

WHAT YOU NEED TO KNOW



Over the last few years government has been reviewing and changing the laws that govern the retirement fund industry. These reforms aim to ensure that you save enough for retirement and that your savings are protected. Certain changes that would have happened in **March 2015 are now effective on 1 March 2021**

Changes only apply to your retirement benefit under the provident fund.

- **Nothing changes when you withdraw (in other words if you resign or you are retrenched you can still take all your savings as a cash lump sum)**
- If you are 55 years or older on 1 March 2021, you will not be affected by any of these new rules - as long as you stay in the same provident fund.
- After 1 March, when you retire, (any time after age 55) the benefits from provident funds will have the same rules as pension funds.

If you are younger than **55 years on 1 March**, under the Provident Fund you will have 2 accounts:

Vested member share



Non-vested member share



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PICK WHICH CIRCLE APPLIES TO YOU

You are younger than **55 years on 1 March 2021** and you are saving in a provident.

You will have a **"Vested" Member Share** (vested rights)



A **"Non-Vested" Member Share** (non-vested rights)



- All your savings as at 28 February 2021 (plus interest thereon) will be in this portion.
- You may take this portion in cash when you retire.

- All your savings from 1 March 2021 (and interest thereon) will be in this portion.
- At retirement, if this portion is R247 500 or less, you may take this portion in cash when you retire.
- At retirement, if this portion is more than R247 500, you may only take one-third of this portion in cash and you must use the other two-thirds to buy a pension when you retire.

You are **55 years or older on 1 March 2021** and you are saving in a provident fund and you stay in the same fund until you retire.

You will have a **"Vested" Member Share** (vested rights)



- All your savings as at 28 February 2021 (plus interest thereon), and all your savings from 1 March 2021 (and interest thereon) will be in this portion.



- You may take all your savings in this portion, in cash when you retire.



You are **55 years or older on 1 March 2021** and you are saving in a provident fund and transfer to a new fund after 1 March 2021.

You will have a **"Vested" Member Share** (vested rights)



A **"Non-Vested" Member Share** (non-vested rights)



- All your savings as at date of transfer/ saved in the old fund (plus interest thereon) will be in this portion.
- You may take this portion in cash when you retire.

- All your savings after transfer to the new fund (and interest thereon) will be in this portion.
- At retirement, if this portion is R247 500 or less, you may take this portion in cash when you retire.
- At retirement, if this portion is more than R247 500, you may only take one-third of this portion in cash and you must use the other two-thirds to buy a pension when you retire.