



MORE SAVINGS, LESS TAX:

*The secret to smarter
investing before the cut-off*



TAX BENEFITS OF A RETIREMENT ANNUITY

YOUR FREE LUNCH FROM THE TAXMAN

CONTRIBUTIONS ARE TAX-DEDUCTIBLE

THE LESSER OF:

- R350,000 maximum; or
- 27.5% of the greater of –
 1. Remuneration; or
 2. Taxable income (including passive income and taxable capital gains) ; or
- Taxable income (excluding any taxable capital gain and retirement lump sum benefits, withdrawal lump sum benefits and severance benefits) and before any s11F and s18A deduction.
- Section 10C – High net worth clients (You don't lose your tax benefits)
 1. At retirement you can elect for the excess contributions to pay out tax free or utilize against your Living Annuity income.





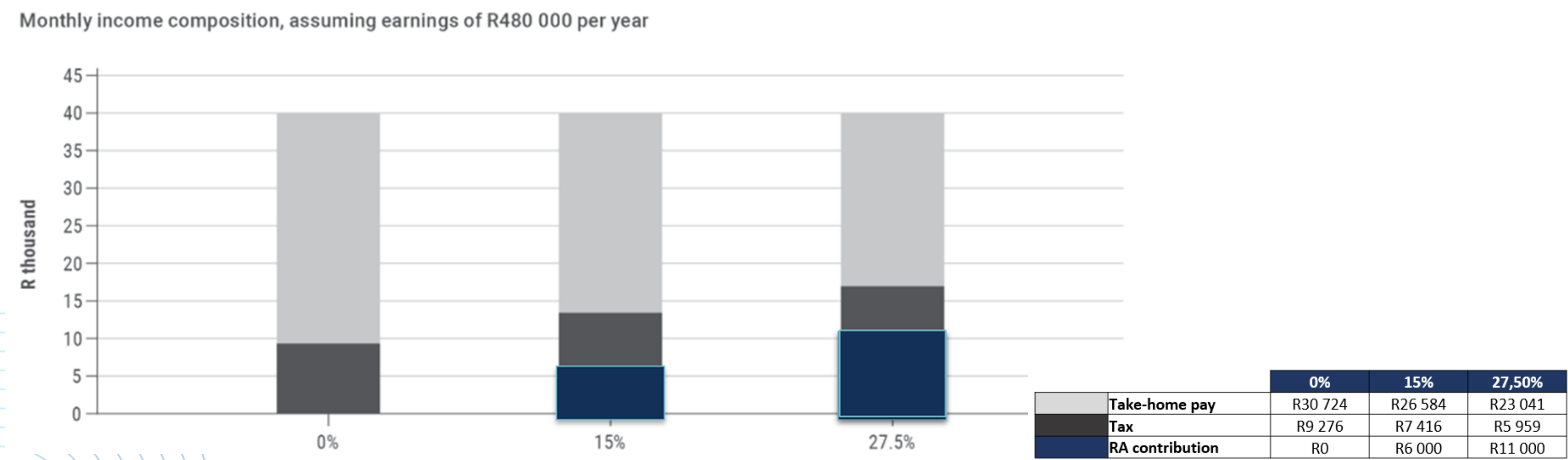
EXAMPLE

If you are currently paying tax at a rate of 45% and contribute R350 000 to your RA in the year of assessment, you effectively only contribute R192 500 (55%) of the R350 000, while SARS contributes the balance of R157 500 (45%).

Tax will be applicable when the funds eventually pay out at retirement, but due to the tax-exempt portion of the lump sum, as well as the tax rebates for individuals over 65 and 75, you may pay less tax at that time.

