

### Introduction

- This process outlined in the remainder of this document applies at the death of a member of any of the PSG Wealth retirement funds (the 'Member').
- The PSG Wealth retirement funds ('the 'Funds') include the PSG Wealth Retirement Annuity Fund, PSG Wealth Preservation Provident Fund and PSG Wealth Preservation Pension Fund.
- A simplified process applies for non-retirement products.
- PSG Life Limited underwrites PSG Wealth's retirement products. PSG Invest (Pty) Ltd, an approved administrator and authorised administrative financial services provider, is the administrator of these products.
- If you have any queries, please contact your investment specialist or your dedicated client service team.

### Purpose of this document

This document provides guidance to a family member, or any other person with personal knowledge of the deceased Member's circumstances, in completing the 'Section 37C Death Claim Application Form'.

Where a Member passes away before retiring from one or more of the PSG Wealth retirement funds, a death benefit will be payable to dependants and/or nominees in accordance with the rules of the Fund and subject to the provisions of Section 37C of the Pension Funds Act, 24 of 1956 (the 'Act').

### Dependants versus nominees

The trustees of the Fund (the 'Trustees') allocate the death benefit based on the definitions of dependant and nominee as defined in the Act.

#### **Dependants**

The Act defines dependants as spouses, children, anyone proven to have been financially dependent on the member at the time of their death, anyone entitled to maintenance, as well as anyone who may in the future have become financially dependent on the member.

#### **Nominees**

A nominee is any party (natural person, trust or legal entity) whose details the member provided to the retirement fund in writing, indicating that they should be considered by the trustees for a possible allocation of the death benefit. Examples would be one or more dependants or a person who is not a dependant.

It is important to understand that whilst the Trustees must consider dependants when allocating the benefits of a death claim, the circumstances of the claim may result in dependants not receiving an allocation of the benefits. Further, the Trustees are not required to distribute to nominees. The main purpose of the Member's choice of nominees is to provide guidance to the Trustees in determining the nature of the relationship between the deceased Member and potential beneficiaries.

### What is required?

The dependants or beneficiaries must complete the 'Section 37C Death Claim Application Form' and applicable 'Annexures', and submit the forms and supporting documents to PSG Wealth. FICA exemption does not apply to death claim submissions. You are therefore required to submit FICA documents for each dependant and beneficiary.

The parties mentioned in the 'Section 37C Death Claim Application Form' must complete the sections of the form applicable to them, as detailed below:

- Section 2: Existing investment details
- Section 3: Executor detail/details of estate
- Section 4: Details of any other investments
- Section 5: Details of spouse/life partner
- Section 6: Details of major and minor children
- Section 7: Details of the parents of the deceased
- Section 8: Details of previous spouse
- Section 9: Details of nominated beneficiary
- Section 10: Details of any other persons who were financially supported by the deceased
- Section 11: Declaration and authorisation

Potential beneficiaries are only required to provide bank details if they have completed a financial dependence annexure ('Annexure A').

### Claims process

#### Step 1

After receiving the completed 'Section 37 Death Claim Application Form', applicable annexures and supporting documents, the trustees must identify and trace all dependents and nominated beneficiaries of the Member at the time of his/her death.

#### Step 2

The trustees must investigate or make enquiries into the personal and financial circumstances of each dependant and nominee. This may lead to further enquiries where the trustees could consider various additional factors, including age, financial position, financial need, member wishes and amount available for distribution.

#### Step 3

The trustees, at their sole discretion, must decide how to divide the death benefit fairly – based on the outcomes of their investigations. Written confirmation of the decision and options available to the beneficiaries, will be sent to the beneficiaries once the trustees have reached their decision.

#### Step 4

The trustees must determine the method of payment of the benefits to beneficiaries. In the event of a beneficiary electing to take a cash lump sum, income tax as determined by the South African Revenue Service will be deducted before the benefit is paid to the beneficiary.

#### Step 5

The trustees distribute the benefits to the identified beneficiaries

Kind regards



**Cindy Tshabalala**  
Head of Client Service

The diagram below details the supporting documentation required from dependants or nominees, categorised by their relationship to the deceased member of the PSG Wealth Retirement Annuity Fund and/or the PSG Wealth Preservation Pension Fund and/or the PSG Wealth Preservation Pension Fund (the 'Member').

