



KBW Wealth

Pure advice...Pure Investment

E-Newsletter

Time to take up or Top Up your Retirement Annuity Fund



NEWS INSIDE THIS ISSUE:

Time to save and invest...

Time to take up or Top Up your Retirement Annuity Fund ('RA')

It is that time of the year when there is a greater awareness on Retirement Annuity ('RA') funds and their benefits. Savings for retirement is important for all South Africans and statistics shows we don't do enough of it. However, there is some good news for taxpayers with the current tax year coming to an end on the 29th February 2020, it's to put spare cash into your 'RA'.

An 'RA' is a retirement fund in terms of both the Pensions Fund Act and the Income Tax Act. Any person can join the fund and make both lump sum and monthly contributions towards their retirement benefit. One can retire at 55 or later and take a third in cash and two thirds as an annuity when you retire.

Compelling benefits of having an 'RA' are:

- The tax refund on an 'RA', in addition to the returns, makes it an attractive investment opportunity as market returns has no tax liability
- Your contributions to pension, provident and an 'RA' is deductible but limited to the lower of R350 000 or 27.5% of taxable income.
- An 'RA' is in your name even when offered by employers which allows you to change employers but keep the same annuity in place
- Contributions can be lumpsum or monthly depending on your preference
- Your money in a retirement annuity is protected from creditors
- Your savings in your 'RA' does not form part of your estate upon your death and therefore no estate duties are applicable
- 'RA' savings forms part of your money you can move abroad if you apply for financial emigration



Remember, anyone can be a savvy investor with the help of a trusted financial planner. If you do not have one and want to benefit from starting your 'RA' today, please contact KBWealth at:

Yunus on 082 620 2120 or email Yunus@kbwealth.co.za
Reaz on 082 450 2023 or email Reaz@KBwealth.co.za
Nassir on 060 673 0792 or email Nassir@kbwealth.co.za

"Saving requires us to not get things now so that we can get bigger ones later." — Jean Chatzky