Pension Insight

Your Nomination Form Matters

Understanding how Trustees distribute death benefits

DPF
DEBSWANA · PENSION · FUND

BULLETIN 1

Have you completed your Beneficiary Nomination Form in the past 18 Months?

Most members know they should complete a Nomination of Beneficiaries Form, but many are surprised to learn that it is not a legally binding instruction.

One of the most common questions we receive is:

"If I have nominated who should receive my benefit, why don't the Trustees simply follow my instructions?"

The answer lies in the Trustees' legal responsibility to ensure that every death benefit is distributed fairly and equitably, and in accordance with the law.

Your Beneficiary Nomination form remains one of the most important documents you can complete. It tells the Trustees what your wishes are, but it is considered alongside all the relevant facts at the time of your passing.

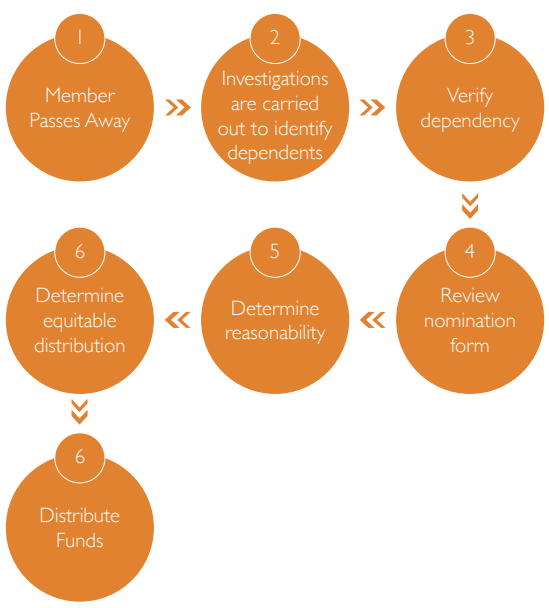
Meet Lesego

What happens when a member passes away?

Before any death benefit is paid, the Fund, through the appointed Fund Administrator, undertakes a thorough investigation to understand the member's personal and family circumstances.

Their role is to ensure that everyone who was genuinely dependent on the deceased member is properly considered.

The Trustees do not simply distribute benefits based on assumptions; they make informed decisions based on evidence.



Myth Vs Fact

MYTH
"The Trustees ignore my nomination form."

FACT
The nomination form is one of the most important documents considered by the Trustees. However, it must be balanced against their legal duty to ensure that all dependants are treated fairly.

MYTH
"Once I complete my nomination form, I never need to look at it again."

FACT
Your nomination should be reviewed whenever your personal or family circumstances change.

MYTH
"Only the people I nominate can receive my death benefit."

FACT
Trustees must identify and consider all legal and factual dependants before making a distribution.

MYTH
"Anyone can claim they depended on me."

FACT
Dependency must be supported by evidence. Trustees carefully investigate every claim before making a decision.

The Five Questions Trustees Must Answer

1. Is the Nomination Form current?

A nomination completed many years ago may no longer reflect your wishes. The Trustees consider whether your nomination still represents your current circumstances.

Ask yourself:

- Have you married?
- Have you divorced?
- Have you had children?
- Have any beneficiaries passed away?
- Have your financial responsibilities changed?

If the answer to any of these is yes, it may be time to update your nomination.

2. Does the Nomination still make sense?

The Trustees also consider whether the proposed distribution is reasonable after reviewing all available information.

eg. ***Lesego:***

Lesego, who is a member of the Debswana Pension Fund, completed a nomination ten years ago when she got employed, leaving everything to one sibling. Since then, Lesego has gotten married and had two young children but never updated the nomination.

Although the nomination reflects Lesego's earlier wishes, the Trustees must consider whether following it exactly would be fair to those who were financially dependent on the member at the time of death.

3. Who were the Member's Dependants?

One of the Trustees' first responsibilities is to identify everyone who may have depended on the deceased member.

This may include:

- A spouse
- Children
- Parents
- Other family members
- Anyone who can demonstrate financial dependency

Not every dependant will necessarily receive a benefit, but every legitimate dependant must be identified and considered.

Returning to Lesego's case, her two children and her spouse need to be taken into account.

4. Was there Financial Dependency?

Simply claiming to have depended on the deceased member is not enough.

Trustees carefully assess the evidence. This may include:

- Bank statements
- Proof of monthly financial support
- School fee payments
- Medical expenses paid by the deceased
- Shared household expenses
- Any other evidence demonstrating financial dependency

The Trustees also consider the extent of that dependency. Someone who relied entirely on the deceased member may require greater consideration than someone who received occasional financial assistance.

5. What distribution is fair and equitable?

Once all the information has been gathered, the Trustees carefully weigh:

- Your expressed wishes.
- Your current family circumstances.
- All identified dependants.
- The extent of financial dependency.
- Any other relevant facts.

Only then do they determine an equitable distribution of the death benefit. Every case is unique, which is why no two distributions are ever the same.

Why you should update your Nomination regularly

Your nomination should be updated whenever you experience a significant life event, including:

- Marriage
- Divorce
- Birth or adoption of a child
- Death of a beneficiary
- A change in financial dependency
- Any major change in your personal circumstances

An updated nomination helps the Trustees better understand your wishes and may reduce delays during the investigation process.

Remember…

Your Beneficiary Nomination Form is your voice when you are no longer able to speak for yourself.

While the Trustees have a legal duty to consider all relevant facts before distributing a death benefit, your nomination provides valuable guidance and plays an important role in helping them make a fair and informed decision. The more current and accurate your nomination is, the better it reflects your wishes and assists the Trustees in carrying out their responsibilities.

Take action today

Don't wait until it's too late.

Review your Beneficiary Nomination Form today and update it whenever your circumstances change, or ensure that every 18 months you review the form. A few minutes today can make a lasting difference to the people you care about most.