



Leader in People Benefits in Africa

DISPOSAL OF DEATH BENEFITS

PROCEDURE GUIDE

FUND: _____

MEMBER'S NAME: _____

COMPANY REFERENCE: _____

DATE OF DEATH: _____

PROCEDURE ON THE DEATH OF A MEMBER

1. The Personnel department is notified of the member's death.
2. The Personnel department must notify the local Trustees or Death Claims Committee.
3. The Personnel department must supply NBC with the following documentation:

- A completed Death Claim form
- A completed Funeral Claim form
- A certified copy of the death certificate issued by the Department of Home Affairs
- A copy of the last Dependants and Nominees form signed by the member before his death (Annexure1)
- A certified copy of marriage / birth / abridged birth certificate of the respective dependants and affidavit confirming dependency

4. A copy of the deceased member's Dependants and Nominees form must be given to the local Trustees of the Death Claims Committee.

NB: Nomination forms signed before 30 June 1989 are invalid in terms of Section 37C (A) of the Pension Funds Act.

5. The local Trustees or Death Claims Committee must interview the deceased's colleagues, relatives, friends, parents, etc. to establish:
 - Who are the member's dependants?
 - Was the member married?
 - Did the member have more than one spouse?
 - What was the relationship with the spouse/s?
 - Did the member maintain people other than spouse/s or children ie. Parents, brothers, sisters, lovers, etc.?
6. The local Trustees or Death Claims Committee must also interview the dependants and guardians of minor dependants to establish:
 - Who is caring for the children (if any)?
 - Who is the guardian?
 - Are the dependants capable of handling their own financial affairs?
 - If not, do the Trustees need to establish a Trust Fund? (See annexure 2)
 - Should a lump sum or a monthly income be paid to the guardian to care for the children?

7. The local Trustees or Death Claims Committee will be guided by completing the "Guideline to Death Claim Investigations" form (Annexure 3), during the interview. This form must also be signed by the local Trustees or Death Claims Committee.
8. The completed and signed "Guideline to Death Claim Investigations" form together with at least two certified sworn affidavits must be forwarded to NBC. The certified sworn affidavits must be from the people who were interviewed and must confirm that the information contained in the "Guideline to Death Claim Investigations" form is correct and they are/are not aware of any other dependants.
9. The death claim investigation may take less than the required 12 months to be finalised and the local Trustees or Death Claim Committee shall pay the benefit or such portion thereof to such dependant or nominee in proportions the Trustees or Committee may deem just and equitable.

Where the Trustees or Committee cannot trace the dependants within 12 months, but there is a nominated beneficiary, the benefit shall be payable to the beneficiary in terms of the nomination. However, should the circumstance be that the deceased's estate is insolvent, the beneficiary's entitlement will be reduced by the amount needed to balance assets and liabilities in the estate.

Where the Trustees or Committee cannot trace any dependant/s within 12 months and there is no nominated beneficiary, the death benefit shall be paid into the estate of the member or, if there is no estate, into the Guardian's Fund.

Any requests for advance payments during the course of the investigation must be forwarded to the Provident Fund's Principal Officer for approval and must be signed by the local Trustees or the members of the Death Claims Committee (See item 2.4 on page 5 of Annexure 3).

10. The Trustees must meet to decide how the benefit will be distributed. Refer to Annexure 4. Consideration must be given to the deceased member's wishes as per his Dependants and Nominees form, as well as the guidelines as set out in Section 37 (C) of the Pension Funds Act. An explanation of Section 37 (C) is set out in diagrammatic form in Annexure 5.

DEPENDANTS & NOMINEES FORM*To the Trustees of***Full name of fund in BLOCK CAPITALS****NAME OF MEMBER (BLOCK CAPITALS):****Co. Ref. No.:****NAME OF EMPLOYER:****Branch/Site/Plant Name:**

1. In terms of the Pension Funds Act, a member's dependants and persons who are not dependants but who are nominated by the member must be taken into account by the Trustees when they decide in what shares lump sum benefits are to be paid on the death of a member. To assist the Trustees in making their decision please complete Sections 2 to 4 below.

Please read the reverse side of this form before filling in the spaces below.

2. DEPENDANTS:

Surname	First Names	Sex	Date of Birth	Share of Benefit	Relationship

3. NOMINEES:

Surname	First Names	Sex	Date of Birth	Share of Benefit	Relationship

4. I, the undersigned, recognise that my circumstances and those of the persons shown above as dependants and / or nominees may change. I accept that it will be necessary for me to advise the Trustees of the Fund when any change should be made regarding my dependants or nominees.

SIGNED:**DATE:**

PAYMENT OF DEATH BENEFITS INTO A TRUST

One of the prime responsibilities of the Trustees of the Provident Fund is to ensure that benefits arising after the death of a member are disposed of correctly.

