0860 20 30 40.
2. If you are preserving part of your retirement savings, complete the relevant application form for the new fund you are joining.

3. Make certified copies of your identity document and bank statement. Give all these documents to your payroll administrator within 60 days of leaving your employer, or call the Old Mutual SuperFund service centre at 0860 20 30 40.

## **WHAT HAPPENS IF YOU DON'T CHOOSE ANY OF THESE OPTIONS?**

If you don't tell Old Mutual SuperFund about your choice within 120 days of exiting your employment or within 120 days of the date on which notification of your exit is received by Old Mutual, whichever is later, either:

1. you will automatically become a Preserver member; or
2. if the Fund has to make a deduction for an employer lien:
  - i. the balance of your benefit will be transferred to a Trustee elected preservation fund.
  - ii. if the Fund does not have all your personal details to transfer your benefit to the Trustee elected preservation fund, your benefit will remain invested in an investment portfolio that preserves capital.

### **THE BEST THING YOU CAN DO NOW IS...**

**call the Old Mutual SuperFund service centre at 0860 20 30 40 to tell them your choice and make sure they have the right contact details for you.**

If you become a Preserver member, Old Mutual SuperFund will be able to give you updates on your retirement savings in the future and make sure you can easily claim your retirement benefit when you are ready to retire. Of course, as a Preserver member you still keep all your options open. You can transfer your savings to another retirement fund<sup>1</sup> or withdraw them in cash at any time (even though you should always try to keep them invested).

#### **What happens next?**

When you become a Preserver member, you will be sent a letter explaining how Preserver membership works and what you need to do next. If you do not receive your letter, please call the Old Mutual SuperFund service centre at 0860 20 30 40.

<sup>1</sup> Subject to legislation and the rules of the receiving fund, at the time of transfer.

# MAKE THE RIGHT DECISION

## ABOUT YOUR OLD MUTUAL SUPERFUND RETIREMENT SAVINGS

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Take a good look at all the information in this document, as well as the following table of options, to get a good idea of everything you should think about when making the important decision about what to do with your retirement savings. Then, make the right decision for you – and your future.

**Remember, as a Preserver member you keep your options open, and you can make a decision at any time in the future – whether it's taking cash and/or going to another retirement fund<sup>1</sup>.**

### **Getting financial advice is a good idea**

Before you make a final decision about what to do with your retirement savings, it makes good sense to discuss your options with a financial adviser. An adviser will help you make suitable decisions, taking your future retirement needs into account. An adviser can also help you to make sure you have enough death, disability, funeral and medical cover going forward.

If you don't have a financial adviser or broker, you can call the Old Mutual Member Support Services at 0860 38 88 73 for help.

<sup>1</sup> Subject to legislation and the rules of the receiving fund, at the time of transfer.

	Move to Old Mutual SuperFund Preserver	Move to a Preservation Fund	Move to a Retirement Annuity	Move to your new employer's fund	Take a cash withdrawal
<b>Who qualifies</b>	All members except those who have an employer lien, as per Section 37D, at the time of leaving employment.	All members	All members	All members	All members
<b>Minimum investment restriction</b>	No minimum investment restriction.	Minimum investment restrictions apply. Exact amount will differ per fund.	Minimum investment restrictions apply. Exact amount will differ per fund.	In most cases there is no minimum amount restriction.	No restriction
<b>Will my benefit be taxed?</b>	No	No	No	No, unless you move from Old Mutual SuperFund Pension Fund to a Provident Fund.	Yes - see the table earlier in this document.
<b>Can I access my retirement savings in the future?</b>	You can access your full benefit at any time in the future.	One withdrawal is allowed at any time in the future. After that, your savings can't be touched until you retire or are disabled.	Withdrawals prior to retirement or disability are not allowed, unless your benefit is less than R7 000 or you've emigrated from SA.	You can only withdraw your money if you leave your new employer.	N/A
<b>Can I keep making contributions in the future?</b>	No	No	Yes	Yes	N/A

