



A member guide
to understanding the death
benefit payout process.



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This guide aims to provide an overview of the process followed for the payment of death benefits and the responsibilities of all parties included in this process.

The responsible parties include:



You the member – things you should have in place before you pass away



What others need to do



Your employer



The insurer



Your family



The trustees

Leaving a legacy

Your death benefit is part of the legacy you leave behind. Planning ahead ensures your loved ones are supported and your wishes are respected.

"Do your little bit of good where you are; its those little bits of good put together that overwhelm the world."

- Desmond Tutu



The fund administrator

Navigating the death claim process involves several important steps and stakeholders, each with a role in ensuring that your loved ones are supported during a difficult time. By keeping your beneficiary nomination form updated, you help trustees fulfill their legal duty.

Planning ahead and understanding the process ensures that your legacy is honoured and your family receives the financial support they need.

Why this matters

Losing a loved one is hard. During this time, your family shouldn't have to worry about money.

If you're a member of an Alexforbes umbrella fund, your family may receive:

- Your retirement savings
- A life insurance payout (if your employer offers this)



What you should do now

Keep your beneficiary form updated

This form tells the fund who depends on you financially and who you would like to support when you are gone. It's not a will, but it helps trustees make fair decisions.

Beneficiaries can include:

- Spouse or life partner
- Children (any age)
- Parents
- Anyone you support financially
- A charity (via your estate)



You must make sure that your marriage status is correctly recorded by Home Affairs. Updating is especially important if you get married, or divorced or where children get added to your family.



If your form is outdated, it may delay the payout or lead to people being considered who should not.





What others need to do

Your employer

- Submits the death claim to Alexforbes and the insurer
- HR or the Employee benefits consultant helps guide your family through the process

The insurer

- Reviews documents
- Approves and pays the claim to the fund

Your family will need:

- Certified copy of the death certificate
- ID or passport of the deceased
- Proof of financial dependency

This can be a bank statements showing money paid into their account, the payment of school fees, medical aid premiums, confirmation they live together in same household

What trustees do when a member passes away

The trustees of the fund have a legal duty to ensure that the death benefit is distributed fairly and responsibly. Their role is to act in the best interest of all potential beneficiaries.



Step-by-step trustee process

1 The trustees need to identify all dependants and nominees

Trustees begin by gathering information from:

- The nomination of beneficiary form
- The employer
- Family members
- Other sources (example, legal documents, affidavits)
- Late will and testament

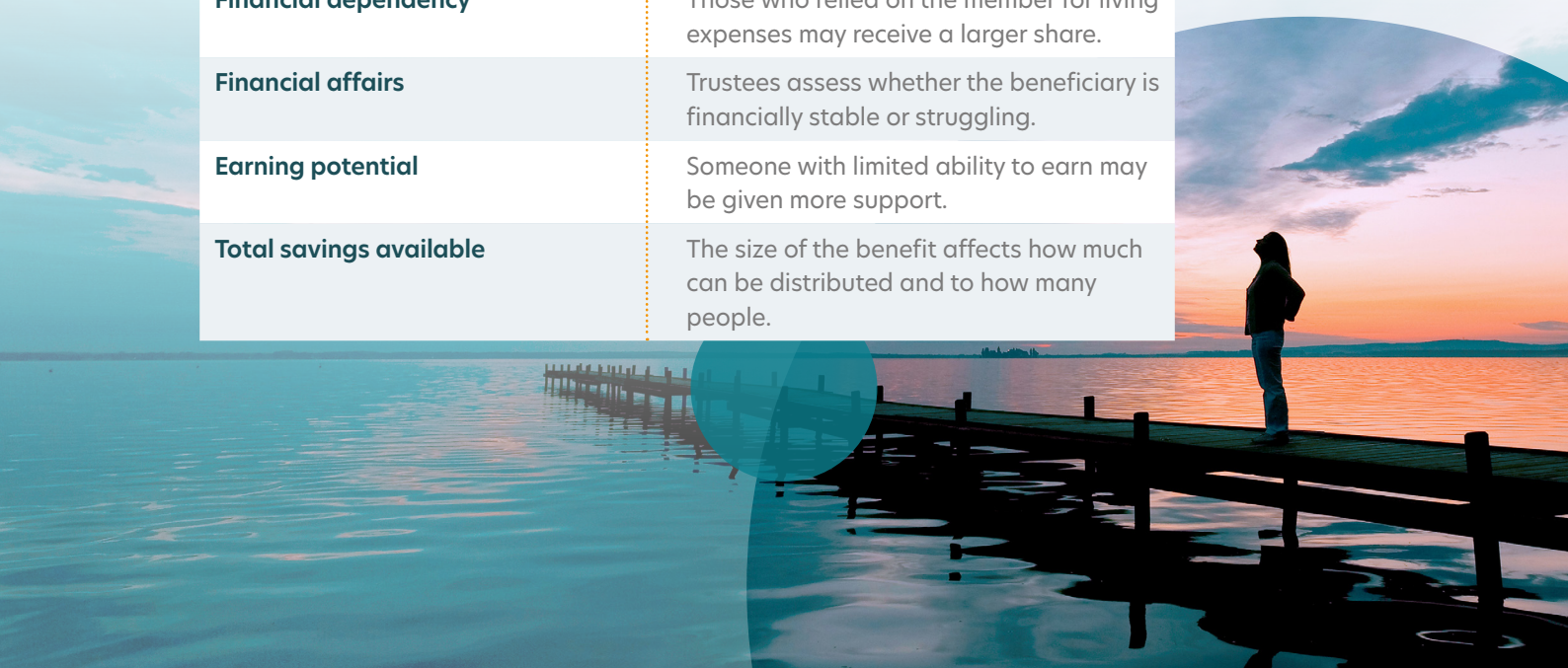
They look for:

