

# Alexforbes One

In-fund Preservation brochure



## Why keep your retirement savings invested in the fund?



**It's the simplest way to keep your retirement savings invested.**

**You also benefit from:**

1. Compounding investment returns (interest earned on interest), which can have a positive impact on the value of your retirement savings.
2. Low investment and administration fees.
3. Ongoing communication and reliable financial guidance.
4. Professional trustees managing the fund.
5. Free investment switches.
6. Data, airtime, holiday, wellness and grocery discounts through AF Rewards.

## When can I choose to keep my savings invested in the fund?



I've got a new job but I'm not sure what to do with my retirement savings yet.



I was retrenched and would prefer not to use my retirement savings unless I absolutely need to at a later date.



I resigned/was dismissed and have no employment plans as yet, but realise the importance of keeping my retirement savings invested for now.



I am leaving my employer but enjoy the benefits and communication I receive from the fund and would like to retain my membership.



I'm retiring from my employer and I have enough savings or future income to live on for now. I want to retire from the fund at a later date.



# Here are some of the questions members asked before choosing the In-Fund preservation option:



What is the In-Fund preservation option?



Who do I contact if I need more information?



What are my investment options?



What happens once I have chosen the In-Fund preservation option?

How much will the In-Fund preservation option cost me?



Do I need to get professional financial advice before making a decision?



## What is the In-Fund preservation option?

The In-Fund preservation option is a category of membership within the fund that is not linked to any employer and benefits from low costs, ongoing communication, access to savings tools, financial advice and good governance.

If you are unsure about what to do with your retirement savings when you change jobs or leave your employer, the In-Fund preservation option allows you to keep your retirement savings invested in the fund for as long as you require.

## What are my investment options?

You have two options when it comes to your investments:

### Option 1:

#### Keep your investment strategy

You can keep your retirement savings invested in a portfolio(s) or strategy that is the same or similar to the one that you were invested in while working.

**Just remember:** if you were invested in a portfolio that is not available within the in-fund solution, you will have to choose a revised portfolio option. To do this, you'll need to complete a switch form.

### Option 2:

#### Change your investment strategy

You can change your portfolio(s) at any time and at no cost by submitting a switch form.

**Just remember:** the new portfolio you choose may have a different ongoing investment fee.

- You can get a switch form by logging into AF Connect or from your human resources department.
- Investment fees are deducted from the unit price (the price which values your investment on a daily basis).

**Click here** to download the investment guide.



# How much will the In-Fund preservation option cost me?



An ongoing administration fee of 0.17% of your retirement savings in the fund each year. There's a minimum administration fee of R17.40 per member per month and a maximum of R290 per member per month, **excluding VAT**. There is also a governance levy of R3.26 per month.



An **investment** fee set as a percentage of your retirement savings each year. The fee is different for each portfolio.



There are no upfront administration, investment or advice fees charged by the fund. The only advice fee you will pay will be as agreed between you and your accredited financial adviser (if applicable).

## Do I need to get professional financial advice before making a decision?

It is not required, but we strongly recommend that you get financial advice before making any decisions about your retirement savings. Before making big financial choices that could affect your future, consult your financial adviser. If you don't have one, you can reach out to an Alexforbes licensed financial adviser through the My Money Matters Contact Center on 0860 000 381 or email: [mymoneymatters@alexforbes.com](mailto:mymoneymatters@alexforbes.com).

- > On your instructions the fund will pay the agreed advice fee from your benefit to the financial adviser, provided the financial adviser is registered and accredited by Alexforbes.

The maximum advice fees (excluding Vat) for financial advisers are:

- **Upfront advice fee:** 1% of assets
- **Annual advice fee:** 0.75% of assets a year

- > You and your appointed financial adviser will discuss and decide on a financial advice fee.
- > You'll need to assess the ongoing service and value provided by your adviser.



# What happens once I have chosen the In-Fund preservation option?

- Your retirement savings will be transferred to an In-Fund member category and will no longer be linked to your employer.
- Once you have received your paid up member certificate, login to AF Connect and complete your beneficiary **nomination forms**.
- Your money will be transferred with the same values in the savings, retirement and vested pot.
- You will have access to the money in your savings pot and if you withdraw money, you'll pay the same marginal tax that you pay on your salary.
- You can make one withdrawal from you savings pot within a tax year (1 March - 28 Feb).
- The minimum amount you can withdraw is R2 000.
- Your savings pot won't get topped up as you aren't making ongoing contributions.

## Before you withdraw

Withdrawals reduce the amount of cash available when you retire. You need to have cash available at retirement for emergencies and to increase your retirement income. You can get up to R550 000 tax free on cash you take when you retire.

[Click here for more Two-pot System information](#)

[Click here to register for AF Connect](#)



## The fund will:



### Communicate with you ...

You will receive a new member certificate as proof of your membership. The fund will communicate further through newsletters, annual trustee reports and yearly benefit statements. To enable the fund to communicate with you, you must keep your contact details updated.



