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## Memorandum

To: Salaried Employees of Murray & Roberts Ltd  
Date: 9 March 2021  
Pages: 2  
From: G Moerdijk  
Subject: Exit from the Sanlam Umbrella Pension Fund

### WITHDRAWING FROM A RETIREMENT FUND

Members who leave employment are often tempted to take their existing Fund Credit as a cash withdrawal to meet short term needs. This withdrawal benefit is taxed by SARS and we strongly recommend that you do not cash in your benefit but rather continue to invest it for your retirement. The following preservation options are available to you:

- Leave your fund credit in your existing fund as a paid-up member. Your fund credit remains in the same investment portfolio (or you can make investment switches should this be required). You incur no costs when you exercise this option. Remember you have to complete a form to become a paid-up member.
- Transfer your Fund Credit to your new employer's Retirement Fund.
- Preserve your money in a Preservation Fund. A number of the asset managers, insurance companies and retirement fund administrators manage Preservation Funds that allow you to keep your accumulated retirement savings invested until you reach retirement age. If you change employers multiple times over your working career, it is also possible to add your retirement savings from the different Funds into this Preservation Fund.

It is possible for members to transfer their Fund Credit to their new employer's Fund or to a Preservation Fund without the use of a financial advisor. This should only be done if you are comfortable that you have a good understanding of the financial markets.

#### Obtaining financial advice

You are encouraged to consider obtaining independent financial advice should you believe you are not suitably skilled to make the necessary decisions on withdrawal.

Members who are looking for the services of a financial advisor can obtain information from the Financial Planning Institute on [www.fpi.co.za](http://www.fpi.co.za). It is preferable for members to deal with advisors



who are experienced and who are able to offer a range of different products from different providers. The level of fees charged by the advisor is also an important consideration. These fees can be negotiated upfront with the advisor.

Below are a few helpful questions that you can ask your financial advisor:

#### **Advisor-related questions**

- What qualifications does the financial planner hold? Is he/she a Certified Financial Planner (CFP®)?
- How large is the team/division working with the advisor? What backup support is available to you within the business?
- Are they only able to use certain providers or are they able to provide advice on a range of products from a number of providers?
- How does the charging structures for the advisor work and how much lower than the legislated maximums are these charges?

#### **Product-related questions**

- Do I need to contribute to the product in future and does it have any implications if I am required to contribute, but choose not to contribute?
- Can I have access to some or all of the money before retirement?
- What fees are charged if I change my investment choices in the product?
- What charges are involved if I want to move to another product provider?

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. Moerdijk'.

**G MOERDIJK**  
**Group Remuneration & Benefits Executive**