



**COLUMBUS
RETIREMENT
FUND**

LEAVING THE FUND



ARE YOU ABOUT TO LEAVE THE FUND?

When you leave the Fund for reasons other than retirement, it is important that you understand all the options available to you, and the consequences of the decisions you make – to you now and to your future financial security.

Members who are withdrawing from the Fund may not be sure what to look out for to guarantee the best-possible outcome for their financial security. Whatever your reason for withdrawing from the Fund, your benefit must be handled in a way that meets the objectives of your retirement plan.

The decisions you make when leaving the Fund have a significant impact on your future financial security.

We recommend that you speak to an accredited financial adviser before making a decision— especially if you are considering taking any portion in cash.

BEFORE YOU CHOOSE: WHAT TO HAVE READY

- + Keep your Fund benefit statement handy since you will need to refer to this to see the amounts applicable to each benefit payment option.
- + Your updated contact details and supporting documents, where required (this helps prevent payment delays and tax issues).

WHERE CAN YOU FIND YOUR BENEFIT STATEMENT:



<https://www.ensimini.com/login>

Select "LOG-IN Retirement Funds".

1.

You will be prompted to enter a username and password.

2.

if you are first time user, your ID number will be your username and password

3.

if you are first time user, your ID number will be your username and password

4.

If you do not have internet access, contact the Fund on yourfund@columbus for a copy of your statement.



BENEFIT PAYABLE

When you leave The Fund for reasons other than retirement, a benefit becomes payable. In this guide, we refer to that benefit as your Fund Credit.

What your Fund Credit is made up of

- + Your own contributions.
- + All your employer's retirement funding contributions.
- + Any transfers from a previous fund.
- + The investment returns earned on the above (positive or negative).

Your Fund Credit is split between a Savings Component, Retirement Component and (possibly) a Vested Component.



DEDUCTIONS AND TAX DIRECTIVES

Before paying any benefit, the Fund must obtain a tax directive from SARS. Any tax payable is deducted from your benefit and paid to SARS.

Depending on your circumstances, deductions may also be made, including (where legally applicable):

- + Outstanding maintenance orders or unpaid divorce orders.
- + Losses suffered by the employer owing to theft, fraud, or misconduct on your part.
- + SARS may recover any arrear taxes from your benefit.

PRACTICAL TIP:

To avoid delays and penalties, ensure your tax affairs are in order.



WITHDRAWAL BENEFITS



What happens when you leave your job?

When you leave your job before retirement (whether you resign, are dismissed or are retrenched), you will have a number of options regarding your existing retirement savings, (Fund Credit). Your Fund Credit consists of a Savings Component (generally referred to as the "Savings Pot"), a Retirement Component (generally referred to as the "Retirement Pot") and possibly a Vested Component (if you were a member of the Fund on 1 September 2024 or transferred your Vested Component from another retirement fund to the Fund after 1 September 2024).

Please engage with a financial advisor to guide you to make the decision that is right for you. They can assist you with a personal financial plan, which is a strategy that is tailored exclusively for you.

www.col-ret.co.za



THE OPTIONS YOU HAVE REGARDING YOUR CURRENT FUND CREDIT

The Fund cannot process the benefit payment until you have decided and have informed them of your decision. Your Fund Credit will become paid-up if no instruction is received after six months from the date of your last contribution to the Fund.

You have the following payment options:

SAVINGS POT:

PRESERVATION OPTIONS:

	Leave your money in your current Retirement Fund	Transfer your money to a preservation Fund	Transfer your money to a retirement fund with your new employer	Transfer your money to a retirement annuity fund
Will my savings be taxable now?	No tax is payable	No tax is payable	No tax is payable	No tax is payable
Will I have access to my Savings Pot before retirement	Yes, you will have access to your Savings Pot, but you are restricted to one Savings Pot withdrawal (minimum R 2 000) per tax year. Any withdrawal from this pot will be subject to income tax.	Yes, you will have access to your Savings Pot, but you are restricted to one Savings Pot withdrawal minimum R 2 000) per tax year. Any withdrawal from this pot will be subject to income tax.	Yes, you will have access to your Savings Pot, but you are restricted to one Savings Pot withdrawal minimum R 2 000) per tax year. Any withdrawal from this pot will be subject to income tax.	Yes, you will have access to your Savings Pot, but you are restricted to one Savings Pot withdrawal minimum R 2 000) per tax year. Any withdrawal from this pot will be subject to income tax.

CASH WITHDRAWAL OPTION

You may withdraw your Savings Pot balance in cash from the Fund when you leave service. The withdrawn amount will be taxed as income at your marginal tax rate.



RETIREMENT POT:

Your Retirement Pot must be preserved and cannot be taken in cash when you leave service before retirement. You can only access your Retirement Pot at retirement. The preservation options are as follows:

	Leave your money in your current retirement fund	Transfer your money to a preservation Fund	Transfer your money to a retirement fund with your new employer	Transfer your money to a retirement annuity fund
Will my savings be taxable now?	No tax is payable	No tax is payable	No tax is payable	No tax is payable
Will I have access to my Savings Pot before retirement	No, you may not withdraw your Retirement Pot before retirement.	No, you may not withdraw your Retirement Pot before retirement.	No, you may not withdraw your Retirement Pot before retirement.	No, you may not withdraw your Retirement Pot before retirement.

