



*Moving towards a better future **together***

Transport Sector Retirement Fund **Withdrawal Benefits**

Resignation, Retrenchment, Absconding, End of Contract or Dismissal

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Withdrawing from the Fund

When you leave the Fund you will receive your accumulated Fund savings (Fund Credit). From 1 September 2024 your Fund Credit is the total of the Vested, Savings and Retirement components.

When you leave the Fund, you must elect how the money from each component must be paid.

Paid-up members

If you neglect to make an election to have your benefit paid you will become a Paid-up member of the Fund. This means that your money will remain invested in the Fund and your Fund Credit will continue to grow until you decide to have the benefit paid.

What does it mean to be a Paid-up member?

- Your money will remain invested in the Fund (preserved in the Fund) until you choose to have the benefit paid to you;
- As a Paid-up member you will NOT make any contributions to the Fund;
- You will no longer be covered for death, disability or funeral benefits.

The advantages of becoming a Paid-up member are as follows:

- ✓ You will be taking advantage of favourable investment fees and will remain invested in the portfolio you were invested in before you left the company;
- ✓ You will have peace of mind that your savings are being looked after by a well governed fund with capable trustees;
- ✓ You will not have to pay commissions or up-front investment fees as would be the case if you moved the money to a preservation fund.

You will receive a Paid-up certificate annually from the Fund.

Make sure you keep the Fund informed of any contact detail changes.



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*Investing involves putting money into more risk tolerant assets with the potential for higher returns, while **saving** is limited to cash-only assets (more risk averse) with lower returns. Remaining invested in the Fund is a wise choice.*



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Payment of your Benefits

With the implementation of the Two-Pot system the following benefits will be paid when you leave the Fund before retirement. Members will need to make a decision on ALL three components as follows:

Vested Component	Savings Component	Retirement Component
Take part or full cash And/or Preserve in-fund And/or Transfer to another retirement fund with other components.	Take part or full cash, except if you've made a withdrawal from Savings component in the same tax year If the balance in the Savings pot is R2,000 or less, a further withdrawal will be allowed Preserve in-fund, but must transfer if part of the cash was taken from Vested component Transfer to another fund's Savings component.	Cannot take in cash before retirement Preserve in-fund And/or Must transfer to another retirement fund
Tax treatment per component:		
Vested component: Using withdrawal tax tables first R27 500 is tax free	Savings component: Via PAYE (Marginal rates)	Retirement component: A non-taxable event if transferred to another approved fund



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Members will receive **a benefit statement annually** that will show **how the money in the Fund is growing** and what their savings in the Fund (**Fund Credit**) amount to.

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What members of the Fund that were 55 years and older on 1 March 2021, should know

If you were a member of the Fund before 1 March 2021 and you were 55 years or older on 1 March 2021 (now 59 and older) and you remained a member of the Fund, your benefits are protected and means that whether you resign or retire after 1 September 2024 you will always receive all your benefits in cash. You are exempted from the Two-Pot system and will only have a Vested component. Your contributions to the Fund after 1 September 2024 will continue to be invested in your Vested component.

If you do however want to Opt-in to Two-Pot you may do so before 31 August 2025. Thereafter you cannot Opt-in to Two-Pot.

If you decide to Opt-in to the Two-Pot system you will receive the benefits as listed in the above table when you leave the Fund before retirement age.

Important to note: Once you Opt-in to Two-Pot your decision is irrevocable and cannot be changed.

Only one Savings withdrawal is allowed per tax year - what are the implications when you also resign in the same tax year?

As only one withdrawal is allowed per tax year from your Savings component you should consider the balance in your Savings component before you decide to resign. If you have already made a withdrawal from your Savings component in a tax year and you resign in the same year you will only be able to take amounts that are lower than R2000 in cash. You may therefore consider resigning in the new tax year in order to be able to take the full Savings component in cash when you resign.

If you are planning to resign, refrain from making a savings withdrawal in the same year.

Please note:

If you are busy with a divorce you will not be able to make a Savings Component withdrawal.

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Tax on benefits taken in cash

Withdrawal benefits taken in cash are taxed according to the following table:

Lump sum withdrawal benefit	Tax liability
R0 to R27 500	Tax free
R27 501 to R726 000	18% of the amount above R27 500
R726 001 to R1 089 000	R125 730 + 27% of the amount above R726 000
R1 089 001 and above	R223 740 + 36% of the amount above R1 089 000

Make sure you are a registered taxpayer and have a valid tax number before you leave the Fund.

It is very important to note:

The tax-free threshold of R27 500 and tax table are cumulative and apply to the total amount of your withdrawals from funds in your lifetime. In addition, the tax concessions granted on early withdrawal (resignation) will reduce the tax concessions at retirement. Tax rates and limits can change at any time, so make sure you get up to date information on the effect of tax on your benefits before you make any decisions. Therefore, if you elect to take your resignation benefit in cash, not only do you severely prejudice your future retirement savings, but you also significantly reduce the tax concessions that you will receive at retirement.

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*Tax rates and limits can change at any time, so make sure you get **up to date** information on the **effect of tax on your benefits** before you make any decisions.*



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Other deductions that may be made from the withdrawal benefit:

1. **Home loans** granted or secured by the Fund.
2. **Arrear tax** owed to SARS.
3. **Employer losses** (theft, fraud and dishonesty) (37D deduction).
4. **Maintenance orders** in relation to arrear maintenance.
5. **Divorce orders** where the fund is ordered to make a payment to your ex-spouse.

Note on Retrenchment:

If members are retrenched (voluntarily) and they are younger than 55 years - the exit is seen as a withdrawal from the Fund and is paid as a resignation benefit. **The Tax-free amount is only R 27 500.**

Members who are involuntarily retrenched are taxed as a retirement and the first R550 000 taken in cash is tax free.

If the member is older than 55 years - the exit can be seen as a retirement from the Fund and the member must elect how the benefit must be paid. **If the member elects to take the benefit in cash the benefit will be taxed and the first R 550 000 is tax free.**



Register on the TSRF online portal

Members will receive a **benefit statement annually** that will show **how the money in the Fund is growing** and what their **savings** in the Fund (**Fund Credit**) amount to. Members may also **register** on the **Benefit Counselling Tool, TSRF online portal**. To register:



WhatsApp “Hi”to: 087 240 7006

It is recommended that you read the **Fund’s Member Guide** for **more information** and to **see how to claim your benefit**:
[Click here](#) to read the **Fund’s Member Guide**

Contact details for the Fund



087 405 6377 Member enquiries

087 405 6376 Two-Pot System enquiries



Email: members@tsrf.salteb.co.za



Web: www.tsrf.co.za

Fund no: 12/8/37811

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