



TAX EFFICIENT PRODUCTS

TAX FREE SAVINGS ACCOUNT



○ No tax on the capital growth !

○ No tax on the interest !

○ No tax on the dividends !



Consider to top up your investment before end February 2024.

R 36 000 per annum
R 500 000 in your lifetime

If you invest for your child when they are born and you allocate the full value each year, you will reach their lifetime limit at about age 12. At a 9% per annum growth rate, your child could have:

1 Can I access my funds?

Yes.
Just note that funds withdrawn from your investment can't be added back to the investment. Once you add this, it will count towards your allowance. Thus, if you've contributed R36 000 this year and withdraw R 10 000, you will be taxed @ 40% if you reinvest the R 10 000. You may however invest the R 10 000 again in the new tax year.

2 Can I invest in anything?

In most instances, yes. If you invest on a LISP, a list of unit trust funds specifically designed for tax free savings products are available. These unit trust funds will range from money market funds to global equity funds. Therefore you can be exposed to a large array of asset classes in a tax free savings product.



R 1 554 000 when they turn 18



R 4 372 000 when they turn 30



R 87 000 000 when they turn 65

Be careful of the tax penalty if you contribute more than allowed!

RETIREMENT ANNUITIES

TAX MAY APPLY WHEN ACCESSING YOUR CAPITAL

May access the fund if value is below R 15 000

May access the fund when client becomes disabled (certain criteria apply)

May access the funds if client becomes a non-resident

May access the funds if you wish to retire from age 55.

When a client turns 55, they will have the option to 'retire' from the product. Should they wish to transfer the full value to a living annuity or life annuity product, such a transfer will take place TAX FREE.

REGULATION 28

Only 75% of the portfolios's underlying assets may be exposed to growth assets such as equities.
Only 45% of the assets may be invested in offshore assets.

Contributions are tax deductible

If you earned R 400 000 for the year in income and contributed R 50 000 towards an RA, you will be taxed on R 350 000. Thus your income tax liability is reduced. Note that this benefit is capped at 27,5% or R350 000 per annum.

No tax applicable within the product

- No capital gains tax applicable within the product
- No tax on the interest earned within the product
- No tax on the dividends earned within the product

✓ Ideal for saving for retirement

✓ Can nominate beneficiaries

