



Claiming your inheritance from the GUARDIAN'S FUND

If you were left money as a minor and no trust was created, the money is paid into the Guardian's Fund. But claiming it when you turn 18 is not as straightforward as you may think, writes **Neesa Moodley-Isaacs**

The "laatlammetjie" in the family, Amy, was orphaned at the age of four after both her parents died two years apart of health complications.

She was adopted by her older sister and 18 years later, at the age of 22, started the onerous process of trying to access the money left to her in the Guardian's Fund.

When Amy's parents died, her inheritance was placed in the Guardian's Fund.

This is either done in the name of the person to whom the money belongs or, as in the case of a minor such as Amy, in the name of the estate that money forms part of.

"I didn't access the money immediately when I was 18 because my sister was kind enough to fund my college education. But I also didn't expect that the process would take quite so long," she said.

According to her, accessing the funds was tough.

"I didn't know what documents were required and being based in Durban with no car of my own, it was difficult to make numerous trips to the Master's office in Pietermaritzburg," she said.

She had to trace the lawyers who originally handled her mother's will and had to provide a copy of the will to the Master's office.

The money in the Guardian's Fund is invested with the Public Investment Corporation and interest accrues on a monthly basis at an annual rate, which is determined by the finance minister.

The current interest rate is 7.25%. Interest is paid from the month of receipt of the invested money and up to five years after the money has become claimable. According to the latest annual report of the Guardian's Fund, the fund generated more than R480 million in investment income during the 2012/13 financial year.

Although Amy waited until the age of 22 to claim her inheritance, guardians of minors can claim maintenance from the fund. The Master of the High Court has the discretion to pay the accrued interest as well as up to R100 000 from the initial invested capital, for maintenance purposes.

Maintenance costs would typically include school and university fees, clothing, medical fees, board and lodging, and any other costs that would have to be motivated by the guardian.

To ensure that these funds are not abused, arrangements can be made for the money to be paid directly to schools and universities.

Aaron Roup, the secretary of the Fiduciary Institute of SA, noted that Amy's case was not unusual.

"Although the process of claiming from the Guardian's Fund seems straightforward, a greater level of consumer education is required.



TOUGH TASK It can be a challenge claiming from the Guardian's Fund

"People are not familiar with the system and this often results in significant delays when it comes to accessing their funds," he said.

Roup warns that although there are a number of services provided by the Master's office, which are free of charge, there are unscrupulous service providers who charge consumers fees to act as middlemen.

"If someone offers to handle your claim for you and they want to charge you a fee of 10% of the money due to you, that is a private arrangement and is not a fee imposed by the Master," he pointed out.

So, if you want to avoid the hassle of physically going to the Master's office to lodge your claim, you might take up the option of paying someone to do it on your behalf. But you will be paying a premium for a service that is free. Take the time to do it yourself.

How to claim

There are six Master's offices across the country that deal with the Guardian's Fund, in Pretoria, Cape Town, Pietermaritzburg, Grahamstown, Bloemfontein and Kimberley. You can contact the Master's office nearest to your region and if you were left money as a minor, you can claim from the time you turn 18. You will need the following:

- Application form (J251), which is available from the Master's office and will have to be filled in. It is also available online at www.justice.gov.za
- A certified copy of your ID document or passport with both your thumb prints
- A certified copy of the court order
- A copy of a recent bank statement, dated and signed by a bank official
- A verification report of your fingerprints. Note that if you apply in person, your fingerprints can be verified on site. Or you can have your fingerprints taken at your local police station and attach this to your application. This is then referred to the department of home affairs by the Master's office for verification.

Note that you have to claim your money within a certain time frame. For example, Amy's inheritance was due at the age of 18.

If she had not claimed it by the time she turned 23 (five years after it became claimable), the money would have been paid over to the SA Revenue Service's payment register.

This does not mean she would not have been able to claim the money thereafter. The money is only forfeited to the state if you do not claim it within 30 years of the claim falling due.

In September each year, the Master advertises accounts that have become claimable in the Government Gazette.

Each account is advertised three times.

R480m

The amount of investment income that the Guardian's Fund generated in the 2012/13 financial year

lifestyle

Losing your parents when you are young is a devastating blow. But you could be in for another rough ride if they have left you an inheritance and you don't have your ducks in a row

WRITE TO US

If you have a financial problem or a personal finance question you need answered, please share your stories with us: personalfinance@citypress.co.za

Draw up a will and avoid the red tape

You can help your beneficiaries avoid the red tape at the Guardian's Fund by ensuring that you have a valid will drawn up. Often, money is left to minors and paid to the Guardian's Fund when there is no valid will drawn up by their parents.

This is yet another reason it is important to ensure you draw up a will when you have children - if you have not done so already.

You can ask for a testamentary trust to be established on your death and you have to appoint a guardian in your will who will act as a financial guardian for your child.

The money is then paid into the trust and amounts are paid to the guardian to look after your minor child.

If you belong to a company pension fund, it is worth finding out what happens when you die.

In some cases, if the fund management does not believe the guardian is capable of managing the money on your children's behalf, the pension fund has the power to pay the money to a beneficiary fund in favour of your minor beneficiaries.

Important numbers

You can reach the Master's office in the six different regions on the following numbers:

- Pretoria: 012 339 7700
- Bloemfontein: 051 411 5500
- Kimberley: 053 831 1942
- Cape Town: 021 832 3000
- Grahamstown: 046 603 4004
- Pietermaritzburg: 033 264 7054