There is a particular responsibility where a member dies and leaves minor children.

Trustees are often faced with situations where it is undesirable to pay benefits directly to the widow or the guardian of the children.

It then becomes essential to ensure that the lump sum death benefit is properly invested with income being available for the maintenance and education of the children.

An ideal solution in these circumstances is to invest the lump sum death benefit into a trust fund with professional trust managers who will manage the money as directed by the fund trustees. This would include:

1. The total lump sum death benefit is invested by the trust managers. Income arising from the investment is paid monthly to the guardian of the children (usually the children's mother) until each child attains his / her majority (age 21 or on completion of education). The capital then becomes payable to each child on attaining majority. The guardian will continue to receive the income on the balance of the funds until the youngest child reaches his / her majority when the remaining capital will be paid out to the last child.
2. The same provisions except that the capital becomes payable to the spouse on the youngest child attaining his/her majority.
3. The total lump sum is held in a trust but each dependant i.e. the spouse and each child is allocated a specific benefit up-front. The spouse would receive her share on the youngest child attaining their majority.
4. The total lump sum is held in trust and income is paid to the spouse for her/his life in order to provide the spouse with a life long pension.

The use of an umbrella trust ensures that:

- A. the funds are secure
- B. the funds are properly managed/invested
- C. flexibility as each trust is structured to cater for the individual needs of each family unit
- D. each beneficiary receives their full entitlement
- E. the trustees have met their legal responsibilities by protecting minors benefits
- F. funds are available for specific needs such as medical and educational expenses

For the purposes of Section 37C, any payment by a registered fund to a trust fund in terms of the Trust Property Control Act 1988, for the benefit of a dependant or nominee contemplated in this section shall be deemed to be a payment to such dependant or nominee. Therefore the benefit may not be re-allocated at a later date.

DISPOSAL OF DEATH BENEFITS

GUIDELINE TO DEATH CLAIM INVESTIGATIONS

PROVIDENT FUND _____

Section / Company _____

Full names of deceased _____

Date of Birth _____ Date of Death _____

Date Advised _____ Cause of Death _____

1. MARITAL STATUS OF DECEASED AT DATE OF DEATH

1.1 MARRIED

(a) Number of Spouses _____

(b) Details of Spouses (Please complete section below)

Spouse 1

Name: _____

ID: _____

Civil / Customary Marriage _____

Date of Birth: _____

Address: _____

Spouse 3

Name: _____

ID: _____

Civil / Customary Marriage _____

Date of Birth: _____

Address: _____

Spouse 2

Name: _____

ID: _____

Civil / Customary Marriage _____

Date of Birth: _____

Address: _____

Spouse 4

Name: _____

ID: _____

Civil / Customary Marriage _____

Date of Birth: _____

Address: _____

NOTE: In KwaZulu Natal all customary marriages have to be registered.
Proof must be provided.

c) Were deceased and spouse/s living together as at date of death? YES / NO

If no, to what extent was deceased supporting spouse/s? _____

Does spouse/s stay on his/her own or with parents? _____

If living on his/her own, is accommodation owned or rented? _____

Is spouse/s employed, and if so, what is his/her monthly income? _____

NOTE: The Trustees have discretion in declaring a spouse a dependant or not.

Is spouse/s capable of managing financial affairs? _____

If no, why? _____

OTHER COMMENTS:

1.2. UNMARRIED

Was the deceased living with anyone as man and wife? YES / No. If yes, state in respect of partner: _____

Full name: _____

Date of Birth: _____

ID No.: _____

Did deceased support the person: YES / NO. If yes, to what extent? _____

Does HE / SHE have a regular job: YES / NO.

If yes, what is HIS / HER monthly income? _____

OTHER COMMENTS:

1.3 **DIVORCED / SEPARATED**

Was, the deceased supporting an ex-spouse, either voluntarily or in terms of a maintenance order / agreement: YES / NO
(Check against full Order of divorce and agreement if applicable)

If yes, state the following in respect of the ex-spouse:

Full name: _____

ID No.: _____

Date of birth: _____ Monthly / Maintenance payment: _____

Is ex-spouse still alive? YES / NO

If yes, has ex-spouse remarried? YES / NO

If no, give details of ex-spouse's monthly income:

OTHER COMMENTS: _____

2. **DEPENDANTS**

A) To qualify as a "legal" dependant, the following three requirements must be satisfied:

1. The person claiming support must be unable to support himself/herself.
2. The person supporting the dependant must be financially able to support that dependant.
3. The relationship between the dependant and the supporter must create a legal duty to support and this includes.
 - a) Husband and wife
 - b) Parent and child, including a posthumous child
 - c) Grandchild and grandparent
 - d) Adopted child
 - e) Illegitimate child

B) Any person in respect of whom the member is not legally liable for maintenance but was dependent on the deceased at the time of his/her death, may qualify as a "factual" dependant and includes:

- a) People in a customary union / marriage
- b) Same sex partners
- c) Brother and sister, and
- d) Any other person who can prove to the satisfaction of the Trustee that he/she was dependent.

