

METROPOLITAN

2021 Newsletter

From your Board of Trustees

Metropolitan Life Retirement Annuity Fund
Metropolitan Provident Preservation Fund
Metropolitan Pension Preservation Fund

“Hope
is being able to see there is light despite all of the darkness...
Sometimes you forget that just beyond the clouds the sun is shining.”

These were the words from Archbishop Desmond Tutu with which South Africa's Minister of Finance, Tito Mboweni, started his annual Budget Speech in February this year. Most of 2020 was overcast with fears and stress brought about by the COVID-19 pandemic. Our economy was brought to its knees in March 2020 following the lockdown restrictions which were put in place to keep the people of our country safe against the rapid spread of the virus. As expected, the global economy and local markets recovered within a matter of months and level-headed investors were rewarded for their patience.

With the COVID-19 vaccination roll-out programme underway, and more money being allocated towards the purchase and delivery of vaccines over the next two years, National Treasury realised that our economy is in desperate need of its own financial injection. Vaccines will help us to eventually achieve population immunity and go back to the way things were, i.e. full economic activity. Various other measures are planned to support economic recovery. This includes extending short-term economic support and undertaking reforms to lower the cost of doing business, as well as giving individuals

and companies slightly more disposable income to spend through tax changes for the 2021/22 financial year.

Remember that if you had to make temporary changes to your retirement plan to make ends meet during the peak of the lockdown restrictions, you need to reassess the appropriateness of these changes on a regular basis. Temporarily pausing or reducing your payments, choosing to skip yearly increases in your payments or switching your investment portfolio could jeopardise your retirement goal.

In this year's newsletter, we'd like to give you more information about the claims process if you, as the member of a retirement fund, were to pass away before you retire. This is unfortunately not a pleasant topic, but we see too often that the process is held up unnecessarily. Ideally, we'd want the money to reach those who need it the most as soon as possible.

Parties who could potentially receive money are:

 Dependants	A dependant is someone who you had to look after financially before you passed away. Generally, this includes your spouse, life partner, minor children, major children who are still studying or any other person you supported financially.
 Nominees	A nominee is someone who does not qualify as a dependant and who you nominated in writing to receive a specific portion of the money in the fund.
 Your estate	Money could be paid into your estate if you don't have any beneficiaries, if you have no dependants but only nominated beneficiaries and your estate is insolvent, or the unallocated part of your benefit if you have no dependants and the portions allocated to the nominated beneficiaries don't add up to 100%.



There are a few simple steps in the claims process:

1. Report	The first thing to do is for your family or trusted friends to report your passing away to Metropolitan.	The relevant telephone number and email address can be found on our website.
2. Information	Metropolitan will then let them know which information and documents they need to process the claim.	Metropolitan can only pay out the death benefits once all the necessary documentation has been received.
3. Assess claim	With all the information available, the trustees will assess the claim and decide how the money will be split.	The decision of how the money will be split is in line with Section 37C of the Pension Fund Act 24 of 1956. We must identify the dependants and nominees and then decide what will be the most fair and reasonable way to divide the money among them. Further to this, the payment of the benefits is also governed by the Income Tax 58 of 1962.
4. Pay out	Lastly, we will let your beneficiaries know of the outcome of our decision and of the payment options.	Although the Pension Funds Act allows us 12 months from the date of receiving notice of your passing away to find and pay beneficiaries, the fund will pay out the death benefit as soon as we have gathered all the necessary information. The Pension Funds Act states that if there are only nominees and no dependants, the death benefit may only be paid 12 months after the date of the member's death. This gives the trustees enough time to find dependants.

The law favours dependants over debtors of the deceased member and debtors over non-dependants. If you have no dependants and you have nominated non-dependant beneficiaries, and your estate is insolvent, the shortfall must be settled from the death benefit first. What remains of the death benefit will then be divided among the nominees according to the percentages indicated.

As you can see, it is very important for you to nominate beneficiaries as a member of a retirement fund. You also need to update your nomination throughout your membership as your life changes, like getting married or having children. By doing so you give the Trustees guidance on how you want your benefits to be distributed should you pass away. It is equally important for you to tell these beneficiaries, your family, or people you trust of your membership and retirement savings. Even though Metropolitan will try and be as proactive as possible, they still need your help to speed up the process as much as possible.

In closing,

We encourage you to continue to stay safe and healthy during these difficult times. Please adhere to the measures which the South African government has put in place to protect us all.

Please refer to your member certificates and other relevant documentation for details specific to your retirement plan; otherwise feel free to contact us by phoning **0860 724 724**, sending an email to info@metropolitan.co.za or visiting our website at www.metropolitan.co.za.

We believe that a regular review of your retirement plans, along with your financial adviser, will help you to make informed decisions in your journey towards reaching financial wellness in retirement.

Regards, The Board of Trustees

Together we can

www.metropolitan.co.za