

RESIGNATION, RETRENCHMENT AND DISMISSAL BENEFITS

People can change jobs throughout their working life, so it is important that you understand what benefit you will receive from the Fund if you should leave before you retire.

This section deals with:

- The benefit you will receive from the Fund if you resign, are retrenched, or are dismissed
- The options you have with your resignation benefit

What benefit do I receive on resignation, retrenchment or dismissal?

On resignation, retrenchment or dismissal you will receive your Member's Share. The tax treatment of this benefit is dealt under "Taxation of Benefits".

What options do I have with my resignation, retrenchment or dismissal benefit

You have the following options in respect of the benefit:

- You can elect to receive your entire benefit as a cash lump sum;
- You can Preserve your benefit for retirement (transfer your benefit to an approved preservation Fund; Retirement Annuity Fund; or your new employer's Retirement Fund)
- You can elect to leave your benefit in the CPUT Retirement Fund. In this case you will only receive a benefit once you retire (and are taxed as such by the South African Revenue Services).

The issues to consider in deciding what to do with your resignation benefit is complex. The next section deals with these options in more detail.