### Give you access to AF Rewards.

**It's a big deal and there is something there for everyone. Here's what you get:**



#### Online shopping platform

Digital shopping mall for all members, get valuable savings and discounts on everyday products and services



#### Supermarket coupons

##### Shoprite, Checkers, Checkers Hyper and Pick n Pay

Save on day-to-day necessities with exclusive rand values from leading retail chains



#### Wellness coupons

##### Dischem

Stay healthy and save next when you shop for health and wellness products



#### Travel offers

##### RANDGO

Expert agents guiding you to find holiday and travel solutions



#### Discounted airtime

##### Vodacom, Virgin Mobile, Telkom Mobile, Cell C, MTN

Access to discounts on airtime and data from South Africa's leading providers



### Be flexible with you ...

To allow you to focus on other important things like you career, family, friends and holidays. The trustees review portfolios on an ongoing basis to measure their reliability for retirement savings.



### Allow you to withdraw your money at a later stage ...




Or leave it in the fund until you are ready to retire. If you choose to withdraw any portion of your benefit as a cash lump sum, the remaining balance must be transferred to another fund that is designed to preserve retirement benefits. Before making a decision, we encourage you to get advice from an accredited Alexforbes financial adviser so that you understand the cost and savings implications of your decisions.

## What happens if I'm ready to retire?



### You were in a provident fund ...

Depending on your age and choices you've made, you may have retirement savings in some or all of these pots. The table below illustrates which pots you have and what you can do with your retirement savings:

Your pots	Members aged 55 years or older on 1 March 2021 - and you <b>do not join</b> the two-pot system	Members aged 55 years or older on 1 March 2021 - and you choose to <b>join</b> the two-pot system	Members aged 55 or older on 1 March 2021 and have <b>changed funds</b>	Members younger than age 55 on 1 March 2021 you <b>will automatically join</b> the two-pot system	What <b>you can do with your pots of money</b> when you retire
 <p><b>Savings Pot - one-third</b> of your ongoing contributions made after 1 September 2024</p>	✗	✓	✓	✓	<ul style="list-style-type: none"> <li>Take all the money in cash or</li> <li>Use it to create an income for retirement.</li> </ul>
 <p><b>Retirement Pot - two-thirds</b> of your ongoing contributions made after 1 September 2024</p>	✗	✓	✓	✓	<ul style="list-style-type: none"> <li>You must use this money to set up your income for retirement.</li> <li>If the amount in your retirement pot, plus two-thirds of your <b>non-vested money</b> is less than R240 000 then you can take everything in cash.</li> </ul>
 <p><b>Vested Pot</b> - is the money saved <b>before</b> 1 March 2021</p>	✓	✓	✓	✓	<ul style="list-style-type: none"> <li>Use all or some of this money to buy an income for retirement.</li> <li>Take all the money in cash.</li> </ul>
<p><b>Non-vested money</b> is the money you saved between 1 March 2021 and 1 September 2024 or 1 March 2021 and the date you <b>changed funds</b></p>	✗	✗	✓	✓	<ul style="list-style-type: none"> <li>Use it to create an income for retirement.</li> <li>Take one-third of the money in cash.</li> </ul>


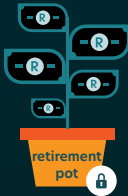

If you only start contributing to a provident fund after 1 September 2024 and have no other retirement savings, you will only have money in the retirement pot and savings pot.

You may take all the money in your savings pot in cash and use your retirement pot to set up an income for retirement.



## You were in a pension fund ...

The table below illustrates which pots you have and what you can do with your retirement savings:

Your pots	What you can do with your pots of money when you retire
 <p><b>Savings Pot - one-third</b> of your ongoing contributions made after 1 September 2024</p>	<ul style="list-style-type: none"> <li>You can take all the money in cash or</li> <li>Use it to create an income for retirement.</li> </ul>
 <p><b>Retirement Pot - two-thirds</b> of your ongoing contributions made after 1 September 2024</p>	<p>You must use this money <b>to set up a income at retirement.</b></p>
 <p><b>Vested Pot</b> - the money saved before 1 September 2024</p>	<ul style="list-style-type: none"> <li>You must use at least two thirds to buy an income for retirement</li> <li>If the amount in your retirement pot plus two-thirds of your vested pot is less than R240 000 then you can take this money in cash</li> <li>All cash taken is subject to tax.</li> </ul>

If you only start contributing to a pension fund after 1 September 2024 and have no other retirement savings, you will only have money in the retirement pot and savings pot.

You may take all the money in your savings pot in cash and use your retirement pot to set up an income for retirement.



## How do I access the In-Fund preservation option?

Follow these easy steps if you want to select the option to keep your money invested in the fund:



Fill out a withdrawal claim form, which you can collect from your human resources department or download it from **AF Connect** or... print from the fund's **website**



Hand your form in to your human resources department



Provide the administrator with your new or changed contact details to ensure that you continue receiving your statements and communication after leaving your employer.

There's no minimum amount of money you need to have in the fund to choose this option.



## Who do I contact if I need more information?



You can call 0860 100 333 or email **paidupmembers@alexforbes.com** for information on the in-fund solution.

OR



You can register on **AF Connect** - a practical online platform that gives you access to your benefit statements, investment portfolios and balances, investment product details, claims summary and status, and fund fact sheets.



### For any other queries, contact My Money Matters:

**Share call number:** 0860 000 381 • **Email address:** [mymoneymatters@alexforbes.com](mailto:mymoneymatters@alexforbes.com)

**Postal address:** PO Box 785451, Sandton, 2146



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