

# OLD MUTUAL SUPERFUND

MEMBER EDUCATIONAL NEWSFLASH – ISSUE 6



## KEEPING YOUR FINANCES ON TRACK THROUGH YOUR GOLDEN YEARS!

According to Statistics SA, there was an overall increase in Life expectancy between 2002 and 2016, from 55.2 to 62.4 years. To put it simply; people are living longer than they did a generation ago. Not only are we living longer, we are staying fit and healthy as well! And while this can be a gift, it does pose some risks when it comes to saving enough for your golden years.

### SO, AS A MEMBER OF OLD MUTUAL SUPERFUND, HOW DO YOU PREPARE FOR A LONGER RETIREMENT?

#### MAKE ADDITIONAL VOLUNTARY CONTRIBUTIONS TO THE OLD MUTUAL SUPERFUND

This could be either a monthly contribution or a lump-sum contribution. Simply contact your HR department to find out how.

We know that increasing your contribution rate isn't easy, especially when times are tight. But even a small change can make a big difference. For example, **try to increase your retirement contribution by 0.5% each year.** It won't hurt your pocket too much, but over time it will add up and put a big smile on your face in future!

#### LET SARS HELP YOU PAY FOR RETIREMENT:

**Members of pension, provident and retirement annuity funds now qualify for a contribution deduction of 27.5% of the greater of their taxable income or the total remuneration received from employment. This means the more you save, the less income tax you pay.**

#### CONSULT WITH YOUR FINANCIAL ADVISER

The importance of staying informed about your future finances cannot be stressed enough. You need to know if you will have enough money to retire comfortably and how long this money will last you.

Contact your accredited Financial Adviser or call our support line on **0860 38 88 73** who can provide you with the contact details for accredited Financial Advisers.

#### CONSIDER POSTPONING YOUR RETIREMENT

If you only use your retirement savings at a later stage, there are a lot of advantages:

- Your retirement **savings will have more time to grow.**
- You gain from the power of compounding because the longer your savings remain invested you will earn **interest on interest.**
- You increase the amount you will receive as a pension because of the growth on your investment.
- Your **investment will still be managed by experts.**

The **Old Mutual SuperFund Deferred Retirement solution** allows you to continue your Old Mutual SuperFund Membership after you retire from your employer. You receive the benefit of compound growth on your retirement savings while you decide on a more appropriate time to access your retirement benefit. What's more, you enjoy investment choice and excellent service at a good price.

For more information, [click here.](#)

#### ALWAYS CHOOSE TO PRESERVE

Decision-making when you resign, are retrenched or dismissed prior to retirement can be daunting. You have certain options as to what you can do with your retirement savings from your Retirement Fund. You should do your utmost to reinvest your retirement savings.

#### TWO BASIC CHOICES

##### TRANSFER TO AN APPROVED RETIREMENT FUND

You can reinvest your retirement benefit by transferring the entire benefit, **tax-free**, to another approved retirement fund such as:

1. A preservation fund
2. A retirement annuity fund
3. Your new employer's fund

OR

##### CASH LUMP SUM

You can choose to receive your entire withdrawal benefit as a **taxable** cash lump sum. You need to think carefully before choosing this option because it could significantly reduce your chances of having a comfortable retirement. The reasons being that your entire benefit is taxable, and that you may be tempted to spend what remains after tax rather than reinvest for retirement. If you choose this option it would be advisable to reinvest your benefit so as to keep your retirement capital intact.

The possibility of living longer can be both a pleasant and a daunting thought. While your employer and the Fund will do their best to help you achieve a comfortable retirement, the power remains in your hands. Use the tools provided to you, seek the necessary financial advice from an accredited Financial Adviser and take the required action to secure a worry-free retirement.