

## **RETIREMENT BENEFITS**

### **At what age can I retire?**

In terms of the Fund Rules your normal retirement age is 65.

The earliest age at which you can retire is five years before your normal retirement date subject to 3 month's written notice.

You may remain in service after your normal retirement age and retire at the later date as agreed upon between yourself and the employer (but no later than age 70).

### **What is my retirement benefit?**

Your retirement benefit will be the full amount that has built up in your Member's Share Account.

### **What is my retirement benefit on early retirement due to ill-health or permanent disability?**

If the Board, after calling for and considering medical evidence acceptable to it, is satisfied that you are unable to continue in service due to ill-health or permanent disability, you may retire early at any time prior to your normal retirement date. You will receive the full amount in your Member's Share Account.

Please note: This is only payable if you are not receiving a Income Security Scheme benefit.

### **How can I receive my retirement benefit?**

The CPUT is a Provident Fund and because of this you can choose how much of your Member's Share must be paid to you as pension and/or a lump sum. If you want your entire benefit to be a lump sum, you must provide the Trustees with evidence that you have taken financial advice.

Once you have received your retirement benefit, you leave the Fund. This means that you and your dependants have no further claim for benefits against the Fund. There is one exception to the above - you can elect to be paid a "living annuity" from the Fund.

At retirement you thus face two important choices, namely:

- How much of your benefit you should take in cash; and
- What type of pension you should receive in retirement.

**These two issues are dealt with in a detailed guide titled "Options available to you when you retire".**

### **IMPORTANT NOTE:**

#### **POSTPONEMENT OF THE ANNUITISATION REQUIREMENT UNTIL 1 MARCH 2018**

The following changes were going to be introduced on 1 March 2016, but have now been subsequently been **postponed to 1 March 2018**:

- ***Provident fund members will not be required to annuitise contributions to their funds that were made before 1 March 2018.***

Your Fund is approved by SARS as a “PROVIDENT FUND” and under current legislation, when members retire they are permitted to draw their entire benefit as a cash lump sum if they so wish.

From 1 March 2018, members of provident funds will only be able to draw up to a maximum of one-third of their total retirement benefit as a lump sum. The remainder of the retirement benefit must be taken in the form of a pension payable for life. Therefore, provident funds such as the CPUT Retirement Fund will work the same as approved pension funds (which have always had the one-third restriction on lump sum retirement benefits).

It is important to note that, accrued rights of existing provident fund members are protected. For current members of provident funds as at 1 March 2018:

- Accumulated benefits at 1 March 2018, together with investment returns up to date of retirement may be taken fully as cash lump sum on retirement.
- Members aged 55 or older on 1 March 2018 may take their full retirement benefit as a cash lump sum irrespective of retirement date. This includes benefits accumulated after 1 March 2018 *in same provident fund of which they were a member on 1 March 2018.*