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 OPTIMISING
 YOUR FINANCIAL
 PEACE OF MIND



FINANCIALLY FIT SERIES

TAX & YOUR RETIREMENT FUND

Did you know that you will have to pay tax on any money you take in cash when you leave the pension/provident fund?

If you're retrenched you qualify for a bigger tax-free lump sum benefit than if you resigned or were dismissed.

Taxable portion when you withdraw	Tax rate	Taxable portion of lump sum at retirement or retrenchment.	Tax rate
R0 – R25 000	0% of taxable income	R0 – R500 000	0% of taxable income
R25 001 – R660 000	18% of taxable income above R25 000	R500 001 – R700 000	18% of taxable income above R500 000
R660 001 – R990 000	R114 300+ 27% of taxable income above R660 000	R700 001 – R1 050 000	R36 000 plus 27% of taxable income over R700 000
R990 001+	R203 400+ 36% of taxable income above R990 000	R1 050 001 +	R130 500 plus 36% of taxable income over R1 050 000

REMEMBER: You can't take R25 000 tax-free every time you change jobs – this amount is a once in a lifetime allowance.

REMEMBER: If you use your full R500 000 tax free amount in a retrenchment package, no amount will be tax free when you retire.

CONTACT OPTIMATE FINANCIAL SOLUTIONS

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TAX WHEN YOU RETIRE

You have different options of what you can do with your retirement savings, depending on

whether you belong to a pension or provident fund.

Provident Fund	Pension Fund
You can use all your money to buy a pension. A pension will provide you with a regular income while in retirement.	You can use all your money to buy a pension. A pension will provide you with a regular income while in retirement.
You can take some or all in cash with the balance used to buy a pension. A pension will give you a regular income for your retirement. You'll have to pay tax on any lump sum you take above the tax free portion (see table below).	You can take up to one-third as cash. You'll have to pay tax on any lump sum you take above the tax free portion (see table below). You have to use the rest (two thirds) to buy a pension. A pension will give you a regular income for your retirement.

Taxable portion of lump sums at retirement	Tax Rate
R0 – R500 000	0% of taxable income
R500 001 – R700 000	18% of taxable income above R500 000
R700 001 – R1 050 000	R36 000 plus 27% of taxable income over R700 000
R1 050 001 +	R130 500 plus 36% of taxable income over R1 050 000
REMEMBER: You can only take R500 000 tax-free once in your lifetime. Any retirement benefits taken post October 2007 OR any withdrawal benefit taken post March 2009 will be added to the tax free portion previously taken.	

When making financial decisions it is always prudent to speak to an accredited financial adviser. Professional assistance in managing your financial affairs will provide substantial long-term benefits to both you and your family. A custom financial plan that focuses on your needs while optimising any tax advantages offered within the current legislative environment, is hugely valuable.

Optimate Financial Solutions is an independent financial advisor which has been appointed by the Altron Pension and Provident Funds to provide such

advice as well as Retirement Benefits Counselling services to the Funds' members.

As an independent financial advisor we are able to offer our clients the best financial products in the market that meet their specific needs. We consider the range of investment products offered by the big financial services companies and negotiate the best deal possible for our clients.

Contact our team of CERTIFIED FINANCIAL PLANNERS[®] to help you make the right decisions.

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