2.1 DETAILS OF DEPENDENT CHILDREN, BOTH MINOR AND MAJOR:

NAME	AGE	NAME OF MOTHER	D.O.B.	SCHOOL / UNIVERSITY	EXTENT OF DEPENDENCY ON THE DECEASED

Are children in custody of spouse? YES / NO

If no, who is caring for children? _____

Does spouse/guardian require income to care for children? _____

If yes, how much per month? _____

OTHER COMMENTS: _____

2.2 OTHER FINANCIAL DEPENDANTS: (parents, brothers, sisters etc.)

NAME	ADDRESS	D.O.B.	RELATIONSHIP	EXTENT OF DEPENDENCY

OTHER COMMENTS: _____

2.3 DOCUMENTS / CERTIFICATION USED BY DEPENDANTS TO PROVIDE PROOF OF DEPENDENCY (TICK WHERE APPLICABLE)

- a) Marriage certificate
- b) ID documents
- c) Affidavits (to provide evidence of dependency)
- d) Other eg. money orders, cheques, receipts, etc (specify)

NAME	AGE	NAME OF PARENT	D.O.B.	SCHOOL / UNIVERSITY	EXTENT OF DEPENDENCY ON THE DECEASED

Please note: These documents must be attached to this form

2.4 Do any of the dependants require any immediate income? YES / NO
If yes, please complete the section below:

NAME	WHY IS INCOME REQUIRED?	HOW MUCH IS REQUIRED?

Please Note:

(a) Please obtain the dependant's banking details as follows:

Banking / Building Society _____

Branch _____

Type of account _____

Account No. _____

- (b) Any advance payment to dependants will be subject to approval from the Principal Officer as agreed to by the Trustees.

PRINCIPAL OFFICER'S APPROVAL

I, _____ in my capacity of Principal Officer

to the _____ Provident Fund hereby agree that an advance payment be made to the dependants as set out under 2.4 above.

PRINCIPAL OFFICER

DATE

COMMENTS: _____

3. **NOMINEES** – All non-dependent beneficiaries **nominated** by the deceased member.

NAME	AMOUNT STIPULATED ON DEPENDANTS & NOMINEES FORM	RELATIONSHIP TO DECEASED

OTHER COMMENTS: _____

4. **RECOMMENDATION BY LOCAL TRUSTEES OR MEMBERS OF THE DEATH CLAIMS COMMITTEE:**

BENEFIT PAYABLE TO:

NAME	RELATIONSHIP	SHARE OF BENEFIT	AMOUNT	DETAILS OF PAYMENT, BANK ACCOUNT, ETC.

REASONS FOR DECISION: _____

UNANIMOUSLY AGREED BY THE LOCAL TRUSTEES OR MEMBERS OF THE DEATH CLAIMS

COMMITTEE ON THIS _____ DAY OF _____ 20____

 Local Company Trustee

 Local Member Trustee

Name: _____

Name: _____

 Local Company Trustee

 Local Member Trustee

Name: _____

Name: _____

TO BE CONSIDERED BY TRUSTEES

1. NO OBLIGATION ON MEMBER TO SUPPORT IN-LAWS, UNCLES, AUNTS.
2. TRUSTEES HAVE TO EXERCISE CARE AND DILIGENCE, TAKING INTO ACCOUNT ALL RELEVANT FACTS.
3. TRUSTEES DECISION MUST BE FREE FROM BIAS.
4. TRSTEEES MUST ASK A CLAIMANT TO SUPPLY AFFIDAVIT TO PROVE DEPENDENCY.
5. TRUSTEES WILL HAVE DISCRETION IN DECLARING A POUSE DEPENDENT, IF SELF-SUPPORTING.
6. SELF-SUPPORTING CHILDREN ARE NOT REGARDED AS DEPENDANTS.
7. THE DEPENDANTS AND NOMINEES FORM IS USED ONLY AS A GUIDE.
8. MEMBERS MAY BE MARRIED BY CUSTOMARY UNION OR CIVIL MARRIAGE.
9. ADVERTISE IN NEWSPAPERS IF DEPENDANTS CANNOT BE TRACED.
10. IN CASE OF DOUBT SEEK PROFESSIONAL ADVICE.
11. REFER TO PROCEDURE GUIDE.
12. NBC WILL ATTEND MEETING TO ASSIST TRUSTEES.

Disposal of Death Benefits

[Section 37(C)]