TAX BENEFITS OF MONTHLY CONTRIBUTIONS TO YOUR RETIREMENT ANNUITY

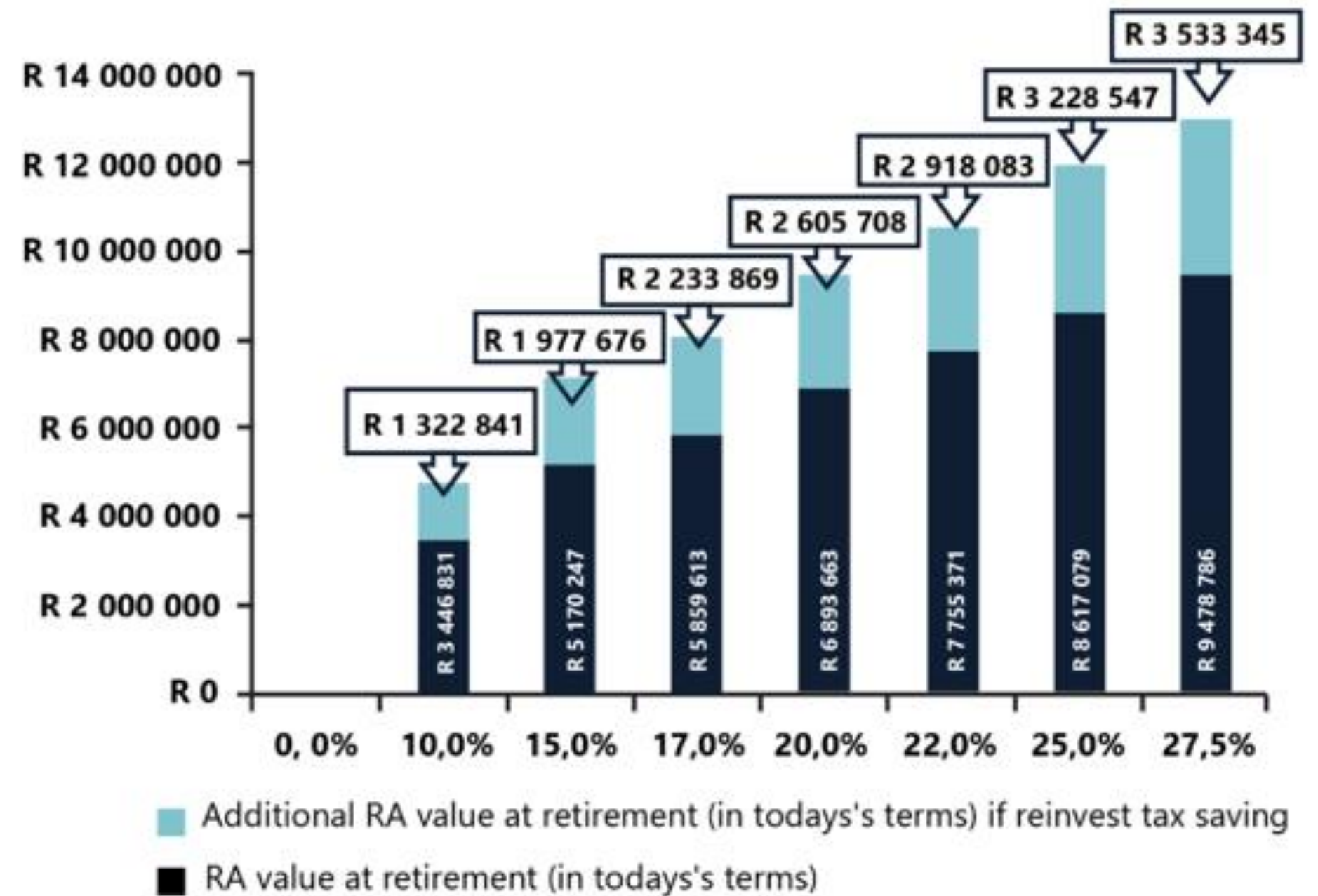
- Individual earning R480 000 per year making contributions to an RA at different levels.
- The graph shows that the amount of tax you pay decreases as your contribution increases: If the individual in the example contributes nothing to an RA, they pay 23% of their gross monthly salary in tax, which goes down to 19% when they make a 15% contribution, and to as low as 15% when they contribute 27.5% of their salary.



Note: These are simplistic calculations for illustration purposes only

RA value at retirement

Members can further boost their retirement savings by reinvesting the tax rebate received from SARS when they include their RA contributions in their tax returns.



Source: PPS Investments. For illustrative purposes only. Past performance is not indicative of future performance.

