DEFINED BENEFIT DEFINED CONTRIBUTION

DE BEERS PENSION FUND

Let's talk about death

An overview of Fund benefits payable on death, how to make things easier for your loved ones, and practical guidelines on processes to be followed after death

LIFE ANNUITANTS: DB SECTION

Contents

DISCLAIMER – Much of the information in this guide falls outside of the scope of the De Beers Pension Fund, and is intended to facilitate the process of preparing for death, and assisting those who stay behind. It is not intended to replace the Rules of the Fund, which will always take precedence over any information contained in this booklet.

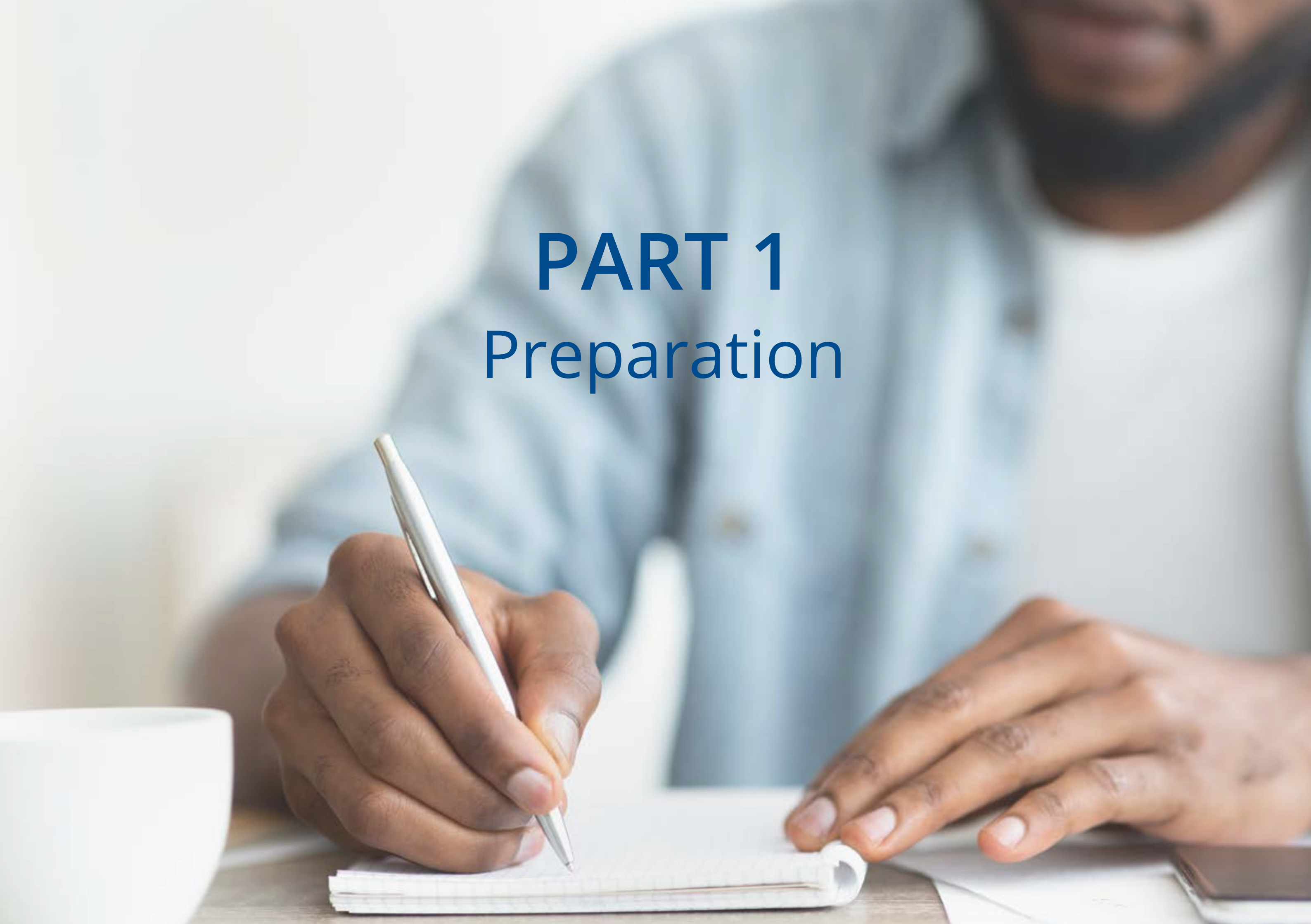
1 Introduction

Although it is not a pleasant topic to discuss, the reality is that death is inevitable. The person who passes away is not affected by the administrative hassles – that is usually the responsibility of the already stressed and bereaved loved ones. It is therefore a great gift to one's loved ones to plan and prepare for death in such a way that at least the administrative stress on loved ones is reduced as far as possible.

