

Guideline to members on Retirement

University of Johannesburg Pension Fund
University of Johannesburg Defined Benefit Pension Fund

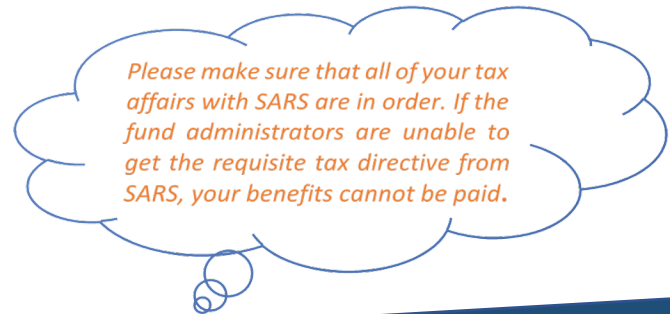


INTRODUCTION

Your employment at the University of Johannesburg (UJ) has come to an end and you are now entitled to receive your retirement benefits from the *University of Johannesburg Pension Fund* or the *University of Johannesburg Defined Benefit Pension Fund*, depending on your fund membership. You now have to make very important decisions regarding the manner in which your benefits must be dealt with.

Please study this guideline carefully, complete the necessary documentation and return the documents timeously to UJ Human Capital Management who will forward them to the fund administrators, Alexander Forbes. Should you require any assistance, please contact the UJ Pensions Office.

- 📄 **If the requisite documents are not completed in full, signed, dated, and submitted timeously, your benefit payments will be delayed.**



Important Note

You may keep your benefit in the UJ Pension Funds after your retirement from UJ, should you have another source of income or a post-retirement contract. This is called **deferring your retirement**. You must still complete the required documentation and then tick the option to become a deferred pensioner.

You must carefully consider your available options before making a decision and completing the requisite forms. You are strongly encouraged to meet with your financial planner and/or broker who will be able to assist you with advice regarding your current options, tax implications and general financial planning regarding your exit from your pension fund.

In terms of the rules of the Funds, your normal retirement date is 31 December of the year in which you turn 65. Should you have an employment contract with UJ that extends beyond age 65, your retirement date is determined by that contract. Should you retire after the normal retirement date, you need to be aware of the implications on your benefits.

Your benefits will be determined by the rules of the fund that you belong to and the category of membership that you are in. Your annual **benefit statement** confirms your membership category.

Please note: Everything possible was done to ensure the accuracy of this guideline. However, the official rules in terms of which the benefits are provided will apply at all times should any discrepancies arise. The rules of the Funds are available at the Pension Fund office.

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If you are a member of the **University of Johannesburg Pension Fund**, the benefit to which you are entitled can be taken in one of the following ways:

- Take up to 1/3rd in cash and purchase an annuity (pension) with the remaining benefit; or
- Purchase an annuity with the total benefit.

If you are a member of the **University of Johannesburg Pension Fund**, you cannot receive a pension from the fund. Therefore, it is extremely important that you consult with your financial planner well in advance of your retirement as he/she must obtain suitable quotes for you from long term insurers for an annuity or annuities that will be most appropriate in your personal circumstances. There is a large number of annuity types available, from level annuities to living annuities – it is essential to discuss your options in detail with your financial planner.

- The fund does offer a benchmark annuity insured by Old Mutual. This is a with-profit annuity. Please contact the pensions office should you wish discuss this option.

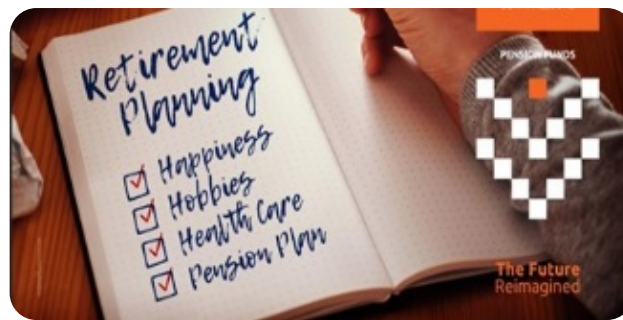
If you are a member of the **University of Johannesburg Defined Benefit Pension Fund**, the benefit to which you are entitled can be taken in one of the following ways:

- Take up to 1/3rd in cash and purchase an annuity or pension with the remaining benefit; and
- Purchase an annuity or pension with the total benefit; OR
- You can become a Fund Pensioner.

