



## DIVORCE

**NEVER AN EASY DECISION**

<http://yourfund.co.za/columbus>

***The decision to divorce is never an easy one. To make the process as smooth as possible, you need to make sure that your documents are in order.***

When couples divorce, their retirement benefits can be divided, just like any other assets in their estate. Divorce will most likely have an impact on your expected retirement benefit and you will need to take that into account in your retirement planning. The portion paid to your ex-spouse will depend on the percentage specified in the Divorce Order, or Decree of Divorce.



### **IMPORTANT:**

Correct wording of the divorce settlement agreement is important to ensure that the Fund makes speedy payment to a former spouse (non-member spouse).

## **Divorce decisions and documents – what do I need?**

Divorce is not something we plan for, but when it happens, there are many arrangements to be made with regard to dividing your assets as a couple. Let's take a look at the process and the important documents you will need.

### **A Decree of Divorce**

A Decree of Divorce is a court order that grants the termination of your marriage. It is also referred to as a Divorce Order and stipulates matters like the division of marital assets and child custody. It is important that your Decree of Divorce includes the following:



THE FULL NAME OF THE FUND



THAT THE FUND IS ORDERED TO PAY THE BENEFIT TO THE NON-MEMBER SPOUSE; AND



THE VALUE OF THE BENEFIT EITHER AS A % OR RAND VALUE.

**Please see below a suggested clause to be used in the Decree of Divorce to ensure that the Decree is legally binding on the Fund.**

1. Defendant [i.e. you, the Fund member] is a member of the Columbus Retirement Fund Pension and Provident Sections (Note: Indicate name of each Fund against which the order must apply).
2. The parties agreed that the said Fund be ordered to pay **xx** percent [or **Rxxx**] of the pension interest of the Defendant in the Fund to the Plaintiff or to a retirement fund elected by the Plaintiff.
3. A certified copy of the divorce order must be submitted to the said Fund or its administrator so that the Fund's records can be endorsed accordingly.

### **How much is my ex-spouse entitled to?**

The non-member spouse is entitled to 50% of the member's pension interest in the Columbus Retirement Fund (Pension and Provident Sections).

### **When will my ex-spouse receive his or her benefit?**

The benefit payment will be processed as soon as you provide the Fund with your Decree of Divorce. To avoid any problems, it's important to make sure that the Decree of Divorce complies with the Divorce Act.

### **Who will pay the tax on the benefit paid to my ex-spouse?**

Previously, the member paid the tax on the ex-spouse's benefit, except if the Divorce Order stated otherwise. With effect from 1 March 2009, the ex-spouse pays the tax on his or her benefit.

It is also very important to note that it is the member's responsibility to submit the order to the Fund. The Fund will not be held responsible for making payment to a member without settling the amount due to the ex-spouse if the Fund was not informed of the existence of the divorce order.



Contact the Fund Consultant for assistance and more information.

[Click here](#) for more information on the Columbus Your Fund Website.

### **Contact:**

Should you have any questions, contact Johan Hartzenberg, the Fund's Principal Officer, on 082 801 3323; or email [jhhartz@outlook.com](mailto:jhhartz@outlook.com).

*Want to learn more?*

*Visit the Columbus Your Fund Website.*

[www.yourfund.co.za/columbus](http://www.yourfund.co.za/columbus)