This booklet has been put together to explain the benefits payable on the death of a principal pensioner who retired from the DB section of the Fund, and what the family must do to claim death benefits from the Fund, within the wider context of the tasks that face the family members left behind. It also answers some frequently asked questions regarding the De Beers Pension Fund's (the Fund) death benefits.

Death benefits will only be paid when a *principal* pensioner dies.

PART 1
Preparation



2 Making things easier for your loved ones

- Make sure you have a last will and testament. If you pass away without a testament, it will delay the finalisation of your estate and your loved ones can be negatively affected.

  (Please note that the death benefits paid from the Fund do not form part of your estate, except where there are no beneficiaries or nominees to whom the death benefit can be allocated.)

- Share, where relevant, the information about your benefits (explained in this booklet) with your loved ones, so that they will know what to expect and how they need to plan around your death.

- Keep this booklet, your last will and testament, and all other relevant documents in a safe place, and make sure your loved ones know where to find these in the event of your death.

- You may want to consider setting up a living will (see next page) to ensure that your family members know what your wishes are if you can no longer speak for yourself.

- Also share information about any funeral policies, life insurance policies, and your preferences about burial/cremation/scattering of ashes, etc. with your family. To make things easier, you can use the control sheet at the end of this booklet.

LIVING WILL

Your Living Will speaks for you if you are unable to communicate when you are dying. It will tell your family and your doctor what your wishes are with regard to medical treatment and attention.

Your Living Will must be addressed to your family, your doctor and any health authority, and could state something similar to the text in the block to the right, depending on your individual wishes.

Three (or more) original Living Will documents should be signed when of sound mind and after careful consideration. Sign it in the presence of two witnesses, who should also sign and print their names on the document. Make sure that your family members understand your wishes, and that they will be responsible for finding your Living Will and handing it to those treating you.

Source and more reading:
funeralguide.co.za/my-death-wish-list

"If the time comes when I can no longer take part in decisions for my own future, let this declaration stand as my directive.

If there is no reasonable prospect of my recovery from physical illness or impairment expected to cause me severe distress or to render me incapable of rational existence, I do not give my consent to be kept alive by artificial means, including any pacemaker, nor do I give my consent to any form of tube-feeding when I am dying; and I request that I receive whatever quantity of drugs and intravenous fluids as may be required to keep me free from pain or distress even if the moment of death is hastened.

DO NOT RESUSCITATE: I do not give my consent to any person's attempt at resuscitation, should my heart and breathing stop and my prognosis is hopeless."

3 The death benefits payable by the Fund

The benefits payable on your death will depend on the pension option you elected when you retired, as well as the situation in terms of your dependants. In short, the benefits shown in the box on the right are payable to DB section principal pensioners receiving a life annuity from the Fund.

More information about each of these benefits follows. Just note that some are given as percentages of your pension at the time of your death. Although these would apply to most Fund pensioners, they may differ from one situation to the next, depending on the number and type of dependants. Please contact the Fund for exact figures for your current situation.

A **monthly pension** to your surviving eligible **spouse**

+ PLUS

A **monthly pension** to eligible **children**

+ PLUS

A **cash lump sum** equal to three times your last monthly pension (with a minimum lump-sum value that is adjusted each year)

ELIGIBLE SPOUSE

Who qualifies to receive a spouse's pension?

- A spouse to whom you were married, or deemed by the Board to have been married, at the time of your retirement (for at least 12 months before you retired) will qualify for a spouse's pension.
- If you get married (or remarried) after your retirement, your new spouse **will NOT** qualify for a spouse's pension, as calculations would have been based on your status and life expectancy at retirement.
- If you divorced your spouse after your retirement, such ex-spouse **will NOT** qualify for a spouse's pension.

WHAT ABOUT A LIFE PARTNER?

The Fund recognises a life partner as a spouse, and the same conditions would apply as for a spouse. However, it is very important that such a person should have been registered with the Fund as your life partner at least 12 months before you retired. Should you wish to register a life partner, an 'Application for registering of a life partner as a Fund beneficiary' form needs to be completed. Please contact the Fund if you have any questions in this regard.

Until when will a spouse's pension be paid?

The pension is payable for the remainder of the life of your eligible spouse.

How much will the spouse's monthly pension be?

If there is only one eligible spouse, the monthly pension will generally be between 66% and 100% (depending on the lump-sum option you chose at retirement) of the pension you were receiving at the time of your death.

Will a spouse lose his/her pension if he/she remarries?

If your spouse qualifies to receive a pension from the Fund and remarries, his/her pension will continue to be paid for the rest of his/her life.

Will any benefit be payable when the spouse passes away?

The last payment will take place in the month in which the surviving spouse dies. Thereafter, no further benefit is payable.

