

3 January 2022

## COMMUNIQUE TO ALL MEMBERS OF THE SCHEME

### Payment of death and funeral Benefits

#### **BACKGROUND**

This Scheme is an unapproved scheme regulated in terms of the Insurance Act 18 of 2017.

Before 1 December 2021 death benefits were paid to dependants, beneficiaries, and nominees in terms of Section 37C of the Pension Funds Act and according to the discretion of the Scheme's Board or trustees.

All the death and funeral benefits were then paid directly and tax-free to the beneficiaries of the deceased.

#### **CHANGES**

The definition of "beneficiary" with regards to a group insurance policy (like this Scheme) was amended in the Insurance Act 18 of 2017.

In terms of the amendments, all discretion of the Scheme's board or trustees is removed and may **they no longer decide on how your death and funeral benefits should be paid out.**

#### **WHAT DOES THIS CHANGES MEAN AND HOW DOES IT AFFECT YOU AND YOUR DEPENDANTS?**

1. This means that with effect from 1 December 2021 all unapproved death and funeral benefits (like the benefits provided by the Scheme) **will only be paid according to a valid nomination form** that you completed and submitted to the Scheme.
2. **If you did not complete and submit a valid nomination form** to the Scheme before your death, the Scheme will have no choice but to pay **all your death and funeral benefits (payable at death) directly to your estate**, and **nothing will be paid to your dependants and beneficiaries.**
3. The payment of your death and funeral benefits to your **estate** will cause a delay in the pay-out of your benefits to your eligible dependents identified during the settlement of your **estate**.
4. The payment of your death and funeral benefits, when paid into your **estate**, will be paid out according to you **Will** and might it even have tax implications.

### FOR CLARITY...

**An estate is the assets** (this includes cash, capital, real estate, personal property, and other investments) **and liabilities** (outstanding debt, funeral expenses, taxes, and any other administrative costs that must be paid, upon one's death) **that a dead person has at the time of his or her death.**

**The purpose of an estate** is to, after the death of a person, collect all the deceased's assets, pay all the deceased's liabilities and to then distribute all the remaining assets amongst the deceased's beneficiaries in accordance with the deceased's **will.**

**A will is** a legal document that spells out your wishes about who should get what after your death.

### SO, WHAT DO YOU HAVE TO DO?

1. You must complete and submit a valid (fully completed, signed and without alterations) Death & Funeral Benefit Nomination form to the scheme that contains all your, and your beneficiaries, latest information. This form will serve as an instruction to the scheme of how and to who your benefits should be paid to at the time of your death. This will also ensure that your death and funeral benefits are paid to your chosen beneficiary(s).
2. These forms, once completed, can be handed in at:
  - *One-Stop services* (Bothongo Plaza)
  - *Your Departmental/Regional HR support officer* who must submit the forms to the Scheme via One-Stop Services, or have it scanned and submitted to the Scheme's administrator by email at [info@tglscheme.co.za](mailto:info@tglscheme.co.za) or you can
  - Fax it to the Scheme at 087 942 3424/5

### WHERE DO YOU GET THE FORMS?

Forms will be available on the Scheme's website, from your HR support services, from One-Stop Services or your IMATU or SAMWU shop steward. Forms can also be requested from the Scheme's Administrator.

***Please inform all your colleagues of this much important change so that they also can get their nominations in order!***

For more information and queries, please visit our website at [www.tglscheme.co.za](http://www.tglscheme.co.za) or feel free to contact the Scheme's administrators at 012 427-9910/6/7 or email at [info@tglscheme.co.za](mailto:info@tglscheme.co.za)

Regards



WHB BOTES  
SECRETARY