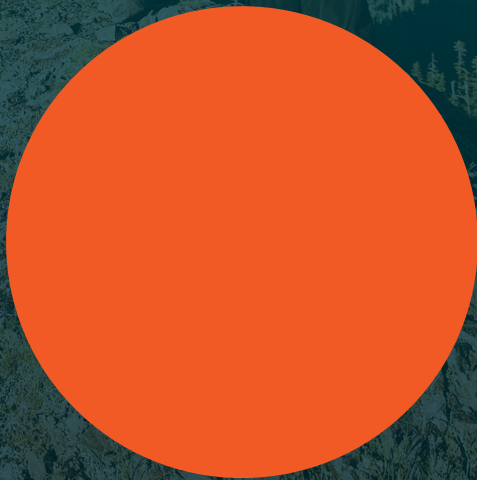




# The AFRIS Preservation Pension Fund



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# The AFRIS Preservation Pension Fund



## What is it?

A secure, tax-efficient preservation vehicle that provides access to a variety of investment portfolios priced similar to pricing levels paid by employer funds.



## Who is it aimed at?

Eligible members who want to preserve their fund benefit by transferring it from another pension or provident fund, tax free.



## What are the tax benefits?

There is no income or capital gains tax on the investments in the fund.



## Which portfolios can you invest in?

- You can choose a **maximum of five investment portfolios** to invest in.
- You can also switch between portfolios from time to time.
- 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 well as the exchange control restrictions by the South African Reserve Bank.



## What is the minimum investment?

R30 000 or more is accepted as a tax-free transfer from another fund.

# What are the features?



## Governance

This fund is registered and will be regulated in terms of the:

- Pension Funds Act
- Income Tax Act
- Financial Advisory and Intermediary Services Act

## Investment choice

- You choose from a variety of investment portfolios to preserve your transfer amount.
- You can align your choice of investment portfolios to your personal financial goals and risk appetite.

## Withdrawal

- Once-off full or partial lump sum withdrawal before age 55.
- Lump sum payment will be taxed.

## Retirement

**At retirement:**

**If you transferred a pension fund benefit to the Preservation Pension fund, you can:**

- You can withdraw up to one-third of the value of your benefit as a lump sum and use the remaining balance to buy an annuity.
- You can buy an annuity with your full benefit.
- If the part of the benefit taken as a lump sum exceeds the tax free legislated amount, it will be taxed.

**If you transferred a provident fund benefit to the Preservation Pension fund, you can:**

- Buy an annuity using your full fund credit. Regular payments from the annuity will be taxed.

**Take in cash:**

- your full fund credit before 1 March 2021.
- up to one-third of your fund credit after 1 March 2021.

## Death

- You can nominate beneficiaries to receive your benefit in the event of your death.
- This assists trustees to allocate your death benefit, following their investigation to determine dependency in terms of Section 37C of the Pension Funds Act.
- Lump sum benefits above the legislated tax-free portion are taxed.
- If the beneficiary buys an annuity, the regular payment from the annuity will be taxed.

## Security cession

You can't transfer this policy as security for any debts.

## Outright cession

The policy can't be transferred by way of an outright cession.

## Contributions

No regular or ad hoc contributions are allowed.

# Are there any fees?



## Advice fees

- We'll deduct the advice fee you have agreed with your financial adviser.
- We'll pay your financial adviser this fee every month.
- Initial advice fees are limited to a maximum of 2.5% + VAT
- Ongoing advice fees are limited to a maximum of 0.75% +VAT

## Administration fees

**AFRIS administration fee (including VAT), based on percentage of assets under administration each year:**

- 0.388% on the first R1 000 000
- 0.216% on the next R1 500 000
- 0.173% on the next R5 000 000
- 0.108% on amount above R7.5m

## Notes

### Performance fees payable to investment managers:

- Investment managers may in some cases share in a percentage of returns generated by out-performance of their benchmarks.
- Performance fees are levied against the relevant portfolios over and above the yearly fees.

### Fees paid to Alexander Forbes Individual Client Administration:

- Alexander Forbes Individual Client Administration Proprietary Limited is the sponsor and administrator of The Preservation Pension Fund and earns fees in respect of administration services provided to the fund.

### Yearly policy fees applicable to life portfolios:

- This fee covers the cost of the underlying investment managers making up the portfolio.
- You can get more information about the cost of the policy fee on the fund fact sheets.

## Important information

**Registration number:** 12/8/15227/1

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

**Registered address:** Alexforbes, 115 West Street, Sandown

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

Alexander Forbes Individual Client Administration (Pty) Ltd administers the fund and is a licensed financial services provider (FSP 32494 and registration number 2007/015632/07).

While care has been taken to present correct information, Alexforbes and its directors, officers and employees take no responsibility for any actions taken based on this information, all of which require financial advice.

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