

MULTILECT IS MOVING!

On 26 October 2018, Multilect is relocating to:
4th floor
Rosebank Corner
191 Jan Smuts Avenue
Parktown North
Johannesburg, 2196
Gauteng

Our telephone numbers, **+27 (0)11 274 6160/61** and **08611 68584** will remain unchanged. Should you wish to contact us, **email us, or call us** on any of the numbers above.

Benefits on death – the difference between an ‘expression of wish’ and a ‘beneficiary nomination’.

When it comes to payments on death from a retirement fund (pension/provident/umbrella or retirement annuity), there is a distinction between the allocation of the benefit on death where the deceased member had not “retired”, i.e. was not in receipt of an annuity income, and where the deceased member was in receipt of an annuity income.

Where the deceased member had not retired and was not in receipt of an annuity income, the trustees of the retirement fund have to follow the process as set out in Section 37C of the Pension Funds Act.

The Pension Funds Act differentiates between **dependants** and **nominees**.

Dependants are spouses, children or any other person proven to have been financially dependent on the deceased member at the time of death, or anyone who, in the future, may become financially dependent on the deceased member’s estate. For example, people receiving maintenance are deemed to be financially dependent.

Once dependants have been identified, the trustees are obliged to investigate the extent of dependency and will award the benefit on death accordingly. The award may not be in line with the deceased member’s “expression of wish”.

Nominees are people who may not have been dependent on the member, such as a friend, sibling or other family member, but who the member may have nominated on the “expression of wish” form.

Typically, the trustees will look at the needs of dependants first, and nominations in terms of the “expression of wish” may not be followed.

Trustees will endeavour to finalise the allocation to the beneficiaries as speedily as possible, but in any event within 12 months.

Nonetheless, it is still important to advise your fund of your wishes, and to update the list of dependants.

In the case of living annuities (from the Multilect Managed or Living Annuity Funds), the benefits on the death of an annuitant will be allocated to the nominated beneficiaries. Section 37C of the Pension Funds Act therefore does not apply.

The annuitant can nominate anyone as a beneficiary – they do not have to be a dependant.

It is recommended that annuitants regularly review their beneficiary nominations and, if possible, nominate alternative beneficiaries.

An example would be “I nominate my spouse ... Should he/she have pre-deceased me, then I nominate my children as follows: ... ”

OTHER NEWS

In our last newsletter, we featured the Long Term Care Policy (underwritten by Hollard), where the benefit is a monthly payment to cater for costs associated with caring for someone who is no longer able to perform some of the activities of daily living. We urge all our readers younger than 60 to investigate this worthwhile cover.

The product details can be found under our Seniors’ Tips on www.multilect.co.za or, for further information, please contact Marina (+27 (0)11 486 5566) or Alessandro (+27 (0)79 459 2979).

In a similar vein, as members age, there is the risk of becoming not only physically incapacitated, but also mentally incapacitated.

In such cases, an application has to be made to the High Court for the appointment of a curator, which can be an expensive exercise. An alternative avenue can be the appointment of a family member as administrator in terms of the Mental Health Care Act. For more information about this, please contact Marina (+27 (0)11 486 5566).

Warm regards
Marina Higginson