

## Death of a member

When a member of a retirement fund dies, the fund benefits must be divided by the trustees of the fund as prescribed by the Pension Funds Act.

**The trustees of the fund must establish within 12 months after the death of the member who the dependants of the member were. The Act defines the following persons as dependants:**

- a person for whose maintenance the member was legally liable (e.g. a person from whom the member was divorced and to whom he/she pays maintenance);
- a person for whose maintenance the member was not liable if the person:
  - in the opinion of the trustees was at the time of the death of the member in fact dependent upon the member for maintenance;
  - was the spouse of the member;
  - was a child of the member including a child born after the death of the member, an adopted child and a child born out of wedlock;
- a person for whose maintenance the member would legally become liable should he/she not have died.

The trustees must also take into account a beneficiary(s) who the member might have nominated for benefits, irrespective whether the beneficiary falls within one of the above-mentioned categories or not.

In their decision how to divide the fund benefits, the trustees must take into consideration various factors such as the following:

- the wishes of the member;
- the financial status of dependants and beneficiaries;
- the ability of the dependants and beneficiaries to earn income in the future;
- the extent to which a dependant and beneficiary was dependent upon the member;
- the ages of the dependants and beneficiaries;
- the relationship which existed between the member and the dependants and beneficiaries; and
- the benefit amount which is available for division.

It should be clear that the trustees have a very responsible and difficult task in making a fair division of a member's benefits in a retirement fund. Members can ease the trustees' task by appointing a beneficiary(s) for benefits in the prescribed manner and providing it to the fund administrator.

Contact your financial advisor or dial 0860 726 526 or 021 916 5000 for the applicable form to place a beneficiary on the fund's records.