

## Momentum Wealth **Retirement Preservation Option**

It sounds so alluring, to use the money in your retirement fund when you change jobs. 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.

## With us, investing is personal

When it's personal, it really matters – you give it your best to make sure you are successful.

We understand everyone is different and to you, your investment isn't just another investment. You don't invest for the sake of investing. You invest to make your dreams and aspirations come to life.

With us, investing is personal. From how our experts push the boundaries to create innovative and tailored solutions that can help you achieve your goals on your investment journey, to how we act as the guardians of your legacy, it's personal.

It's your personal investment, with the unstoppable force of momentum.

### How can the Retirement Preservation Option help you?

It helps you to keep your retirement savings on track. It's a specialised vehicle designed to help you preserve your retirement benefits in a provident preservation or pension 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 savings until retirement.

### Features

- You have to option to choose from a wide range of local and offshore investment solutions.
- You can get tax-free growth.
- 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?

<b>Who can invest?</b>	Individuals who want to transfer pension fund, provident fund or preservation fund money.
<b>Minimum amount</b>	<ul style="list-style-type: none"> <li>▪ A lump sum of R50 000.</li> <li>▪ Certain investment solutions have other minimums.</li> </ul>
<b>Retirement age</b>	Any date from age 55, or in special circumstances.
<b>Which investment solutions can I choose?</b>	<ul style="list-style-type: none"> <li>▪ Our flagship range of local and offshore unit trusts.</li> <li>▪ Other investment solutions managed by Momentum Investment Consulting, Momentum Outcome-based Solutions, Momentum Asset Management and Momentum Securities.</li> <li>▪ Unit trusts and investment solutions from other investment managers.</li> </ul> <p>Your financial adviser will help you choose the most suitable investment solutions.</p>
<b>Can you invest more?</b>	No. Any money from subsequent transfers from other retirement or preservation funds will go into a separate investment.
<b>Can you make changes?</b>	Yes, you can change your investment solutions if your needs change.
<b>Can you withdraw?</b>	You can withdraw a portion of it once before age 55, but you'll pay tax. Also in special circumstances, for example, if you emigrate or become disabled.
<b>Can you borrow from your investment?</b>	No.
<b>Can you use it as security for a loan?</b>	No.
<b>Can you cancel?</b>	Yes, subject to certain rules set out in the terms. You could get back less than what you have invested.
<b>Can you transfer?</b>	Yes, to another approved retirement fund.
<b>When you retire</b>	<p>You may have vested and/or non-vested benefits.</p> <ul style="list-style-type: none"> <li>▪ You can take up to 100% of your vested benefit as a lump sum when you retire. You must use the balance, if any, to purchase an annuity.</li> <li>▪ You can take up to one-third of your non-vested benefit as a lump sum when you retire. You must use the balance to purchase an annuity. If your total non-vested benefit is less than the minimum prescribed amount at the time, you can take your full non-vested benefit as a lump sum.</li> </ul>
<b>When you die</b>	Your dependants or beneficiaries gets the money, according to what legislation prescribes (section 37C of the Pension Funds Act).

## 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.

### Unlock more value

If you are a member of Momentum's wellness programme, Multiply, you will get points for having investment products with us.

## 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](http://momentum.co.za).

## Contact details

**Momentum Wealth ShareCall number:**

0860 546 533

**Telephone:** +27 (0)12 675 3000

**Email:** [wealthservice@momentum.co.za](mailto:wealthservice@momentum.co.za)

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