- People who were financially dependent on the deceased
- People nominated by the member (even if not financially dependent)

2 Assess each beneficiary's situation

To decide how to divide the benefit, trustees consider six key factors:

Factor	Why it matters
Age	Younger beneficiaries may need more support, especially minors or students.
Relationship with the deceased	Spouses, children, and parents are often prioritised. This is not a factor based on blood relations, it refers to closeness. Are the beneficiaries estranged, still on talking terms and actively involved in the Deceased's life.
Financial dependency	Those who relied on the member for living expenses may receive a larger share.
Financial affairs	Trustees assess whether the beneficiary is financially stable or struggling.
Earning potential	Someone with limited ability to earn may be given more support.
Total savings available	The size of the benefit affects how much can be distributed and to how many people.



3 The trustee resolution - is sent to all identified beneficiaries for feedback

Once all information is reviewed, trustees prepare a draft resolution that outlines:

- Who will receive a portion of the benefit
- How much each person will receive
- The method of payment (example, cash, beneficiary fund, trust)

How the benefit is paid

Depending on the situation, the trustees may:

- Pay cash directly to adult beneficiaries
- Pay a guardian if the beneficiary is under 18 or still studying
- Pay into a beneficiary fund (for minors or students)
- Buy a pension for monthly income for a beneficiary
- Pay into a family trust



4 Final decision and payment

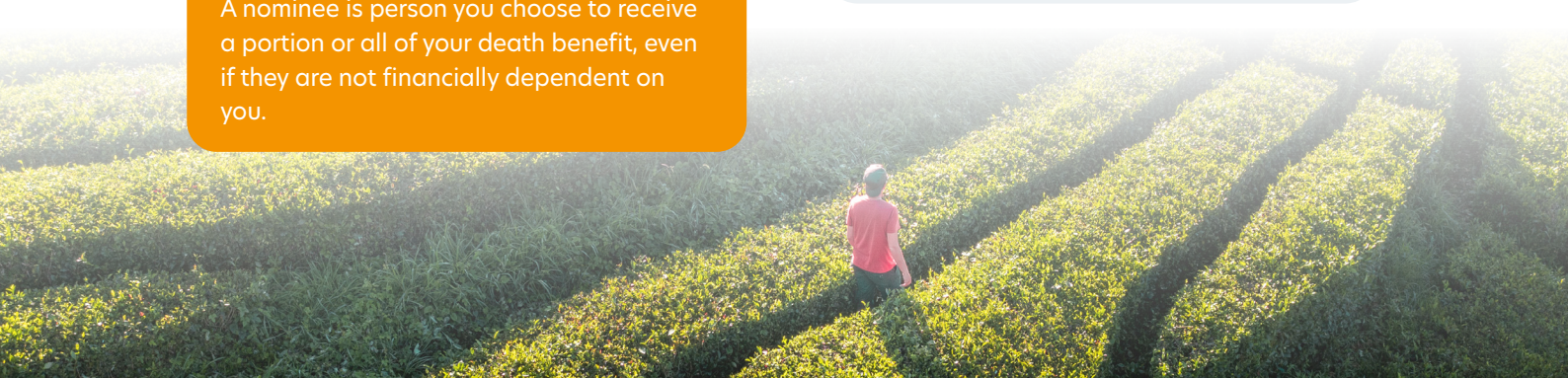
- If beneficiaries respond within 30 days, their feedback is considered.
- If no response is received, the trustees proceed with the resolution.
- The fund administrators then pay out the benefit according to the final resolution.

Trustees are not required to give every nominee a payout. They must act fairly, but not all nominees are guaranteed a share.

A nominee is person you choose to receive a portion or all of your death benefit, even if they are not financially dependent on you.

Time limits to keep in mind

- **3 months:** Notify Alexforbes or the insurer of the death.
- **12 months:** Submit all supporting documents.
- **24 months:** If the beneficiaries cannot be located/traced, the money remains unclaimed in the Fund, then its moved to Unclaimed Benefits Fund after 24 months.



Common delays

1. Incomplete claim forms

- **Why it's a problem:** Missing information means the insurer or fund administrators can't process the claim.
- **Impact:** They may need to go back to the employer or family for more details, which slows everything down.

Have a file or electronic folder of your personal information that your family can access in case of an emergency.

2. Missing documents

- **Why it's a problem:** Key documents like the death certificate, birth certificates of children, Identity documents, marriage certificate or proof of dependency are needed to verify the claim.
- **Impact:** Without them, the claim can't be assessed or paid out.

3. Long trustee investigations

- **Why it's a problem:** Trustees must identify all dependants and fairly divide the benefit.
- **Impact:** If the nomination form is outdated or unclear, they need to investigate relationships and financial dependency, which takes time.

4. Tax issues

- **Why it's a problem:** Death benefits may be taxed before payout.
- **Impact:** If tax details aren't sorted (example, outstanding tax returns or incorrect tax numbers), the payout can be delayed until resolved.

5. Missing bank details from beneficiaries

- **Why it's a problem:** The fund can't pay beneficiaries without valid banking information.
- **Impact:** Even if everything else is ready, the money can't be transferred until correct bank details are received.

Alexander Forbes Retirement Fund

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