

IF YOU'RE A PROVIDENT FUND MEMBER, THIS IS HOW THE CHANGES TO THE TAXATION LAWS AFFECTS YOU

On 1 March 2021 the law changed with regard to provident funds in South Africa and provident fund members now are subject to the same regulations as pension fund members. This is what you need to know.

IF YOU WERE UNDER 55 ON 1 MARCH 2021



... and stay in the same job and provident fund until you retire

- You would have been able to take your savings plus interest as a cash lump sum before 1 March 2021.
- All contributions and investment growth after 1 March 2021 now go into a different pot.
- If the total in the new pot is more than R247 500, you will be able to take one-third as a lump sum while the rest will be used to pay you a monthly pension.

... and change jobs and provident funds at a later date

- Before 1 March 2021 you would have been able to take the total contributions that had been transferred to the new fund as well as the growth on it thereafter as a cash lump sum.
- All contributions made to your old fund after 1 March 2021 as well as new contributions in your new job will be subject to the new regulations. That means you will be able to take one-third as a lump sum while the rest has to be used to pay you a monthly pension.

IF YOU WERE 55 OR OLDER ON 1 MARCH 2021



... and stay in the same job and provident fund until you retire

- Nothing changes and you will be able to take the full amount (your savings plus investment growth) as a cash lump sum.

... and change jobs and provident funds at a later date

- You will be able to take your savings in your previous fund as a cash lump sum.
- You will be able to take one-third of the money in your new fund as cash and the remaining two-thirds will be used to pay you a monthly pension.



THE EXCEPTION TO THE RULE

If your retirement savings amounts to less than R247 500, you can take the full amount in cash. This applies in all instances.



HOW TO CONTACT SUPERFUND

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