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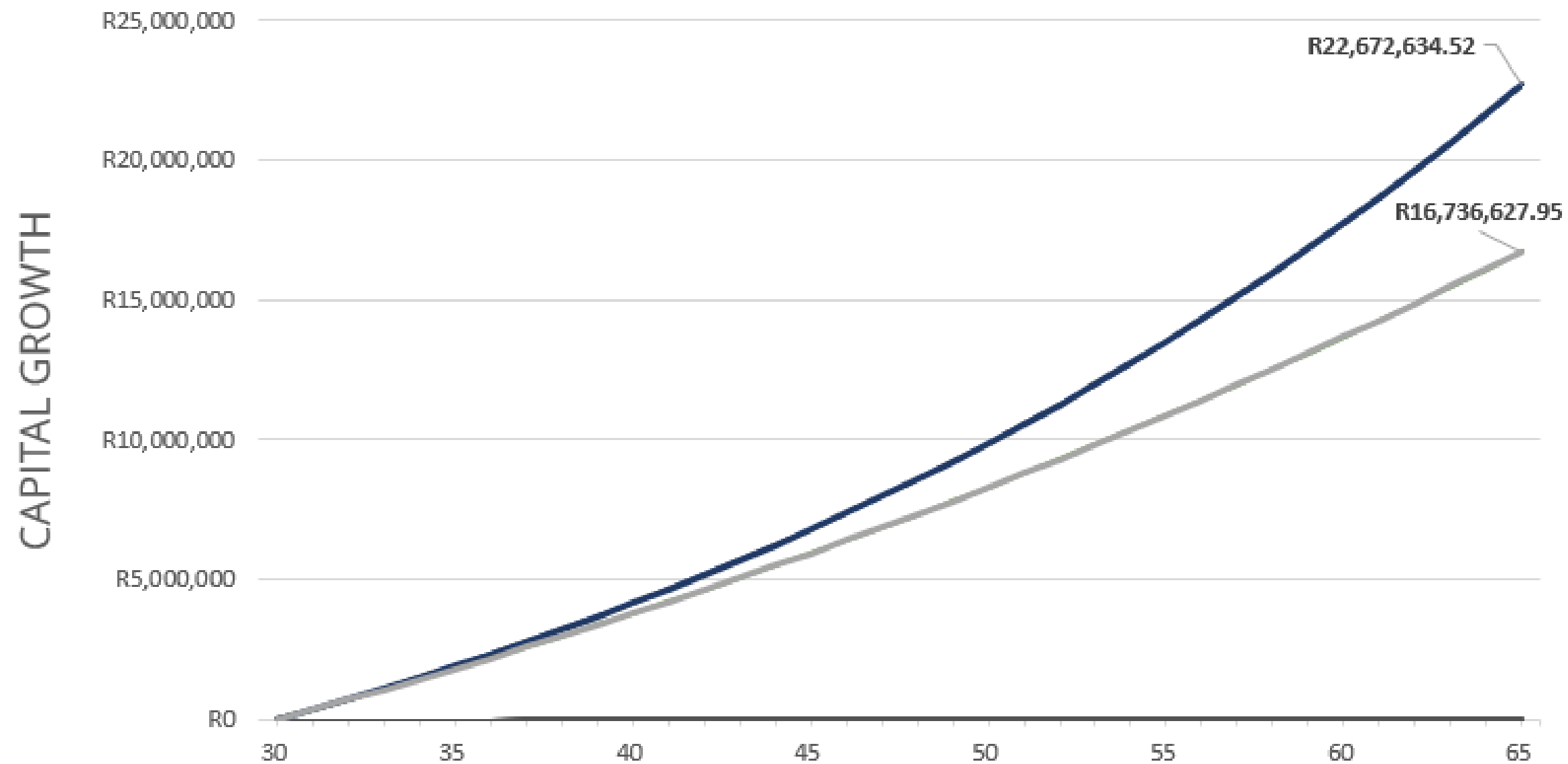
NO TAX DEDUCTED WITHIN THE INVESTMENT

YOU WILL BENEFIT FROM MORE COMPOUNDED GROWTH

- No income tax
- No capital gains tax
- No dividend withholding tax



TAX FREE COMPOUND GROWTH



Note: This is for illustration purposes only.

ASSUMPTIONS

- Growth rate: 8% p.a. (net of fees)
- Annual contributions of R350 000
- Starting age: 30
- Ending age: 65



TAX FREE SAVINGS ACCOUNT

ANNUAL CONTRIBUTION OF R36 000

R500 000 LIFETIME LIMIT

OVER CONTRIBUTIONS TAX AT 40%

MULTIPLE TFSA'S LEAD TO OVER CONTRIBUTING

LONG TERM, HIGH GROWTH SOLUTION

SUPPLEMENT POST RETIREMENT INCOME TO
IMPROVE TAX EFFICIENCY



Thank You

