



The Fund aims to equip the members who are retiring with the necessary information so that they can make informed decision upon retirement. Below are frequently asked questions which members might have in mind, together with answers. We hope this information is useful to educate yourself before your actual retirement date.

## FREQUENTLY ASKED QUESTIONS

### 1 What is the Normal Retirement age?

The age of 60.

### 2 Can a Member retire early?

Yes, every member can choose to retire early at the age of 55. Members receiving disability income can also retire early at the age of 55. Members younger than 55 who based on medical grounds are ill and cannot work but are also not entitled to disability benefits can retire before age 55.

### 3 Can a Member that is retired be insured for death, disability and funeral cover in the Fund?

No. If you retire, your death benefit, disability benefit and funeral cover is ended. This is because the cost covered by the employer contribution stops when the member retires.

### 4 Can a retiree remain a pensioner in the Fund?

You can choose to become a pensioner in the Fund (called a Pooled Pensioner) or you can purchase a retirement annuity outside the Fund from a Registered Insurer or at an Approved Retirement Annuity Fund.

Such an option must be made within one month prior to retirement notice.

### 5 What are the retirement benefits?

Once you retire you will be entitled to a benefit equals to your Fund Credit. Your Fund Credit is the total contribution made by yourself, the contribution made by the employer for your retirement, transferred amount from the other pension funds which you were a member before joining the Fund and interest earned on the investment.

However, you can only be paid in cash an amount equal to one third ( $\frac{1}{3}$ ) of your Fund Credit. The remaining two thirds ( $\frac{2}{3}$ ) of the Fund credit can remain in the Fund to provide a pension for the rest of your life or it can be transferred to a Registered Insurer/Approved Retirement Annuity Fund to provide pensions (life time pension is only applicable for Pooled Pensioners - outside the Fund pension may differ).

The monthly pension of a Pooled pensioner will be reviewed by the Fund on annual basis to consider the annual pension increase, with the view to compensate for the impact of inflation.

You can also choose that the whole of your Fund credit be utilized to provide for regular pensions.

### 6 If a Pooled pensioner who is receiving the pension dies, what happens to the remaining portion of the retirement benefit?

A lump sum of N\$3,000.00 or such other amount as decided by the board of trustees from time to time, subject to the maximum amount permitted in terms of the income Tax Act is payable;

A pension payable to your Qualifying Spouse, equal to 75% of the last pension payable to you and shall be payable to her as long as she lives; provided the existence of the spouse was declared at date of becoming a Pooled pensioner in the Fund. According to the Fund Rules, "Qualifying Spouse shall mean the surviving partner of a Pooled Pensioner in a Recognized Marital Union existing at the time of the death of the Pooled Pensioner". The member should notify the Fund in writing of the existence of the Qualifying Spouse on or before the date of actual retirement from the Fund, and if such Pooled Pensioner failed to notify the existence of the Qualifying Spouse, the Spouse Pension shall not be payable to such Qualifying Spouse

A pension to your Qualifying Children, equal to a percentage 5% to 25% depending on the number of qualifying children;

Upon the death of both you and your qualifying spouse and in absence of dependent children, any positive balance left in your share, after deducting all pension payments made, will be paid to your nominated beneficiaries or into your estate in accordance with the provisions of the Pension Funds Act.



## 7 What information should a pensioner provide to the Fund to insure smooth payment of pensions?

Proof of existence will be required each year in June. The Fund administrator will post the proof existence form to your postal address. It is essential that this proof is submitted on time to prevent suspension of pension payments.

Any change in address, contact details or banking details.

## 8 What are the procedures to follow before retirement?

Two months before retirement, obtain a retirement quotation from the Fund through HR. Your Human Resource office will contact you to complete the necessary forms.

## 9 What information should be provided to the Fund to obtain a retirement quote?

Completed retirement quote request form (from the Fund website)  
 Copy of your ID  
 Copy of your spouse/s ID  
 Certified Copies of birth certificate for children under the age of 25 years  
 Marriage certificate (proof of civil marriage)  
 Traditional marriage certificate (proof of customary law marriage)  
 Declaration by the retiree (authenticated) – for a common law spouse



## 10 Example?

Let's say you join the fund at age 30 and you retire at age 60. While you were a member of the fund, you paid N\$30 000 into the fund. This money was invested and earned an extra N\$44 000. Your accumulated contributions therefore equalled:  
 $N\$30\,000 + N\$44\,000 = N\$74\,000.$

Your employer's contributions plus investment earnings equal N\$79 000.

Your final fund credit is therefore equal to:

• Member's contributions	N\$ 74 000 +
Employer's contributions	N\$ 79 000
	<b>N\$ 153 000</b>

If you decide to take  $\frac{1}{3}$  of your retirement benefit as cash, you will receive a tax-free cash lump sum equal to  $N\$153\,000 / 3 = N\$51\,000.$  The remaining amount of N\$102 000 will be used to purchase an annuity for the rest of your life (monthly pension).



## What can you do if you have further queries on retirement?

You can direct your queries to the office of the Fund at the following contact details:

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