## HOW WILL THIS AFFECT ME IN THE FUTURE?

	Move to Old Mutual SuperFund Preserver	Move to a Preservation Fund	Move to a Retirement Annuity	Move to your new employer's fund	Take a cash withdrawal
<b>Administration fees</b>	Charged according to investment package. For the latest administration fees, please <a href="#">click here</a> .	Refer to your new fund's marketing material.	Refer to your new fund's marketing material.	Refer to your new fund's marketing material.	N/A
<b>Retirement Age</b>	You can retire anytime from age 55.	You can retire anytime from age 55.	You can retire anytime from age 55.	The rules of the fund and your employment contract determine your retirement age.	N/A
<b>What happens when I retire?</b>	<p><b>Old Mutual SuperFund Pension Fund:</b> You can take a maximum of 1/3 of your full savings amount in cash and the rest as a monthly income. If your full savings amount is R247 500 or less, you can take the entire amount in cash.</p> <p><b>Old Mutual SuperFund Provident Fund:</b> You can take as much as you want in cash.</p>	<p><b>Pension Preservation Fund:</b> You can take a maximum of 1/3 of your full savings amount in cash and the rest as a monthly income. If your full savings amount is R247 500 or less, you can take the entire amount in cash.</p> <p><b>Provident Preservation Fund:</b> You can take as much as you want in cash.</p>	<p>You can take a maximum of 1/3 of your full savings amount in cash and the rest as a monthly income. If your full savings amount is R247 500 or less, you can take the entire amount in cash.</p> <p><b>Pension Fund:</b> You can take a maximum of 1/3 of your full savings amount in cash and the rest as a monthly income. If your full savings amount is R247 500 or less, you can take the entire amount in cash.</p> <p><b>Provident Fund:</b> You can take as much as you want in cash.</p>	<p><b>Pension Fund:</b> You can take a maximum of 1/3 of your full savings amount in cash and the rest as a monthly income. If your full savings amount is R247 500 or less, you can take the entire amount in cash.</p> <p><b>Provident Fund:</b> You can take as much as you want in cash.</p>	N/A
<b>What happens if I become disabled</b>	Irrespective of your age, you are entitled to a retirement benefit - subject to trustee approval.	Irrespective of your age, you are entitled to a retirement benefit - subject to trustee approval.	Irrespective of your age, you are entitled to a retirement benefit - subject to trustee approval.	Your new employer will most likely offer this - you need to check.	N/A
<b>What happens if I die?</b>	Your retirement savings are paid to your dependants and/or nominees.	Your retirement savings are paid to your dependants and/or nominees.	Your retirement savings are paid to your dependants and/or nominees.	Your retirement savings are paid to your dependants and/or nominees.	N/A

# LET'S TALK ABOUT YOUR DEATH, DISABILITY, FUNERAL AND MEDICAL COVER

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If you are disabled, or you pass away, shortly after you leave your employer, you or your family should call Old Mutual SuperFund service centre at 0860 20 30 40 to find out if you are still covered.

## So what do you need to do next?

Old Mutual SuperFund recommends that you follow these three easy steps:

1. Ask your ex-employer's HR department what cover you had and how much you were covered for. If you had cover through Old Mutual SuperFund, you can also call Old Mutual Member Support Services at 0860 38 88 73 for this information.
2. Find out how much cover, if any, you will get from your new employer.
3. If you will have less cover than you had, you can make up the difference. You can do this by:
  - a. Speaking to a financial adviser - if you don't have one, call Old Mutual Member Support Services at 0860 38 88 73.
  - b. Asking the Old Mutual Member Support Services about Old Mutual's GREENLIGHT death, disability and funeral cover. You might be able to convert your old cover to any of these with less medical underwriting than is normally required.

## YOU NEED TO ACT FAST

If you can convert your old cover to GREENLIGHT cover, any special arrangement on medical underwriting will only be available for 60 days from when you leave your employer. Make sure you find out about your options and make your GREENLIGHT cover choices quickly by calling Old Mutual Member Support Services at 0860 38 88 73 as soon as you can.

# FOR MORE INFORMATION AND ASSISTANCE

Visit [oldmutual.co.za/Superfund](http://oldmutual.co.za/Superfund)

Call 0860 38 88 73 or email [membersupportservices@oldmutual.com](mailto:membersupportservices@oldmutual.com) for help making decisions.

Call 0860 20 30 40 or email [superfund@oldmutual.com](mailto:superfund@oldmutual.com) for service related queries.

#### REGULATORY INFORMATION:

Old Mutual Corporate is a division of Old Mutual Life Assurance Company (South Africa) Limited, Jan Smuts Drive, Pinelands, 7405, South Africa. Registration no: 1999/004643/06. A licensed financial services provider authorised in terms of the Financial Advisory and Intermediary Services Act, 2002, to furnish advice and render intermediary services with regard to long-term insurance and pension fund benefits, as well as providing intermediary services as a discretionary investment manager. Please note that this license does not cover the marketing of this product by persons other than Old Mutual and its staff. Every effort has been made to ensure that this document and the products referred to, meet the statutory and regulatory requirements, pertaining to the manner and format in which information regarding financial products is presented. However, should you become aware of any breach of such statutory and regulatory requirements, please address the matter in writing to: The Compliance Officer, Old Mutual Corporate, PO Box 728, Cape Town 8000, South Africa.



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