

Withdrawal Benefits



Sentinel Mining Industry Retirement Fund
(Sentinel)

Reg No: 12/8/1215

www.sentinelretirement.co.za

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Mine Employees Pension Fund
(MEPF)

Reg No: 12/8/1216

www.minepensions.co.za



Make good use of your withdrawal benefit

Many people are tempted to use their withdrawal benefit from the pension fund for immediate expenses when they change jobs.

It is important that you plan now for your financial independence at retirement. Before applying for your withdrawal benefit, speak to professional financial advisors to find out more about available options to invest your retirement savings responsibly.

You are entitled to your withdrawal benefit when you resign, are dismissed or retrenched.

Members who qualify for early retirement may claim a withdrawal benefit up to one day before normal retirement age as defined in the rules. Your total fund credit (your own, as well as your employer's contributions plus growth) will be paid after your discharge date. Your membership and risk benefits (death and disability) cease on the date of your discharge.

NOTE: You have the option to choose the early retirement benefit if you are older than 50 years and within 10 years from normal retirement age as defined in the rules.

If you qualify for an early retirement benefit, but instead elect the option to take the withdrawal benefit, you forfeit the option to receive a lifelong pension.

Payment Options

When you leave your employer, the employer will notify the Fund that you have left service. The Fund will then disinvest your money and hold it in the Money Market. You have 24 months (interim membership) in which to decide what to do with your retirement savings. While you are an interim member, you are allowed to exercise MIC (Member Investment Choice) options.

The following retirement savings options are available:

- You may retire, provided that you qualify. To qualify for an early retirement benefit, you must be within ten years from your normal retirement age and be over the age of 50.
- You may continue your membership of the Fund as a non-contributory member until you join another participating employer, or until you retire, or until your death before retirement age.

This option offers you a cost effective mechanism to preserve your retirement savings! (Please submit "Election to Defer Benefit" Form).

- You may transfer your pension savings to another approved retirement fund. This option is attractive if you want to join your new employer's retirement fund and want to consolidate all your pension savings.
- You may want to withdraw your pension money in cash. Be aware that this option will result in the full benefit being taxed and may destroy your dreams of retiring with sufficient money.

If you are going to leave your employer, please contact the Fund for assistance and advice and make sure that you exercise your option within 24 months after leaving.

Any transfers or cash withdrawal will only be made after the final contributions have been received from your employer.



Taxation

Option	Tax treatment	Tax-free portion
Cash withdrawal due to resignation, voluntary retrenchment or dismissal	Taxable	R22 500
Cash withdrawal due to involuntary retrenchment	Taxable	R315 000
Partial transfer	Taxable	R22 500 plus the amount transferred to another approved fund
Transfer to an approved pension fund	Tax-free	Amount transferred
Transfer to an approved provident fund	Taxable	Treated as a cash withdrawal
Transfer to an approved preservation pension fund	Tax-free	Amount transferred (must be the full amount)
Transfer to an approved preservation provident fund	Not Allowed	Regulated by tax legislation
Transfer to an approved retirement annuity fund	Tax-free	Amount transferred

Please note : You are advised to consult your local South African Revenue Service office for information about tax provisions.

Interest payable

Your fund credit will be disinvested from your investment portfolio within 5 days after discharge date or date of the Fund being notified in writing that you have left service of your employer (documentary proof required i.e. record of service or letter from your last employer) into a Money Market account that will protect your capital against fluctuations in growth rate. Alternatively, the notification via the employer's contribution return will be taken as notification.

Unclaimed Benefits

You must claim or defer your benefit within 24 months after the benefit became due. Failing to do this, your benefit will become "Unclaimed".

How to apply for payment of the benefit

You must apply for payment of your withdrawal benefit by completing the application form before the Fund will proceed with the processing of your claim.

The following documents must accompany your application form for a withdrawal benefit:

1. A copy of your identity document or birth certificate or passport - displaying your photo and the passport's expiry date.

2. Should you wish to transfer the full or part of your benefit to an approved pension product, the Fund needs an official annuity letter (dated and signed) from the institution you wish to transfer to.

The letter needs to contain the following information:

- Be addressed to the correct fund
 - Member names and surname
 - Member industry number
 - Amount to be transferred
 - Full name of approved fund transferred to
 - SARS and FSB registration numbers
 - Financial advisor or intermediary contact details
 - Financial institution banking details
3. A foreign exchange questionnaire (if you are residing outside the borders of South Africa).
 4. An original or certified copy of Bank statement containing personal and account details on the letter head of the institution, and which has been stamped and signed by an authorized bank official, has to be attached. Please sign the bank statement.

Please send your application form and required documents to:

The Manager

MPF Management Services

P O Box 61172

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