ELIGIBLE CHILD

Who qualifies for a child pension?

Any of your children born or legally adopted before your retirement, and who are younger than 18 (or aged 18 to 25, under certain conditions - please see below) will qualify for a child's pension.

How much will the child monthly pension be?

- If there is only one child, he/she will receive a pension of between 17% and 25% (depending on the lump-sum option you chose at retirement) of the pension you were receiving at the time of your death.
- If there is no spouse, the child's pension will be increased from 17% to 40% or 25% to 60% (depending on the lump-sum option you chose at retirement).
- If there are two or more children, the pension of 34% or 50% (depending on the lump-sum option taken at retirement) of the pension you were receiving at the time of your death will be shared amongst the eligible children.

Until when will a child pension be paid?

Child pensions are paid until the child reaches the age of 18 years. As long as they continue studying full time at a recognised tertiary educational institution registered with the Department of Education, pension payments will be extended between the age of 18 to 25.

The month in which your child turns 18 will be the last and final month for payment, unless the child continues studying full time (as outlined above). There are certain conditions, and documents required, for the payment of student pensions between the ages of 18 and 25 - please contact the Fund for more details.

WHO WILL RECEIVE THE CASH LUMP SUM?

In terms of the Rules of the Fund, the Fund will pay the lump-sum death benefit in the same proportion to the pensions payable to the eligible spouse and children. If there is no spouse, the eligible children will receive a larger benefit.

Where there is no eligible spouse or children receiving a pension, the lump-sum death benefit will be allocated in terms of Section 37C of the Pension Funds Act (the Act). In this case your wishes (as expressed in your Beneficiary Nomination Form) will be considered as far as possible, but please bear in mind that, by law, the Trustees have to consider **ALL dependants** and their circumstances and financial dependencies, to allow for an equitable distribution of benefits. The Beneficiary Nomination Form therefore serves only as a guideline to the Trustees.

By completing and regularly updating a Nomination of Beneficiaries Form (P1) whenever your personal circumstances change, you can help guide the Trustees to pay your lump-sum death benefit to the right people. A copy of the P1 form is available from the Fund's website (www.debeerspensionfund.co.za) under Life Annuitants Forms, or you can request one from the Fund.

Please note that the lump-sum death benefit is subject to tax. The Fund will apply to SARS for a tax directive on behalf of the pensioner, before paying out this benefit.

WHAT IF I HAVE NO ELIGIBLE SPOUSE OR CHILDREN WHEN I PASS AWAY?

If, at the time of your death, you do not have an eligible spouse and/or children, your death benefit will be allocated by the Trustees in terms of Section 37C of the Act. In such a case an up-to-date Nomination of Beneficiaries Form (P1) will greatly assist.

Should an eligible spouse or child pass away, please submit a certified copy of the death certificate to the Fund, to assist Trustees in understanding who your eligible beneficiaries are at all times.

WHOM SHOULD I INCLUDE ON MY BENEFICIARY NOMINATION FORM?

If you have an eligible spouse and/or children, you do not need to complete a Nomination of Beneficiaries Form (P1). However, if this is not the case, please complete the form.

You have the right to nominate whoever you wish. However, in terms of Section 37C the Trustees first need to allocate your death benefits to any dependants, so keep the following definitions of a dependant in mind, namely:

- a person whom you are legally obliged to maintain/support (for example, spouse and minor children);
- a person whom you would have become legally liable to support (for example, an unborn child);

- a person whom you are not legally obliged to support, but who was dependent on you before your death (for example, an elderly parent); and/or
- any child you may have (including a legally adopted or illegitimate child).

If you have no dependants, you can nominate whoever you wish to receive your death benefits.

WHAT MUST MY FAMILY DO TO CLAIM DEATH BENEFITS FROM THE FUND?

1. When you pass away, your family should report your death as soon as possible by contacting the Fund on 053 807 3222 (Option 1), via email at payroll.payslip@dbpf.co.za, via post or by visiting the Fund at 84 Du Toitspan Road, Kimberley.
2. They should submit a certified copy of the death certificate as soon as possible.
3. The Fund will contact the spouse/family for certain forms to be completed, plus supporting documentation to be submitted, for example, civil/customary marriage certificate and children's birth certificates (in some cases birth certificates that indicate both parents' names).

NB: IF YOUR DEATH IS NOT REPORTED

If your dependants do not report your death, no death benefits can be processed. Dependants are not allowed to continue to draw the pension in your name – to do so will amount to fraud and may result in legal action being taken against your dependants.

CAN MY DEPENDANTS STAY WITH THE DE BEERS BENEFIT SOCIETY?

If you are a member of the De Beers Benefit Society, and your spouse was a registered dependant on the Society, then he/she will retain membership of the Society and become the main member of the Society. A new membership card will be issued to reflect the change.

