



SECTION 90 BENEFITS - UNEMPLOYMENT

Section 90 is the relevant section of the Act that allows the members to apply for early withdrawal.

Generally a member, or in the case of a deceased member, his Nominee, may withdraw their contributions for the following reasons:

- Housing
- Unemployment
- Death
- Disability
- Emigration
- Retirement

UNEMPLOYMENT & RE – EMPLOYMENT

Various rules govern a member's access to superannuation when the member remains unemployed and or when he subsequently becomes re-employed.

The rules that apply to each of these situations are

1. Unemployment.

If a member is terminated from employment the member becomes entitled to withdraw their contribution, but the contributions will not be paid immediately. Generally the member is required to prove to the satisfaction of the ASF that he or she has remained unemployed for a continuous period of 12 months before the member becomes entitled to receive their contribution (s.90(1)(g)).

Exception to this general rule.

The exception is based on the understanding that it is not easy to get a new job. When the steady flow of income stops upon termination of employment and what little savings we have is quickly exhausted, life can become difficult. The Act recognizes this fact and makes provisions to cater for that situation by providing an exception to the rule.

If after 3 months you are still unemployed then you will become entitled to make a partial withdrawal, under situations of hardships, in the following way (s.90(5)).

- (a) If the members total contribution is less than K1, 000.00 then he/she will be allowed to withdraw the whole of his contributions immediately (s.90(5)(a)).
- (b) If the members total contribution exceeds K1, 000.00 then he/she will be entitled to make partial withdraw on a monthly basis for a sum of:
 - K200.00 (s.90(5)(b)(i)); or
 - 50% of monthly gross salary - whichever is greater (s.90(5)(b)(ii)).
- (c) The member is entitled to continue to receive the partial withdrawals until:
 - He/she becomes re-employed; or
 - The contribution is exhausted; or
 - The 12 month period expires, in which case he/she will become entitled to receive the balance of the contribution in full.

The waiting period is intended to discourage withdrawal of your superannuation and allow you an opportunity to seek and obtain new employment. If you secure employment before the 12 months expires than you must resume your contributions and continue to build up your retirement savings.

2. Re – employment.

If a member secures re-employment then different set of rules apply.

If the member is employed by an organization that:

- (a) Is a member of an ASF then:
 - If he/she is already receiving partial monthly withdrawals then such benefit shall cease immediately; and
 - He/she shall resume contributions again.
- (a) Is not a member of the previous ASF then:
 - If he/she is already receiving partial monthly withdrawals then such benefit shall cease immediately; and
 - The balance of the contributions will be transferred to the other ASF to which the employer contributes (s.90(1)(h)(i)).

(b) Is an excepted employer (*i.e. an employer that employs less than 20 employees and has not elected to make voluntary contributions*) then:

- If he/she is already receiving partial monthly withdrawals then such benefit shall cease immediately; and
- The balance of his/her contributions will remain with the ASF and will be paid out in accordance with the normal unemployment pay-out rules (*i.e. after 12 months*) (s.90(1)(h)(ii)).

UNEMPLOYMENT SUMMARY FLOW CHART

