



OLD MUTUAL SUPERFUND

MEMBER EDUCATIONAL NEWSFLASH

ISSUE 7



#THETIMEISNOW to start building a better savings culture together!

According to the **2018 Old Mutual Savings and Investment Monitor** which tracks financial attitudes and behaviour of South Africa's working metro population, those surveyed said that they **put 14% of their income towards saving**, compared to **15% recorded in 2017**.

Research shows that **saving is low on the priority list of South Africans** and is generally only considered after all other expenses and needs have been met.

Our attitude has to change..... **It's time for us to start seeing saving as a "must do" instead of an after-thought**. We need to change the way we think about saving and set simple, realistic goals so that we are more likely to stay focused and committed.

Below are some practical *tips* that can help get you started...

1. Cut down on impulsive spending

Small amounts add up and when you look again you can't remember where the money went. A good way to start saving is to write down what you spend throughout the week/month to track where you can cut down. This will give you a better understanding of where you're over spending.



You'll be surprised to see how much money is spent on things that aren't cost effective or can be done away with completely.

2. Reduce debt

Easier said than done, right? Debt is easy to get into...swipe...swipe... but very difficult to get out of. But it's not impossible! The first step is to say "NO" to new debt.

[Click here](#), for four steps that will help you take control of your debt

3. Increase your retirement savings by 1%

You may be wondering what is in it for you? Especially if saving more means less disposable income. The important thing to remember is that retirement money is still **your money**, even if you can't spend it immediately.

SARS offers generous tax deductions when you make contributions to your retirement annuity (RA), pension or provident fund. You are able to make tax-deductible retirement fund contributions of up to 27.5% of the greater of your remuneration and taxable income (subject to a R350 000 cap). This mean that you can save more for retirement and get back more from SARS!

EXAMPLE

Meet Tusa



Currently contributes **13%**
Changes her contribution to **14%**

this **1%** increase in contributions
(**R200**) will increase her retirement savings by **R53 067** over the next 15 years.

Pensionable salary **R20 000**
15 years to retirement

This is the true power of compound interest!

For example, try to increase your retirement contribution by **1% each year**. As a member of the Old Mutual SuperFund you can make additional voluntary contributions. This could be either a monthly contribution or a lump-sum contribution. **Simply contact your HR department to find out how.**

Lookout for the next issue, the Member Benefit Statement season is in full swing - you can find out if you are on track for a comfortable retirement.

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DO GREAT THINGS EVERY DAY

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