



# PPS RETIREMENT ANNUITY

## (Offered by PPS Investments)

The PPS Retirement Annuity offers a tax-efficient and cost-effective retirement savings solution, structured from your selection of underlying unit trusts.

The PPS Retirement Annuity is particularly suitable if you are self-employed, have irregular earning patterns or wish to supplement contributions to your corporate retirement plan, as you are able to stop, reduce and resume your retirement annuity (RA) contributions at any time without penalty. The tax deductibility of your investment contributions and a zero tax rate within the PPS Retirement Annuity are significant benefits, with the potential to ultimately enhance your overall level of retirement capital.

### KEY BENEFITS

#### Minimum investment

Lump sum: R10 000

Recurring: R500 per month\*

Ad hoc: R5 000

\* The minimum recurring debit order amount if you are under the age of 30 is R200 per month, which should be escalated to the normal minimum of R500 per month after your 30th birthday.

#### Investment Options

You have access to a selection of premium single manager unit trusts as well as the multi-managed unit trusts and funds of funds managed by PPS Multi-Managers.

#### Transfers

Subject to Fund rules, you may transfer your existing retirement annuity fund to the PPS Retirement Annuity by means of a Section 14 transfer. The rules of the PPS Retirement Annuity also allow you to transfer your investment from this Fund to another registered retirement annuity, should you wish to do so.

#### Access to your money

You may retire from the PPS Retirement Annuity at any stage after your 55th birthday but you may retire sooner if you are permanently disabled due to injury or illness or if the value of your investment is less than R7 000.

Upon retiring, you may withdraw one third of your capital (of which the first R500 000 will be tax-free), and use the remaining two thirds of the capital to purchase post-retirement income from a registered insurer.

If the total retirement benefit in the Fund is R247 500 or less, you may commute the total capital as a lump sum benefit.

#### Switching

You may change your selection of underlying unit trusts as often as you choose without incurring a transaction fee. However, should an asset manager charge an initial up front fee for investment into its unit trusts, this fee would be applied should you switch to those unit trusts.

#### Cessions

A PPS Retirement Annuity may not be ceded outright or partially, nor may it be used as security for debt.

#### Loans

You may not borrow from your PPS Retirement Annuity.

#### Tax

Amounts contributed to pension funds, provident funds and retirement annuity funds during a tax year are deductible by members of those funds. The deduction is limited to 27.5% of the greater of remuneration for PAYE purposes or taxable income (both excluding retirement fund and severance benefits). Furthermore, the deduction is limited to a maximum of R350 000. Any contributions exceeding the limitations are carried forward to the next tax year and are deemed to be contributed in that following year. Any unclaimed contributions may also reduce the taxable amount of a lump sum taken at withdrawal, retirement or death, and will reduce the taxable amount of the annuity income upon retirement.

As further tax incentives, the growth on your PPS Retirement Annuity does not attract capital gains tax or withholding tax on dividends. Interest, foreign dividends and rental income are also currently untaxed.

#### Regulation 28 compliance

The PPS Retirement Annuity is required to comply with the Prudential Investment Guidelines of Regulation 28 of the Pension Funds Act and with Exchange Control legislation. As such, you are allowed maximum exposures of 75% of the investment amount to equity investments, 25% to property investments, 30% to international investments and 10% to African investments. This is applied on an individual member level as well as on an overall Fund level.

#### Board of Trustees

The PPS Retirement Annuity is governed by a largely independent Board of Trustees with extensive experience and understanding of retirement fund issues. The Board comprises a Chairman, a professional Principal Officer and several Trustees.

## Death benefits

Should you die before you retire, the proceeds of your PPS Retirement Annuity will be distributed to your dependants or beneficiaries\*, who may elect to take the full benefit or a portion as a lump sum and commute the remainder to a living annuity.

\* Please note that the allocation to the beneficiaries is at the discretion of the Trustees, based on the Provision of section 37C of the Pension Funds Act, No. 24 of 1956. Your nomination will serve to assist the Trustees in making these decisions, but may not be binding on them.

## DO YOU WANT MORE INFORMATION?

Visit [www.ppsinvestments.co.za](http://www.ppsinvestments.co.za) or contact your PPS Investments accredited financial adviser.

Alternatively, the PPS Investments Client Service Centre is available at [clientservices@ppsinvestments.co.za](mailto:clientservices@ppsinvestments.co.za) or on 0860 468 777 (0860 INV PPS), Mondays to Fridays from 08:00 to 17:00.

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