VESTED POT:

If you have a Vested Pot, the payment options are as follows:

PRESERVATION OPTIONS:

	Leave your money in your current Retirement Fund	Transfer your money to a preservation Fund	Transfer your money to a retirement fund with your new employer	Transfer your money to a retirement annuity fund
Will my savings be taxable now?	No tax is payable	No tax is payable	No tax is payable	No tax is payable
Will I have access to my Vested Pot before retirement	Yes, you may withdraw your Vested Pot before retirement. Any withdrawal from your Vested Pot will be taxed according to the retirement fund withdrawal tax table.	Yes, you may withdraw your Vested Pot before retirement. Any withdrawal from your Vested Pot will be taxed according to the retirement fund withdrawal tax table.	Yes, you may withdraw your Vested Pot before retirement. Any withdrawal from your Vested Pot will be taxed according to the retirement fund withdrawal tax table.	Yes, you may withdraw your Vested Pot before retirement. Any withdrawal from your Vested Pot will be taxed according to the retirement fund withdrawal tax table.



VESTED POT:

CASH WITHDRAWAL OPTION

You may withdraw your Vested Pot balance in cash from the Fund when you leave service.
The withdrawn amount will be taxed according to the retirement fund cash withdrawal tax tables.

	Leave your money in your current Retirement Fund	Transfer your money to a preservation Fund	Transfer your money to a retirement fund with your new employer	Transfer your money to a retirement annuity fund
Can I select my own investment choice?	You can only invest in the portfolios available in the Fund.	Yes, you are responsible for your own decisions. You choose your financial service providers and investment managers. You can transfer your savings at any time to another provider or asset manager.	You can only invest in the portfolios available in the new Fund.	Yes, you are responsible for your decisions. You choose your financial service providers and investment managers. You can transfer your savings at any time to another retirement annuity fund, if your fund's rules allow you to transfer.
Can I continue to make contributions to my savings?	No, you may not make ongoing contributions.	No, you may not make ongoing contributions.	Yes, you and/or your employer contribute according to the rules of the new Fund.	Yes, you can make ongoing contributions with possible tax benefits.
Is this option cost effective?	Your Fund negotiates on your behalf with all service providers. Economies of scale help reduce costs.	Costs will vary a lot between different providers. Your ability to negotiate may be limited. Greater flexibility usually comes at a greater cost.	Your Fund negotiates on your behalf with all service providers. Economies of scale help reduce costs.	Costs will vary a lot between different providers. Your ability to negotiate may be limited. Greater flexibility usually comes at a greater cost.
Is there a Minimum requirement for this?	No minimum applicable.	Will vary between different providers.	No minimum applicable.	Will vary between different providers



WHAT TAX IS PAYABLE?

+ ...if I leave my Fund Credit in the Fund?

No tax is payable if you leave your money in the Fund.

+ ...if I transfer my Fund Credit?

No tax is payable if you transfer your entire Fund Credit to a new employer's pension and/or provident fund, retirement annuity Fund, or pension or provident preservation fund.

Note that although the withdrawal benefit is taxable income in your hands, the amount transferred to another Fund is tax deductible and no tax is therefore payable.

+ ...if I receive my Fund Credit in cash

Withdrawals from your Savings Pot are taxed as income in your hands at your marginal tax rate.

A withdrawal benefit from your Vested pot (if it applies to you) taken in cash is taxable according to the withdrawal tax table of the Income Tax Act (please note that any tax exempt amounts taken are cumulative over your lifetime, which means any exemptions on previous withdrawals are deducted from your lump sum tax exemptions at retirement:

TAXABLE LUMP SUM (R)	RATE OF TAX
R0 - R27 500	0% of taxable income
R27 501 - R726 000	18% of taxable income above R27 500
R726 001 - R1 089 000	R125 730 + 27% of taxable income above R726 000
R1 089 001 and above	R223 740 + 36% of taxable income above R1 089 000

The following tax table is applicable to lump sums withdrawals from your Vested Pot if you are retrenched:

TAXABLE LUMP SUM (R)	RATE OF TAX
R0 - R550 000	0% of taxable income
R550 001 - R770 000	18% of taxable income above R550 000
R770 001 - R1 155 000	R39 600 + 27% of taxable income above R770 000
R1 155 001 and above	R143 550 + 36% of taxable income above R1 155 000

The tax information and tax tables provided in this brochure are for illustrative and general guidance purposes only. The actual tax payable may differ depending on your individual tax circumstances, including your total income, tax deductions, and any previous cash withdrawals or benefits taken during the tax year. Tax legislation and SARS tax tables may also change from time to time.

Members are advised that past withdrawals from retirement or savings components may impact the tax payable on any future benefits. Each member's situation is unique, and the Fund cannot guarantee the accuracy of any tax outcome shown in examples or tables.



UNDERSTANDING YOUR **BENEFIT TIMELINE**

When will you receive your benefits?

- + The administrator takes approximately 6 to 8 weeks to finalise a claim, depending on your payment choice.

You can help avoid delays by ensuring the administrator has:

- + Your updated contact details, and
- + Your claim instruction.



The Fund's consultants, Efficient Corporate Solutions, will contact you to explain the options and tax implications described in this guide. Alternatively, you can contact Efficient Corporate Solutions by email to CRFCounselling@efcorporate.co.za with your request.





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CONTACT US:

e: yourfund@columbus.co.za

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