If you are a member of the **University of Johannesburg Defined Benefit Pension Fund**, you may purchase a pension from the fund or with a registered insurer. Therefore, it is extremely important that you consult with your financial planner well in advance of your retirement as he/she must obtain suitable quotes for you from long term insurers for an annuity or annuities that will be most appropriate for your personal circumstances, which must be carefully compared to the pension available to you from the fund.

Remember to obtain all of the costs, brokerage fees, commission etc. for the options available to you over time. Also consider what the increases in your pension or annuity would be.

- The pensioner increase policy for the University of Johannesburg Defined Benefit Pension Fund is available at the pensions office. The pensioner increase history of the fund is also reflected in your annual trustee report.



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YOUR RETIREMENT FACTS


Irrespective of which pension fund or membership category:

- ☑ You can defer claiming your pension benefits. This means that your full retirement benefit will remain in the pension fund until a later stage, when you do claim it from the fund. During this period your benefit will continue to grow with investment returns and you can still change your investment portfolio at any time by completing an investment switch form.
- ☑ The maximum you can take in cash at retirement is 1/3rd of your total benefit.


The tax implications on your benefit are dealt with later in this guideline. You will be taxed on the amount you have selected to take in cash, but you could be entitled to a tax-free portion and the balance will be taxed in accordance with the retirement tax tables as published by SARS. Your monthly pension payments will also be subject to tax based on the level of annual income you receive. It is therefore important to consult with your financial planner to obtain advice with regard to the correct retirement pension plan and good tax advice.

HOW TO OBTAIN YOUR RETIREMENT BENEFIT INFORMATION

University of Johannesburg
Pension Fund

- Consult your latest benefit statement where your retirement benefits are declared. 
- Access your fund value on AFOnline.
<https://online.alexanderforbes.co.za/>

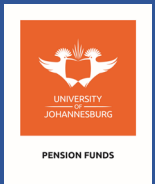
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- Consult your latest benefit statement where your retirement benefits are declared. 
- Complete a request for quote form, the Pension Fund office will assist you in obtaining this quote.


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TAX IMPLICATIONS

 The tax implications set out herein reflect the current relevant tax legislation. Bear in mind that tax legislation is reviewed periodically and there may be other provisions or amended provisions that may be applicable to you when you exit the funds. You need to consult your financial planner in this regard.

The lump sum benefits you receive will be subject to tax as determined by the Income Tax Act. The payment of any fund benefit is subject to the approval of the South African Revenue Service (SARS) and the administrator obtaining a tax directive for you from SARS.

Tax payable upon death, retirement, and retrenchment

Taxable Income from Retirement Lumpsums	Rate of Tax
R0 – R 550 000	R 0.00
R 550 001 – R 770 000	18% of the amount exceeding R 550 000
R 770 001 – R 1 155 000	R 39600 + 27% of the amount exceeding R 770 000
R 1 155 001 Plus	R 143 550 + 36% of the amount exceeding R 1 155 000


Any previous retirement benefit (post 1 October 2007), withdrawal benefit (post 1 March 2009) and all severance benefits (post 1 March 2011) will need to be added to the current retirement benefit to determine the effective rate of tax.

We specifically record that it is important to obtain financial and tax advice when making your retirement decisions. This document aims to provide you with the basic information you require. This document does not constitute as the provision of advice.

Principal Officer of the Fund: Dr. Evette Vanrenen-Linford

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 0115594877

 APK Pension Fund office

E Ring, Ground Floor, Opposite the student centre entrance

 [Pension Fund Website](#)

[Pension and Provident Fund Site](#)

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