



**NEDGROUP**  
INVESTMENTS

## Frequently Asked Questions

What are the rules for contributions  
**into and transfers between pots?**

see money differently



1.

## **Can I make an additional investment into the retirement pot only?**

No. Members will be allowed to make additional investments, however, they cannot direct funds to a specific pot only. One-third will always be allocated to the savings pot and two-thirds will always be allocated to the retirement pot. Both pots are invested in the same way.

2.

## **If I withdraw from my savings pot before retirement, will I still be able to access R550 000 tax-free at retirement?**

Tax on retirement fund lump sum benefits are accumulative and therefore affect your tax-free portion when you get to retirement. However, savings pot withdrawals are taxed under a different system as it is seen as taxable income. When you withdraw from your savings pot you pay tax at your marginal tax rate. It, therefore, does not form part of the R550 000 tax-free exemption you are entitled to at retirement.

3.

## How will transfers work?

### Inter-fund transfers (between funds)

Should a member choose to make an inter-fund transfer, all components will need to be transferred to the transferee fund (i.e. the member is not able to transfer only one component while leaving the other components behind).

The below inter-fund transfers will be permissible as tax-free transfers (provided that the transfer is a transfer of all relevant components):

- From the transferor fund's "saving component" to the transferee fund's "saving component"
- From the transferor fund's "saving component" to the transferee fund's "retirement component"
- From the transferor fund's "vested component" to the transferee fund's "vested component"
- From the transferor fund's "vested component" to the transferee fund's "retirement component"
- From the transferor fund's "retirement component" to the transferee fund's "retirement component"

### Intra-fund transfers (within the same fund)

Transfers can be made at any time:

- From the "savings component" to the "retirement component"
- From the "vested component" to the "retirement component"

4.

## What happens to funds in the pots when a member dies?

On the death of the member, their beneficiaries will be able to access the benefits in all three pots as either a cash lump sum retirement benefit, a compulsory annuity, or a combination of both.





**We are here to support you through this transition, please visit [nedgroupinvestments.com](https://nedgroupinvestments.com) to learn more about retirement planning.**

Nedgroup Collective Investments (RF) Proprietary Limited is an authorised Collective Investment Scheme Manger in terms of the Collective Investment Schemes Control Act 45 of 2002.

Any information herein is not intended, nor does it constitute financial or other advice. T & Cs apply.