



TSRF MEMBER NEWSFLASH

May 2025



TRANSPORT
Sector Retirement Fund

Nomination of Beneficiaries

The difference between a Dependent and a Beneficiary

Benefits paid

- Death benefits
- Funeral benefit

What about Tax?

- Example

Purpose of the Beneficiary Form

- Important note

The Board decides

- Call to action

Nomination of Beneficiaries

By completing a Beneficiary Nomination Form you are identifying your dependants, and it will help the Board make informed decisions about the distribution of your benefits.

The death of a loved one is always an incredibly emotional and challenging time for those left behind.

In the event of your death, you would not want your family members to worry and stress about complex administrative processes and unnecessary delays in paying out your benefits (death and funeral) to them. That is why you should regularly complete a Beneficiary Nomination Form.

The difference between a Dependent and a Beneficiary



A Dependent

is a member's spouse, child or any other person who was in fact dependent on the member or a person whom the member would have been legally and/or factually liable to maintain in the future had the member been alive.



A Beneficiary

is someone who the member nominated on their Beneficiary Nomination Form to receive a portion of their benefit. They may ALSO be a dependant, but not always.



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Benefits paid

When you pass away whilst you are an active member of the Fund and your contributions are paid up to date, your beneficiaries will receive:

Death benefits

1) Your total Fund Credit

(Fund savings made up of the Vested, Savings and Retirement components).

PLUS

2) 3 x your annual salary at the time of your death.

PLUS

Funeral benefit

This benefit is paid to the one person you nominated to receive your funeral benefit. This nominated person must be older than 18 years and must be able to arrange your funeral.



The **distribution** of these 2 benefits is done by the **Board of Trustees** in line with **Section 37C**.

Important to note:

Should you **not complete a nomination form**, the Funeral benefit will **be paid into your estate**.

Please note that your estate may take up to 12 months to be finalised and your family may not have the money to pay for your memorial/funeral service should a completed form not be available.

Please
[click here](#)
to access the form





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What about Tax?

TSRF Death benefits are taxed when paid in cash

These benefits are provided for (insured) in the Fund and are therefore Approved benefits.

Tax payable on cash lump sums: The first R550 000 paid in cash is tax free.

Please note: The R550 000 is applied to a person's cumulative lump sum retirement benefits from all funds, i.e. they will include both pension and provident sections and retirement annuities, over your lifetime. In addition, the tax concessions granted on withdrawal will reduce the tax concessions at retirement.

TSRF Funeral benefit is paid tax free

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

No tax is therefore deducted from the funeral benefit, it is therefore paid tax free.



Example:

- Jan is 52 years old and his salary is R30 000 per month.
- He has been a member of the Fund for 20 years.

When he passes away his beneficiaries will receive:

✓ His Fund Credit of R850 000

PLUS

✓ 3 x his annual salary
(R30 000 x 12 = R360 000) x 3 = R1 080 000

Total benefit of R1 930 000 will be divided/ shared out between his beneficiaries. Because it is more than R550 000 tax will be deducted from each beneficiaries payment from the Fund.

PLUS

Funeral benefits of R65 000 will be paid tax free to the person he nominated.



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The purpose of the Beneficiary Nomination Form is:

- **To make it easier to trace dependants** by contacting family members using the contact details you have provided; and
- **To speed up the process of assessing who your dependants are** and the extent to which they depend on you.
- **To identify any other beneficiaries, apart from your dependants**, to whom you may wish to allocate a portion of your benefit.

Your death benefit will be allocated in terms of the Rules of the Fund as well as Section 37C of the Pension Funds Act, which deals with the duties of the Trustees in the allocation of death benefits. The Pension Funds Act allows Trustees 12 months to investigate and decide how death benefits will be distributed.

Where all documents are available for the Board to decide, the benefit may be paid sooner than the 12 months allowed.

Important note:

Your Fund death benefits do not form part of your estate, meaning that all monies (capital) due to your dependants, bypass your estate, avoiding estate duty. This structured approach ensures that benefits are allocated according to your dependants' needs rather than being subjected to the estate's liabilities, thereby **preserving more of your assets for your intended recipients**.

If there are no beneficiaries or dependants, then the benefit will be paid into your estate, 12 months after your death.

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By completing a Beneficiary Nomination Form you are identifying your dependants, and it will help the Board make informed decisions, thereby preserving more of your assets for your intended recipients



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The Board decides

The final decision of who will receive the death benefits rests with the Board. Trustees must first identify all legal and financial dependants, including spouses, children, aged parents, siblings, and anyone else entitled to maintenance or considered financially dependent on the deceased. In their determination, trustees consider the nominees on the deceased's nomination form as a guide.

After the Board complete their assessment, the funds are distributed to the identified dependants. They are required in terms of the Pension Fund Act (Sec 37C), to ensure that all dependants are provided for and will try and follow the member's wishes in terms of the Beneficiary Nomination form as far as possible.

Call to action:

It is therefore important to complete your **Beneficiary Nomination Form at least once a year** and also **at any time your details may change**, i.e. birth of a new child, divorce etc.

By completing this form, you identify your dependants and can state who you want to receive your death benefits and in what proportion.

Please
[click here](#)
to access the form



Fund Contact details



Member enquiries
087 405 6377



Two-Pot System enquiries
087 405 6376



Email: members@tsrf.salteb.co.za



Web: www.tsrf.co.za

Fund no: 12/8/37811