



## MEMBER ALERT

FOR IMMEDIATE RELEASE

30 May 2023

Dear RFLAUN Members and Participating Employers

### CLARITY REGARDING RFLAUN'S OPERATIONS

The Fund has observed circulations of social media posts with summarized content as follows:

- i. *"RFLAUN has auctioned their responsibility to another pension Fund (Benchmark) to do its work."*
- ii. *"RFLAUN is a middleman and members of the Fund are subjected to two Pension Rules."*
- iii. *"RFLAUN member cannot retire in the Fund."*

RFLAUN would like to clarify as follows:

- i. **"RFLAUN has auctioned their responsibility to another pension Fund (Benchmark) to do its work."**

The correct fact is that RFLAUN, like any other registered retirement fund, outsources certain professional services to various registered service providers in the Namibian Pension Fund market. Similarly, in case the Fund does not provide products and solutions to former members and their survivors, then former members and their survivors would be required to seek product solutions that the fund does not offer, outside the fund.

We believe that the social media posts relate to the payment of a death benefit paid to beneficiaries in line with Practice Note 5 issued by the Receiver of Revenue of the Republic of Namibia. According to this Practice Note, the benefit allocated to the beneficiary must be paid as follows; 51% to be paid as an annuity and 49% payable as lump sum payment. The fund has registered its own dependents trust with the Master of the High Court, where at least 49% of the lump sum payable to a minor beneficiary is paid. In the case of 51% of the benefit payable as annuity as required by the Income Tax Act Practice Note 5, the guardians and beneficiaries select their own registered annuity provider independently and outside RFLAUN and, not through RFLAUN.

The Annuity Providers generally charge professional fees for their services, however as matter of prudence, the beneficiaries are advised to make comparisons between different beneficiary annuity products offered in the market for the purpose of determining the best value annuity product. We again emphasize that annuities are provided outside the Fund as decided by the Beneficiary and that there is no service agreement between the Annuity Providers and the Fund. *(It is important to note that the provision of Beneficiary Annuities falls outside the scope of the Fund's responsibilities)*

It is a normal practice for a pension fund to be either self-administered or appoint an independent administration firm to perform its administration duties. In the case of RFLAUN, the Board opted to appoint RFS Administrators as the suitable service provider.



**ii. “RFLAUN is a middleman and members of the Fund are subjected to two Pension Rules.”**

We wish to emphasize to our valued stakeholders that RFLAUN is an independent pension Fund registered in terms of the Pension Funds Act, 1956 and governed by its Fund Rules. The decisions of the Fund are made by Board of Trustees appointed in terms of the Fund Rules. There is only one set of registered Fund Rules applicable to the RFLAUN members.

**iii. “RFLAUN member cannot retire in the Fund.”**

We assure our retiring members that the retirement option in the Fund Rules of RFLAUN remains unchanged and members are free to retire in the Fund as per Rule 5 of the Fund Rules. In case of doubt, this fact can be independently verified with the same copy of the Fund Rules at the Regulator. Our Rules are also available on our website at [www.rflaun.com.na](http://www.rflaun.com.na).

Beneficiaries need the necessary support in the form of correct information to carry on with their lives after the death of the main member in the Fund, and we strongly urge stakeholders to first seek accurate information from RFLAUN before advising beneficiaries who need it the most.

We remain focus as per our mission to administer and provide competitive pension related benefits that ensure sustainable and dignified living standards to the members and dependents. Our dedicated staff are available to provide comprehensive details and address any concerns or inquiries you may have via telephone at +264 61 423 700 or email at [info@rflaun.com.na](mailto:info@rflaun.com.na).

End.

Mr. Julianus Rukamba  
Senior Officer: Information and Marketing