Member		
Children	Partners	Parents
<p><b>1. Minor children</b></p> <p>1.1. Unabridged birth certificate/s 1.2. Affidavit from guardian confirming living circumstances of the minor child/children</p>	<p><b>1. Spouse</b></p> <p>1.1. Marriage certificate 1.2. Copy of identity document 1.3. Affidavit confirming financial dependence/independence as well as financial circumstances</p>	<p><b>1. Mother and father</b></p> <p>1.1. Affidavit confirming financial dependence/independence as well as financial circumstances 1.2. Death certificate (if deceased)</p>
<p><b>2. Major children</b></p> <p>2.1. Unabridged birth certificate/s 2.2. Affidavit confirming financial dependence/independence as well as financial circumstances</p>	<p><b>2. Life partner</b></p> <p>2.1. Copy of identity document 2.2. Affidavit confirming financial dependence/independence as well as financial circumstances. 2.3. Third party affidavit confirming partnership</p>	
<p><b>3. Posthumous children</b></p> <p>3.1. Unabridged birth certificate/s 3.2. Affidavit from guardian confirming living circumstances of the minor child/children</p>	<p><b>3. Ex-spouse</b></p> <p>3.1. Copy of divorce decree 3.2. Copy of identity document 3.3. Affidavit confirming financial dependence/independence as well as financial circumstances</p>	
<p><b>4. Adopted children</b></p> <p>4.1. Unabridged birth certificate/s 4.2. Affidavit from guardian confirming living circumstances of the minor child/children (if applicable) 4.3. Affidavit confirming financial dependence/independence</p>	<p><b>4. Customary spouse</b></p> <p>4.1. Copy of identity document 4.2. Affidavit confirming financial dependence/independence as well as financial circumstances 4.3. Affidavit from witnesses of customary wedding 4.4. Proof of payment of lobola</p>	
<p><b>Children born out of wedlock</b></p> <p>5.1. Unabridged birth certificate/s 5.2. Affidavit from guardian confirming living circumstances of the minor child/children (if applicable) 5.3. Affidavit confirming financial dependence/independence</p>	<p><b>5. Fiancé/ Fiancée</b></p> <p>5.1. Copy of identity document 5.2. Affidavit confirming financial dependence/independence as well as financial circumstances 5.3. third party affidavit confirming engagement 5.4. Supporting documents</p>	

### Who allocates the death benefit?

The treatment of death claims on retirement funds is different from that of other investment products, as legislation dictates how death benefits should be distributed. The board of trustees of the fund ('the trustees') are responsible for allocating retirement fund benefits in terms of Section 37C of the Pension Funds Act (the 'Act').

Section 37C of the Act makes provision for the protection of parties who were financially dependent on the deceased member of the fund (the 'member'). If the trustees deem that financially dependent parties have not been adequately catered to in the distribution wishes of the member, the Act makes provision for the trustees to adjust the allocation of the benefit accordingly. As a result, the final allocation of the death benefit paid by the fund may differ from the allocation specified by the member of the fund.

### What factors do the trustees consider when making an allocation?

1. Age of potential beneficiaries
2. Relationship of potential beneficiaries to the deceased member
3. Qualifications of potential beneficiaries
4. Wishes of the deceased
5. Extent of dependence of potential beneficiaries on the deceased member
6. Future earning capacity or potential earning capacity of potential beneficiaries
7. Current financial status of potential beneficiaries
8. Amount available for distribution

### What happens if the deceased member dies without dependants and/or nominated beneficiaries?

Section 37C allows for the benefit to be paid into the estate of the deceased member. The payment of the benefit to the estate may only occur after a 12-month tracing period (explained below).

### Why do Section 37C death claims take long?

These claims are often complex in nature as the trustees must ensure that all dependants and nominees have been considered. Section 37C allows for a 12-month tracing period in which the trustees can trace and identify dependants and evaluate their financial dependence on the deceased member.

### Why are death claims on retirement annuities and preservation funds treated differently?

Retirement annuities and preservation funds are governed by the Pension Funds Act. Section 37C of the Pension Funds Act prescribes what the fund must do when dealing with a death benefit.

### Do the death benefit form part of the estate?

The member cannot allocate these benefits within their will. The nominees provided by the member are however taken into account by the Trustees of the Fund to distribute the benefits equitably in accordance with Section 37C of the Act. The benefit can only be to be paid into the estate of the deceased member if the member dies without dependants and/or nominated beneficiaries and the 12-month tracing period (explained above) has passed.

### Who is considered a dependant?

A 'dependant', in relation to the member of a pension fund, means:

1. a person in respect of whom the member is legally liable for maintenance.
2. a person in respect of whom the member is not legally liable for maintenance, if such a person –
  - was, in the option of the trustees, dependant on the member for maintenance.
  - is the spouse of the member.
  - is a child of the member (irrespective of age), including a posthumous child, an adopted child or a child born out of wedlock.
3. a person in respect of whom the member would have become legally liable for maintenance had the member not died, for example an unborn child.

Who is considered a spouse?

1. A civil law spouse
2. A customary law spouse
3. A civil union partner
4. A spouses in terms of the tenets of any religion
5. A life partner

**EXISTING INVESTMENT DETAILS**

First names and surname of the deceased

Identity number of the deceased

Investment number/s

**DOCUMENTS TO BE COMPLETED/PROVIDED**

- Death certificate
- Notice of death and police report (if death was not due to natural causes)
- Last Will and Testament of the deceased
- Completed 'Section 37C Death Claim Application Form'
- Completed annexures (each potential beneficiary must complete either 'Annexure A' or 'Annexure B')
- Proof of union (e.g. marriage certificate, proof of payment of lobola, proof of celebration of customary union, proof of registration of customary union, confirmation of permanent life partnership etc.)
- Birth certificates of all potential beneficiaries who are children of the deceased
- Divorce decree (if applicable)
- Letter of executorship
- Affidavit from independent third party confirming partnership (if potential beneficiary was the life partner of the deceased)
- Copy of identity document or passport (all parties)
- Proof of address, not older than three months (all parties)
- Proof of bank account, not older than three months (If 'Annexure A – Statement of Financial Position' is completed)
- Affidavit from independent third party confirming the dependants of the deceased as well as any other information that the Trustees may need to be aware of
- Proof of tax number of the Estate, not older than three months
- Supporting documents