



MAKE THE RIGHT TAX DECISION



*Leaving your fund and thinking of making a withdrawal?
Think again!*

If you are leaving your employer and are considering taking some or all of your accumulated benefit in CASH, you need to be aware of the HUGE, life-changing tax implications of this decision.

FIRSTLY: In terms of tax legislation, once you have chosen to receive a cash withdrawal benefit and a **tax directive** has been issued by SARS, the **DIRECTIVE CANNOT BE CANCELLED!** Any cancellations will only be considered by SARS if genuine administrative errors made during the application process.

SECONDLY: Any retirement or withdrawal benefit that is drawn in cash will be taxed – and this amount is not small. See for yourself:

Retirement or Retrenchment Benefit	Withdrawal Benefit												
<p>The first R500 000 payable is tax free.</p> <p>The balance is taxed according to the following fixed scale:</p> <table><tr><td>R500 001- R700 000</td><td>- 18%</td></tr><tr><td>R700 001- R1 050 000</td><td>- 27%</td></tr><tr><td>R1 050 001 and above</td><td>- 36%</td></tr></table> <p>This tax-free amount applies to the accumulation of all retirement lump sums received in your lifetime.</p> <p>Any withdrawal benefit previously received tax free will also be deducted from the tax-free amount.</p>	R500 001- R700 000	- 18%	R700 001- R1 050 000	- 27%	R1 050 001 and above	- 36%	<p>The first R25 000 withdrawal is tax free.</p> <p>The balance is taxed according to the following fixed scale:</p> <table><tr><td>R25 001-R660 000</td><td>- 18%</td></tr><tr><td>R660 001-R990 000</td><td>- 27%</td></tr><tr><td>R990 001 and above</td><td>- 36%</td></tr></table> <p>The tax-free amount is available once only, and any further cash withdrawals may be taxed in full.</p> <p>Any withdrawal benefit previously received tax free will also be deducted from the tax-free amount.</p>	R25 001-R660 000	- 18%	R660 001-R990 000	- 27%	R990 001 and above	- 36%
R500 001- R700 000	- 18%												
R700 001- R1 050 000	- 27%												
R1 050 001 and above	- 36%												
R25 001-R660 000	- 18%												
R660 001-R990 000	- 27%												
R990 001 and above	- 36%												

LASTLY: With the high tax implications, and tax directives that cannot be cancelled, it is fair to say you need to make the RIGHT decision, FIRST time round. There are NO second chances, so think THREE TIMES before making this decision.

THINK, THINK and THINK AGAIN!

CONTACT:

Should you have any questions,
contact **Johan Hartzenberg**, the Fund's Principal Officer,
on 082 801 3323; or email jhhartz@outlook.com.

Want to learn more?

Visit the Columbus Your Fund Website.