

## Who is The Preservation Pension Fund aimed at?

If you have resigned or have been retrenched from your employer and wish to transfer your retirement benefit tax free to a preservation fund, The Preservation Pension Fund is the product to consider.

## What is The Preservation Pension Fund?

This is a secure, tax-efficient investment vehicle that has access to various investment portfolios.

## What is the minimum investment amount?

R30 000 single premiums. No additional contributions are allowed.

## What are the features of The Preservation Pension Fund?

<b>Employer Participation</b>	Your employer must be, or before your last working day apply to be, a participant of this fund. There are currently no obligations on the employer once they have applied to participate on the fund.
<b>Governance</b>	This fund is registered and will be regulated in terms of the Pension Funds Act, the Income Tax Act and the Financial Advisory and Intermediary Services Act.
<b>Investment Term</b>	You must retire from this fund before age 70. Alternatively, the investment term ends when you withdraw the full investment or on your death.
<b>Withdrawal</b>	You may access the investment before age 55 by way of a one-off partial or full withdrawal as long as no amount was deducted when the investment was transferred to the fund. The current tax-free amount on a partial withdrawal is R1 800 for the tax year you are withdrawing in. If the investment exceeds the tax-free portion, it is subject to taxation unless you transfer it to another approved fund.
<b>Retirement</b>	At retirement you may: <ul style="list-style-type: none"> <li>• Make a maximum cash withdrawal of one-third of the value of the investment if it is not less than R75 000 (subject to taxation) and with the balance purchase an annuity; or</li> <li>• Purchase an annuity with the full amount of the investment tax free (the annuity payments you receive from the annuity are, however, subject to taxation)</li> </ul> If the investment exceeds the tax-free portion, it is subject to taxation unless you purchase an annuity.
<b>Security Cession</b>	Your policy may not be ceded as security for any debts.
<b>Transferability</b>	You may not transfer your policy by way of an outright cession.
<b>Contributions</b>	No regular monthly or annual contributions are permitted.
<b>Beneficiaries</b>	You can nominate beneficiaries of the policy and this nomination will assist the trustees of the fund in allocating the investment on your death. Investments exceeding the tax-free portion are subject to taxation. If your beneficiary purchases an annuity, the annuity becomes taxable in the hands of that beneficiary.

## What are your other tax liabilities?

Retirement funds are not subject to any income or capital gains tax.

## What investment portfolios are available?

You may select a maximum of five investment portfolios and switch from one investment portfolio to another. The Preservation Pension Fund can invest in any of the investment portfolios listed in the Investment Portfolio Selection for the Retirement Fund Products section in the Application Form (or on the website) by allocating 85% to any local portfolio(s) and 15% to any global portfolio(s) or 100% to any local portfolio(s). Global availability is dependent on legislation and capacity.

Your investment portfolio selection must comply with the investment limitations set out in Regulation 28 of the regulations issued under the Pension Funds Act 24 of 1956, as amended or substituted from time to time, as well as the exchange-control restrictions by the SA Reserve Bank, ie a maximum of 15% of the investment may be allocated to any global portfolio(s).

## Important Information

**Registration number:** 12/8/15227/2

**Tax approval code:** 18/20/4/011354

**Registered address:** Investment Solutions Office Park, 63 Wierda Road East, Wierda Valley, 2196

The rules, financial returns and actuarial valuation of the fund may be inspected at the registered address given above.