

Rands with Sense

How a Provident Fund Works

1. Firstly, you should remember that a **provident fund is set up to provide an income** for a member upon retirement or an income for their dependants if they die.
2. Usually, a Board of Trustees, chosen by the fund, the employers and the employees, oversee the management of the fund and **all claims for benefits are paid out in accordance to the rules of the fund.**
3. Employees are **entitled to an annual benefit statement** from their employer and if you can prove you are a dependant of a deceased member, you are entitled to a final benefit statement.
4. When a provident fund member dies, the **benefits will be to the dependants who** are usually anyone who was looked after financially by the member – like spouses and children.
5. In fact, **anyone who can prove that they were financially dependent** on the deceased for everyday necessities will have a claim.
6. A claim for benefits can also be made against a deceased member's fund for **past child maintenance owed** and for future maintenance which will only be payable in terms of a maintenance court order.
7. All claims made for benefits must follow procedure, one of which is a **certified death certificate of the deceased must accompany the claim form.**
8. Like all legal entities and funds, all benefits paid out by a provident fund will be in accordance to the rules of the fund.
9. In the event of a **dispute over benefits**, the dependants can lodge a complaint to the Pension Funds Adjudicator (PFA).

