



Momentum Wealth

Retirement Preservation Option

It sounds so alluring, to use some of the money in your retirement fund before you retire. But be smart: If you take the money, you'll be taxed and you'll reduce the tax-free amount available at retirement considerably. Retirement money should be for retirement only. If you don't preserve your retirement money, you're back to square one. You lose not only the money, but also the time you've had, and the power of compounding – the magic of growth on the growth of your capital. Rather congratulate yourself for your perseverance up to now, and keep the money safely invested.

Making sure you have enough money for your retirement is part of your journey to success. We know 'enough' is unique for everyone – whether you plan to relax on the stoep, travel, start a new venture or have time with your grandchildren.

Singular personalisation on your journey to success

Our investment platform helps you build and protect your financial dreams on your journey to success, whether immediate or over the longer term.

With singular personalisation, we reimagined the idea of an investment platform where technology makes personal objectives and goals the centre of all investment experiences. By offering a world of choice to suit each person's investing needs, your financial adviser can guide you with sound financial planning and advice for your different financial goals.

Each person's investing journey to success is unique and personal.

With us, you can shape that journey in the most singular way.

How can the Retirement Preservation Option help you?

It helps you to keep your retirement savings on track. It's a specialised vehicle that can help you preserve your retirement benefits in a preservation fund when you leave your employer before your retirement date. You can choose from a wide range of investment solutions to suit your needs.

Is it for you?

- Yes, if you are resigning or have been dismissed or retrenched.
- Yes, if you want to preserve and grow your retirement money until retirement.

Features

- You have the option to choose from a wide range of local and global investment solutions.
- You can get tax-free growth.
- You can make one full or partial withdrawal of at least R2 000 from your savings component every tax year.
- You can get tax allowances when you retire and have not already used it elsewhere.

- Your money is safe from creditors.
- There could be estate duty benefits.

When is it not for you?

- If you don't have money that you saved up in a retirement fund like an approved pension or provident fund.

How does it work?

Who can invest?	Individuals who want to transfer pension fund, provident fund or preservation fund money.
Minimum amounts	<ul style="list-style-type: none"> ▪ A lump sum of R50 000. ▪ Certain investment solutions have other minimums.
Retirement age	Any date from age 55, or in special circumstances..
Which investment solutions can you choose?	<ul style="list-style-type: none"> ▪ Our flagship range of local and global unit trusts. ▪ Unit trusts and investment solutions from other investment managers. <p>Your financial adviser will help you choose the most suitable investment solutions.</p>
Can you invest more?	No. Any money from subsequent transfers from other retirement or preservation funds will go into a separate investment.
Can you make changes?	<ul style="list-style-type: none"> ▪ Yes, you can choose other investment solutions if your needs change. ▪ Yes, you can change your beneficiaries.
Can you withdraw money?	<ul style="list-style-type: none"> ▪ Pre-retirement transfer benefit You can make only one partial or full withdrawal from your vested component: non-vested benefit or vested component: vested benefit per source of funds before you retire if the benefit that you transferred into the preservation fund became payable to you before you reached the normal retirement age in your pension or provident fund. ▪ Savings component You can make one full or partial withdrawal of at least R2 000 from your savings component every tax year. <p>You will be taxed at your marginal tax rate if you make a withdrawal from your savings component before retirement.</p>
Can you borrow from your investment?	No.
Can you use it as security for a loan?	No.
Can you cancel?	Yes, subject to certain rules set out in the terms. You could get back less than what you have invested.
Can you transfer?	Yes, to another retirement fund.

<p>When you retire</p>	<p>According to the rules of the Momentum Wealth Pension Preservation Fund, you may have a retirement component, a savings component, a vested component: vested benefit and/or a vested component: non-vested benefit.</p> <p>At retirement you can take up to:</p> <ul style="list-style-type: none"> • 100% of your savings component as a lump sum. • 100% of your vested component: vested benefit as a lump sum. • one-third of your vested component: non vested benefit as a lump sum. <p>You must use the balance to purchase an annuity.</p> <p>If the combined value of two-thirds of your vested component: non-vested benefit and retirement component is less than the minimum prescribed amount at the time, you can take your vested component: non-vested benefit component as a lump sum at retirement.</p> <ul style="list-style-type: none"> • You must use 100% of your retirement component to purchase an annuity at retirement. <p>If the combined value of two-thirds of your vested component: non-vested benefit and retirement component is less than the minimum prescribed amount at the time, you can take your full retirement component as a lump sum at retirement.</p>
<p>When you die</p>	<p>Your dependants or beneficiaries gets the money, according to what legislation prescribes (section 37C of the Pension Funds Act).</p>

What does it cost?

- Most investments typically have the following fees:
 - An investment management fee for the management of the funds you choose.
 - An administration fee to cover the cost of administering your investment.
 - An adviser fee for the advice and services you get from your financial adviser.
- Once you apply for a Retirement Preservation Option, your quote will set out the fees.
- Each minimum disclosure document (fund fact sheet) sets out the investment management fee for that fund. Get the latest ones.

More advice and how to invest

Speak to your financial adviser who will help you choose suitable investment options and start your personal investment. If you don't have one, go to momentum.co.za

Contact us



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