



BENEFIT SUMMARY

RETIREMENT BENEFITS

60

The Fund's normal **retirement age** is 60.

50

Early retirement can be taken any time from age 50 with your Employer's written consent.

65

Late retirement can be taken after age 60 up to age 65 with your Employer's written consent.



Or if you have **deferred** your retirement, there is no age limit to when you must retire.

Your choices at retirement

OPTION 1

1

Delay your retirement from the Fund and become a deferred pensioner



Your Fund Credit (pots) will be invested in the appropriate default life-stage portfolio per the life-stage investment model in accordance with your age.

OR

Your Fund Credit (pots) will be invested in one of the following portfolios selected by you. If you choose one of the portfolios below, your Fund Credit will remain in your chosen portfolio until you complete and submit a portfolio switch form to the Fund:

- Portfolio A (High Equity)
- Portfolio B (Medium/High Equity)
- Portfolio C (Medium Equity)
- Portfolio D (Medium/Low Equity)
- Portfolio E (Low Equity)
- Cash Only portfolio

If you retire and do not exercise a choice or do not make a valid choice regarding the payment of your retirement benefit, you will automatically become a deferred pensioner in the Fund. This default preservation option does not mean that you are locked in but means that your benefit will be treated as a deferred benefit rather than an unpaid or unclaimed benefit. You will still have the option to retire from the Fund (as applicable) at any date in the future.

OPTION 2

2

Take part of your retirement benefit as a cash lump sum



Maximum cash lump sum:



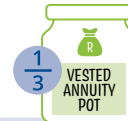
Full value of savings pot
(Unless you have already made a withdrawal from this pot in the year that you retire)

+



Full value of vested lump sum pot
(this only applies to members who have previously transferred a provident fund into the De Beers Pension Fund)

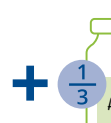
+



One-third of the value in your vested annuity pot.

Whole benefit in cash:

You can take your full benefit in cash **only** if the full value of your retirement pot plus two-thirds of your vested annuity pot adds up to **less than R165 000**. Cash amounts are taxed according to the retirement tax scale.



OPTION 3

3

Purchase Annuities from the Fund

1. Life Annuity or
2. Living Annuity (if your Fund Credit is large enough) or
3. Combination of Life and Living Annuity (if your Fund Credit is large enough) – Please contact the Fund for more information.



LIFE ANNUITY

The default life annuity paid by the Fund has a 5-year guarantee period and a 50% contingent spouse's pension for married members.

However, members have several options:

- Choose a spouse's pension of 50% (this is the minimum), 60%, 70%, 80%, 90% or 100%.
- Choose an optional guarantee period – the retiree can elect no guarantee period or 5, 10, 15, 20 or 25 years. The higher the optional guarantee period the smaller the starting value of the pension becomes. However, should the retiree pass away before the guarantee period has expired, his/her spouse will continue to receive the same pension amount that the retiree was receiving and only revert to the selected spouse's pension percentage after the guarantee period has expired. In addition, if both the retiree and the spouse pass away before the guarantee period has expired, the years/months of "unpaid" pension left of the guarantee period will be paid to your beneficiaries in terms of Section 37C of the Act.

LIVING ANNUITY

Members can purchase a living annuity from the Fund provided that their Fund Credit is large enough after taking a cash lump sum.

With a living annuity, the retiree continues to assume the investment risk/reward as there is no guarantee on the capital invested and the risk of "outliving" your capital must be managed. Retirees who elect a living annuity must choose into which of the following portfolios their capital must be invested:

- Portfolio A (High Equity)
- Portfolio B (Medium/High Equity)
- Portfolio C (Medium Equity)
- Portfolio D (Medium/Low Equity)
- Portfolio E (Low Equity)
- Cash Only portfolio



Furthermore, the retiree must select how much of their capital to withdraw (minimum 2.5% and a sub-maximum as determined by the Fund). The higher the annual draw down, the greater the risk of depleting the capital and the potential of running out of capital over their retirement.

Only on the anniversary (annually) of the annuity may the draw-down rate be adjusted.

OPTION 4

4

Transfer your Fund Credit to a retirement annuity or preservation fund or an outside insurer

If this option is taken, no portion of your Fund Credit may be taken as a cash lump sum.



OPTION 5

5

Elect to receive an annuity from an insurer outside the Fund

The insurer must be registered in terms of the Long-term Insurance Act, 1998 and the pension purchased with your Fund Credit must comply with the rules of the Fund and the Income Tax Act, No 58 of 1962 and any directives at the time of the South African Revenue Services.

If this option is selected, you may commute a portion of your Fund Credit as a cash lump sum (taxable) as indicated in 2 above.



Forms checklist (Relevant forms available on the Fund's website)

- A certified copy of your ID
- DC7 Formal notification of withdrawal or retirement
- Retirement Option Form & Documentation checklist (DC14)
- Additional documentation as specified, depending on the member's circumstances and selections.
- DC2 – nomination of death benefit beneficiaries
- DC3 – member declaration
- Letter from operational manager for retrenchments and early retirements



What about tax?

- Your monthly pension payments will be taxed as normal income. (Standard tax tables are used to calculate the income tax payable.)
- Any cash lump sums will be taxed according to the retirement lump sum tax table as published by SARS each year. There may be some relief as part of your lump sum may be tax-free. The Fund will obtain a tax directive from SARS before making any tax deductions and paying the balance.



When will your benefit be paid?

It will be paid as soon as possible once the month end in which your retirement date falls has closed and your Fund Credit has been disinvested and once the Fund has received all relevant documentation, tax directives and disinvested funds.