



# The AFRIS Retirement Annuity Fund



**alexforbes**

[alexforbes.com](https://alexforbes.com)



# The AFRIS Retirement Annuity Fund

## About this investment

Glacier Financial Solutions (Pty) Ltd (Glacier) is a licensed financial services provider authorised to act as an administrative FSP. Glacier will administer this investment through their Glacier Partners: Alexforbes division. We provide the investment platform and execute your instructions. You select the underlying investments and instruct us when and how to adjust your investment.

Your Alexforbes appointed financial adviser will provide you with advice and help you manage your investment to make sure that you stay on track with your goals.



### What is it?

This is a secure, tax-efficient investment vehicle that has access to a variety of investment portfolios priced similar to pricing levels paid by employer funds.



### Choosing a portfolio

- 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.



### Who is it aimed at?

Eligible individuals who:

- have not yet made provision for retirement and would like to start
- want to supplement their retirement funding with maximum tax efficiency



### What is the minimum investment?

You can invest a minimum of **R500** each month and/or **R30 000** as a lump sum.



### What are the tax benefits?

There is no income or capital gains tax.

# What are the features?



## Investment choice

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

## Death

- Nominate beneficiaries who'll receive your benefit should you die.
- 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 tax-free portion are taxed.
- If the beneficiary buys an annuity, the regular payment from the annuity will be taxed.

## 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

## Retirement

At retirement:

- 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 withdraw the full value of your benefit as a lump sum if the value of your benefit is below the legislated minimum retirement benefit amount.
- You can buy an annuity with your full benefit.
- If the part of the benefit taken as a lump sum exceeds the legislated amount, it 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

- You can choose from a variety of contribution rate options.
- You can change your contribution rate from time to time.
- From 1 September 2024, one-third of your ongoing contributions will go into the savings pot and two-thirds into the retirement pot.
- The money you saved, as at 31 August 2024 will remain invested and continue to grow. This is called your vested pot.

## Withdrawal

- Formal emigration from South Africa.
- The total investment value of all your AFICA Retirement Annuity investment accounts is less than/equal to R15 000 and you're not contributing to the Fund anymore.
- Three years uninterrupted non-residency.
- Expiry of a temporary residence visa.

## Saving Component Withdrawal

- \*You can make one withdrawal per tax year (1 March to 28 February) from your savings pot. Minimum withdrawal amount of R2 000 are allowed.  
\*All cash take is subject to tax
- On 1 September 2024 10% to the maximum of R3000 of your vested pot (money you saved as at 31 August 2024 will be transferred to your savings pot. This is called seed capital.



# 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

The annual administration fee and the annual financial intermediary fee are deducted by repurchasing units from the investment.

### Investment management fees

- The managers of the investment options you select will charge a fee. These fees are set out in fund fact sheets.

### Value-added tax (VAT) payable on fees

- VAT is payable on fees where applicable.

## Important information

The Retirement Annuity Fund is registered with the Registrar of Pension Funds and approved by the Commissioner of South African Revenue Services.

**Registration number:** 12/8/16005/1

**Tax approval code:** 18/20/4/012633

**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.

Glacier Financial Solutions (Pty) Ltd administers the product and is a licensed financial service provider (FSP 770). A member of the Sanlam Group  
Reg No 1999/025360/07

This document is intended for use by clients, alongside their financial intermediaries.

The information in this document is provided for informative purposes only and should not be construed as the rendering of advice. Although we have taken reasonable steps to ensure the accuracy of the information, neither Sanlam, Alexforbes nor any of its subsidiaries accept any liability whatsoever for any direct, indirect or consequential loss arising from the use of or reliance in any manner on the information provided in this document.

The information in this document belongs to Alexander Forbes. You may not copy, distribute or modify any part of this document without our express written permission.



**alexforbes**

[alexforbes.com](https://alexforbes.com)