



COLUMBUS RETIREMENT FUNDS



February 2017

## Columbus Retirement Fund members

Dear member

Following the changes to the income tax legislation, the Trustees decided to simplify the Columbus Retirement Fund contribution structure. In summary:

- The act now allows member contributions to a maximum of 27.5% or R350,000.00, whichever is the greatest and contributions by the employer will attract a fringe benefit tax, which will be deductible in the hands of the member.
- A rule amendment was approved to transfer the 4.1% employer contributions IN THE PROVIDENT FUND to the member and set a minimum of 4.1% of contributions.
- The employer now pays the employer contributions to member savings in the Provident Section of the Fund over as Employee contributions – the net effect is the same, but it cancels out the fringe benefit transactions.

The Trustees are happy to report that from 1 March 2017 members have the choice to increase their retirement contributions as explained in the table below.

Mark <b>ONE</b> Pension Section and <b>ONE</b> Provident Section contribution rate <i>(minimum 5% and 4.1%)</i>													
Pension Section (%)			Provident Section (%)										
7.5	6	5	14.1	13.1	12.1	11.1	10.1	9.1	8.1	7.1	6.1	5.1	4.1
Total Member Pension Section and Provident Section Contributions (add Pension + Provident)													

The total contributions consist of your savings contribution and the following employer contributions.

	Pension Section	Provident section
Savings	3%	
Costs and death and disability cover	3%	0.5%

You may also elect to make lump sum contributions and regular additional voluntary contributions. Note however that this will be with after-tax contributions. Please complete these choices on the option form and consult your Payroll Administrator and the Fund Consultant before submitting the form.

The Trustees asked **Mentenova**, a retirement planning specialist company, to forecast every member's projected savings at their date of retirement to help with retirement plans. Mentenova will discuss their process and savings options at information sessions. The sessions will last about 45 minutes and the dates will be communicated shortly. At the sessions, you will receive a personalised retirement savings forecast and your annual Fund Benefit Statement. (Please obtain permission from your direct supervisor to be away from your workplace.)

**Set your future in motion...**

Pension Fund registration number 12/8/33170/1  
Provident Fund registration number 12/8/33171/1

Th Mentenova briefings and information pack, including the contribution options will help to improve your retirement savings. We advise that you use the above information to discuss your retirement plan with your financial advisor or the Mentenova financial advisor. Individual consultations will be at your own time and cost.

Once you have finalised your contributions, please complete the Contribution Option Form and hand it to your Payroll Administrator for processing. Note that the normal payroll cut-off times apply.

Some important notes:

- Increased contributions may affect your cash flow. Talk to your Payroll Administrator or the Fund Consultant at 011 783 1620 for assistance.
- Legally, the combined tax-deductible contributions to your retirement savings is limited to 27.5% of your salary or R350,000 a year. This includes all retirement contributions, but it excludes disability contributions.
- Apart for the above changes, all other Fund Rules remains the same.

For any questions or queries please do not hesitate to contact the Principal Officer at [jhhartz@outlook.com](mailto:jhhartz@outlook.com).

\_\_\_\_*Signed*\_\_\_\_

**JL Strydom**  
**Chairman**

# CONTRIBUTION OPTION FORM

Please select **ONE** Pension Section and **ONE** Provident Section contribution rate in the table above, sign and submit this form to your Payroll Administrator for processing.

Mark <b>ONE</b> Pension Section and <b>ONE</b> Provident Section contribution rate ( <i>minimum 5% and 4.1%</i> )													
<b>Pension Section (%)</b>			<b>Provident Section (%)</b>										
7.5	6	5	14.1	13.1	12.1	11.1	10.1	9.1	8.1	7.1	6.1	5.1	4.1
<b>Total Member Pension Section and Provident Section Contributions (add Pension + Provident)</b>													

The total contributions consist of your savings contribution and the following employer contributions.

	Pension Section	Provident section
Savings	3%	
Costs and death and disability cover	3%	0.5%

You may also elect to make an additional voluntary lumpsum contribution or regular monthly contributions. This must be clarified with your Payroll Administrator before implementation. Please note that these contributions will be taxed, and you should indicate these amounts to SARS on your tax returns to qualify for future deductions. Please indicate your choice below:

Once-off lump sum contribution	Additional monthly contributions ( <i>Please round to the nearest R50</i> )
R _____	

## Some important notes:

1. Legally, the combined tax-deductible contributions to your retirement savings are limited to 25% of your salary or R350,000 a year. This includes all retirement contributions and excludes disability contributions. This change may affect your cash flow. Please ask your Payroll Administrator or contact the Fund Consultant at [yourfund@columbus.co.za](mailto:yourfund@columbus.co.za) for assistance.
2. Please consult your financial advisor when making financial decisions.
3. Apart for the above changes, all other Fund Rules remains the same.
4. Review this choice annually or at salary increase time.

I understand the implications of this contribution choice on my current cash flow and on my future retirement plan.

Signature	Name	Date
Your cell phone number	Your e-mail address	

*We are advised to save 15% of our salary over 25+ years for a comfortable retirement. The Fund remains a tax efficient and low-cost retirement savings option. Small changes early on, have the biggest impact; i.e. a one percent contribution increase could increase your retirement savings over 25-years by as much as 20%.*

*The information in this letter does not constitute financial advice.*