



TSRF EMPLOYER NEWSFLASH

April 2025



TRANSPORT
Sector Retirement Fund

Approved vs. Unapproved benefits

TSRF Death and Disability benefits are Approved benefits

TSRF Funeral benefits are Unapproved benefits

Fund risk premiums and other expenses

This Newsflash Conclusion

Approved vs. Unapproved benefits

In addition to the **TSRF Retirement Benefits**, members also hold **Risk Benefits (Death, Disability and Funeral)**.

While Retirement Benefits are solely provided through the Fund, Risk Benefits may be provided through the Fund or through a separate insurance policy outside of the Fund.

Risk Benefits provided through the Fund are known as **Approved benefits** whereas **those provided outside of the Fund** are known as **Unapproved benefits**.

TSRF Death and Disability benefits are Approved benefits

When a member passes away or has become Disabled the Fund pays:

3 x Annual wages as a lump sum benefit

PLUS

The member's full Fund Credit (retirement savings) as a lump-sum benefit.

Tax payable on cash lump sums:

Approved benefits are taxed when paid as a cash lump sum.

The first R550 000 is tax free.

Please note:

- ***Contributions must be up to date*** for the 3 x Annual wages benefit to be paid. Part of the contributions paid by the Employer on behalf of the member pays for this benefit.
- ***Non compliance or non-payment*** of contributions by the Employer will result in repudiation (non-payment of the claim).
- ***If the member exits the Fund*** they will no longer be covered by or be able to claim for the death benefit.



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TSRF Funeral Benefits are Unapproved benefits

The Funeral benefit is underwritten outside of the Fund and is therefore an Unapproved benefit.

Funeral benefit premiums are subsidised by the Fund and therefore the contributions are technically approved, whilst the benefit is unapproved.

The funeral benefit is therefore paid tax free.

Please note:

- ***Contributions must be up to date*** for the Funeral benefit to be paid.
- ***Part of the contributions paid*** by the Employer on behalf of the member pays for this benefit.
- ***Part of the premiums for this benefit*** is also subsidised by the Fund to ensure a cost-effective benefit for members.
- ***Non compliance or non-payment*** of contributions by the Employer will result in repudiation (non-payment of the claim).
- ***If the member exits the Fund*** they will no longer be covered by or be able to claim for the funeral benefit.

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*For the Funeral benefit to be paid,
Contributions must be up to date.*



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Fund risk premiums and other expenses

On a monthly basis, a percentage of the employer's contribution will be deducted to cover risk premiums (death, disability and funeral) and all expenses other than those relating to the investment expenses.

Apart from the risk premiums (to cover death, disability and funeral benefits) **the Fund has the following recurring expenses that must be paid on a monthly basis, such as:**

- Consulting fees
- Administration fees (approved)
- Actuarial and audit fees

Other ad-hoc fees payable by the Fund, include:

- Statutory FSCA fees
- Trustee training fees
- Any other miscellaneous fees (as agreed and approved by the Trustees)

The Fund's assets are managed by appointed investment managers and their fees are paid directly from the assets of the Fund and not by a deduction from contributions.

This Newsflash Conclusion

It is vital for Employers to ensure that **contributions are up to date** as non-compliance will result in Risk benefits being repudiated (not paid).

Risk premiums are not considered benefits. These are mandatory **fees required** to provide risk-related coverage, and they are deducted directly from the Employer's contribution.