



OLD MUTUAL SUPERFUND

INTERMEDIARY NEWSFLASH

Tax Laws Amendment Act

Dear Intermediary

In December 2020 we shared the [SuperFund Employer Newsletter](#) and [Member Newsflash](#) with you. These included information on the tax changes effective 1 March 2021 (Tax Laws Amendment Act) and some scenarios to illustrate how the changes could impact members. Since then, we have been speaking to our clients and have hosted webinars to help stakeholders understand the impacts and clarify some of the misconceptions around these changes.

We have highlighted some of the key changes with effect from 1 March 2021 here:

- If you are a Member of a **pension** fund, these changes do not impact you.
- If you are a Member of a **provident** fund, the way that your retirement benefit is paid will change. If your employment package includes an approved lump sum disability benefit, the way this is paid (if you became disabled) will also change.
- Retirement benefits from all types of retirement funds are now subject to annuitisation requirements. This means that when you retire, you can take a maximum amount of one-third of your retirement benefit in cash (plus your Provident Fund Cash Value, which is explained below). You will need to use the remaining balance of your benefit at retirement to buy an annuity. The same applies if you qualify for a lump sum disability benefit, as when this benefit is payable, you must retire from your fund.
- Your benefit on withdrawal (resignation, retrenchment, dismissal) will not change. You can still take the full amount of your withdrawal benefit in cash, should you so wish (although this is subject to tax and so may not be advisable).
- There are certain “vested” rights (your Provident Fund Cash Value) that apply to your provident fund retirement savings. These “vested” rights are different for over age 55 vs below age 55 categories.
- All transfers between retirement funds are now tax free.

If you missed our Webinar, [click here](#) for the information that we shared.

We have been getting many questions from you, our Intermediaries, Employers and Members. We have collated these questions and compiled Q&A documents specifically tailored for each group.

- [Q&A for Employers & Intermediaries](#)
- [Q&A for Provident Fund Members](#)
- [Q&A for Pension Fund Members](#)

“Provident Fund Cash Value”

The **Provident Fund Cash Value** is the “vested” amount that you will still be able to take as a cash lump sum when retiring. (You are also able to take up to one-third of the rest of your benefit as cash at retirement). As a SuperFund member you can track your Provident Fund Cash Value at any point by accessing your Statement of Member Benefits either via the Member Web or our Old Mutual WhatsApp Service.

Log onto Old Mutual Secure Services
<https://secure.oldmutual.co.za>



You will find your Statement of Member Benefits under Documents/Quotations/Member Benefit Quotation.

Save the Old Mutual WhatsApp number
0860 933 333 to your phone as a contact.

Then simply type the word 'Hi' in WhatsApp and choose item 4 to get your retirement fund information.



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