TRANSFER OF SAVINGS ON ENTITLEMENT

From 1st January 2025, the Fiji National Provident Fund (FNPF) has implemented the 'Transfer of Savings on Entitlement', which is a new member offering.

The product which targets members reaching entitlement events such as retirement, offers an alternative approach to the conventional contribution based system, allowing members to transfer a portion of their savings to a loved one's FNPF account.

This innovative feature is designed to enhance members' financial flexibility by enabling them to transfer a portion of their entitlement payouts or benefits to other FNPF members, including nominated beneficiaries.

Frequently ASKED Questions

1. What is the Transfer of Savings on Entitlement?

Effective 1 January 2025, the FNPF is offering members the flexibility and control to allocate a portion of their savings to an eligible beneficiary's FNPF account, during an entitlement event. It supports members' personal financial planning goals while aligning with FNPF's vision of securing their future.

2. What would be the entitlement event that qualifies members to transfer their savings?

These events include:

I. Entitlement Age:
When a member reaches entitlement age and becomes eligible for a withdrawal, they can choose from these options:

- Lump or part sum withdrawal.
- Purchase retirement product.
- Transfer part or all their eligible funds to another member.
- Or a combination of two or any three above (if opting for part lump sum withdrawal)

II. Medical Incapacitation:
if a member accesses their savings on medical incapacitation ground, they can choose:

- Lump or part sum withdrawal.
- Purchase a retirement product.
- Transfer part or all their eligible funds to another member.
- Or a combination of two or any three above (if opting for part lump sum withdrawal)

III. Nomination Payout:
Members can specify a nomination payout that determines how their savings are distributed to their nominees upon their demise.
With Transfer of Entitlement Savings, members can allocate a percentage of their nominated amount to be deposited into the nominee(s) FNPF account upon their demise.

IV. Nominee Option:
Upon the death of a member, the nomination is activated. The amounts set aside for a nominee can be transferred to the nominee's or another member's account. If an allocation for a nominee exists under the nomination payout, the nominee can only delegate funds that are not part of this designated amount.

3. How does this impact the options available under the Full Withdrawal Ground?

This product does not replace what is offered under the full withdrawal ground. Instead, it provides an additional

option allowing members to facilitate transfer of funds from one account to another.

This gives members flexibility, allowing them to delegate their eligible funds to another member.

4. Who can be the recipient?

The recipient of the transfer must be a FNPF member as the transfer would be made to their FNPF account.

5. What if the recipient is not a FNPF member?

If the intended recipient is not a FNPF member, he/she must register as a (voluntary) member, before the transfer would take place. All rules and guidelines for voluntary membership apply.

6. What is the Entitlement Age?

Entitlement age is 55 as prescribed in the FNPF Act 2011.

7. Can a member choose part lump sum, part retirement product and part transfer?

Yes, the member has the option to tailor the distribution as they see fit. They can opt for a combination of:

- Lump or part sum withdrawal.
- Purchase retirement product.
- Transfer part or all their eligible funds to another member.
- Or a combination of two or any three above (if opting for part lump sum withdrawal)

8. What if I withdraw under the Low Balance full withdrawal, am I eligible?

Those withdrawing under Low Balance, before reaching the entitlement age, are not eligible for this product.

9. If I fully withdraw under Medical Incapacitation, am I eligible under this Entitlement event?

Members accessing their savings due to medical incapacitation can choose from:

- Lump or part sum withdrawal.
- Purchase retirement product.
- Transfer part or all their eligible funds to another member.
- Or a combination of any of the three above (if opting for part lump sum)

10. Can I transfer savings under nominations?

Yes you can, members can allocate a percentage of their savings to be transferred into the nominees' FNPF account.

11. How can I delegate funds to be transferred to a nominee?

You can do this when filling completing a nomination form. The form includes a designated section where the member can specify the amount or percentage to be transferred.

12. What happens if the nominee has exhausted the means of becoming an FNPF member?

If the transfer of savings on entitlement nominee has exhausted the means of becoming an FNPF member and is no longer eligible, the funds allocated for the transfer will be disbursed directly to the beneficiary or beneficiaries named by the member on the Memorandum of Nomination Form.

13. Can a nominee transfer the savings they've received?

Yes, nominees are allowed to allocate a portion of the funds they receive under the nomination payout to be transferred to his/her FNPF account or that of another FNPF member.

14. How does a Nominee transfer funds?

After being nominated, the nominee can initiate the transfer process by completing the required FNPF transfer form and specifying the recipient member.