HOW LONG BEFORE THE DEATH BENEFITS ARE PAID OUT?

On the death of the principal pensioner, the surviving eligible spouse/children are required to complete certain forms and supply the Fund with certified copies of the deceased's death certificate, marriage certificate, identity documents and banking details. Once these are received, the beneficiary will be added to the next payroll. The death benefit will be paid after the applicable tax directive is received.

Where the death benefit is allocated in terms of Section 37C of the Act (if no eligible spouse/children pensions are payable), the Act allows the Fund 12 months from date of death to investigate, allocate and pay benefits. The Fund aims to pay the death benefit before the 12-month period comes to an end, but this depends on how soon the Fund receives the required documentation requested from dependants.

PART 2

Guidelines for those who stay behind after your death

4 Steps your family should take

Although the following checklist is mostly outside the scope of what is required by the Fund, we hope that this will help your loved ones keep track, during this very emotionally challenging time, of the main tasks that typically need to be undertaken when you pass away.

	CONTACT	*Contact details/Notes*
	Doctor	
	Religious/spiritual leader	
	Undertaker/Funeral home	
	Family and other next of kin/friends	
	Transport of body	
	Executor named in the last will and testament	

	OTHER ARRANGEMENTS	*Contact details/Notes*
	Funeral or memorial service	
	Cremation	
	Coffin	
	Flowers/donations	

	ALSO	*Contact details/Notes*
	Register the death with: • Department of Home Affairs (although the funeral home may do so – please check) • De Beers Pension Fund (see details earlier in this document) • De Beers Benefit Society (where applicable) or other medical aid • SARS	

	ALSO	*Contact details/Notes*
	Draft thank you notes.	
	Consider the choice of tombstone/ inscription.	
	Submit the last will and testament to the executor (or inform the institution 'holding' the last will and testament about the death).	
	Put together a file with relevant paperwork to facilitate the finalisation of the estate. The executor will assist with information on what is required.	

OTHER CONTRACTS/ARRANGEMENTS/ISSUES/SERVICE PROVIDERS THAT MUST POTENTIALLY BE REMEMBERED		
	Insurance companies – claiming potential life cover policies, ending policies/deductions where appropriate	
	Banks	
	Telephone contracts / payments	
	Cellphone contracts / payments	
	TV licence	
	Reregistration of car licence	
	Fire-arm licence	
	Municipal accounts	
	Short-term insurance providers	
	Social media profiles (passwords, etc.)	
	Investments other than in the Fund	

5 Where to find what

FUNERAL

Wishes about funeral: ☐ Burial ☐ Cremation

Minister ....

Service at which church/chapel/place ....

Other wishes ....

Where should ash be scattered/stored? ....

Gravestone: ☐ Yes ☐ No

Inscription ....

Other wishes ....

Grave purchased in advance? ☐ Yes ☐ No ☐ Double ☐ Single

Town/City ______ Graveyard ______ Number ______

Where are the documents to prove this? ______

Is spouse already buried there? ______

Funeral policies with:	Policy number	Amount	Where is policy document?

LAST WILL AND TESTAMENT

Where is the original? ______ Date of last revision ______

Executor ______

Email address ______ Telephone number ______

DOCUMENTS/INFORMATION OF IMMEDIATE IMPORTANCE

Identity number ______ Where document is stored ______

Passport number ______ Where document is stored ______

Type of marriage ☐ Within community ☐ Out of community ☐ Ante-nuptial contract

Where is marriage certificate and/or ante-nuptial contract stored? ______

Other insurance policies (life/endowment/ accident/short term/cover for bond, etc):	Policy number	Where is policy document?

Pension from	Number	Email address	Telephone number

Annuity from	Number	Email address	Telephone number

Medical scheme	Membership number	Email address	Telephone number

Income Tax	Tax number	Who handles tax returns?
Self		
Spouse		

BANK DETAILS

Bank	Branch	Type of account	Account number

INVESTMENTS / PROPERTY

Nature of investment	Broker/financial adviser	Where is proof/certificate?

Property	Bond with	Where is title deed?

OTHER DOCUMENTS/INFORMATION

Stop orders/debit orders in favour of	Account numbers	Contact details

Name of buying associations	Member number	Contact details

Other accounts	Account numbers	Contact details

Vehicles	Registration numbers	Financed by	Reference number

TV licence numbers	Where stored?

Firearms	Licence numbers	Where stored?

Driver's license number		Where stored?	
Municipality		Account number	
Cellphone company		Account number	
Telkom account number			
Internet provider		Account number	

Email addresses with	Email addresses

Internet access (only complete if this booklet is stored in a safe place)		
Website	Username	Password

Professional associations/ institutions to be notified of death/burial	Contact details	Message, if any