

# ADDITIONAL VOLUNTARY CONTRIBUTION



**Additional voluntary contributions (AVC) are extra amounts to your normal monthly contribution that you make as a member of TFG Retirement Fund (the Fund) in order to boost retirement benefits. This is on top of the monthly contribution made to the Fund. This facility is offered to you at no additional cost, so the full additional contribution is invested for your benefit.**

## **DON'T FORGET ABOUT THE TAX BENEFIT OF INCREASING YOUR AVC**

All employer contributions to a retirement fund are taxed in the hands of the member as a fringe benefit. Each member will, however, be able to deduct both the employer and employee contributions to the Fund up to a limit of 27.5% of remuneration or taxable income, whichever is greater, subject to a rand cap of R350 000 per member. The good news is that as a member of our Fund, and subject to the limits, you will be able to save more towards your retirement with the added benefit of it being tax deductible.

Please note that because our payroll department can only consider your TFG income, you will be responsible to determine whether your AVC will fall within the limits and therefore whether your AVC will be fully tax deductible or not.

## **HOW TO START THIS PROCESS?**

The Retirement Fund Department must receive your completed form before the 1st of the month that you want your first deduction from your salary. (See the form on page 2.)

The full amount of AVC will reflect on your IRP5 certificate.

## **WHAT ARE MY OPTIONS?**

You have the following 2 options:

- **Option 1: Monthly deduction**  
This option allows you to make extra contributions from your monthly salary, e.g. R50; R150; R250; R500; R750; R1 000 or another amount of your choice.
- **Option 2: Once off deduction (e.g. December bonus)**  
If you do not wish to make monthly AVC's, but you would still like to make extra contributions to your retirement savings, you have the option to contribute any amount of your year-end gift, commission or any other once-off amount as an ad-hoc additional voluntary contribution.

## **WHAT IF I ALREADY MAKE MONTHLY ADDITIONAL VOLUNTARY CONTRIBUTION AND I WANT TO CHANGE THE AMOUNT?**

If you would like to change your monthly AVC amount, please complete the form below which will replace the amount that you currently contribute as an AVC.

Should you prefer to do yearly once off contribution, you have to complete a new form for each time you want to make a contribution.

## **WHAT OTHER IMPORTANT POINTS MUST I TAKE NOTE OF?**

- It is very important to be aware that AVC is not a deposit account which can be withdrawn or refunded at any time.
- AVC is an extra contribution towards your retirement and can therefore only be accessed when your Fund benefit becomes due to you (either at withdrawal, retirement or death). Note that AVC forms part of your fund value and therefore the same rules will apply to it on withdrawal, retirement or death as the rest of your fund value.
- Always remember that saving for your retirement is a long term goal. Make use of compound investment returns by never cashing in your retirement savings before you actually retire.

*The completed form, duly signed, must be emailed to [fuse@tfg.co.za](mailto:fuse@tfg.co.za)*

# ADDITIONAL VOLUNTARY CONTRIBUTION FORM

The completed form, duly signed, must be emailed to fuse@tfg.co.za



Surname: \_\_\_\_\_

First Name: \_\_\_\_\_

Employee Number: \_\_\_\_\_

Branch/Cost Centre: \_\_\_\_\_

Contact Numbers: \_\_\_\_\_

## OPTION 1 - MONTHLY DEDUCTION

I hereby instruct the Employer to make a **monthly deduction** from my salary and to pay it over to TFG Retirement Fund in addition to the normal monthly contribution that I make as a member of the Fund. This will be allocated to my Fund value.

Please tick below the amount you wish to contribute.

R50 pm	R150 pm	R250 pm	R500 pm	R750 pm	R1000 pm	Any amount of your choice:
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	R_____pm

EFFECTIVE DATE OF FIRST DEDUCTION: \_\_\_\_\_

The amount stated will remain fixed until such time as I amend or cancel it. These contributions will become part of my Fund value and will become available to me on withdrawal, retirement or death, in accordance with the rules of the Fund.

I understand that it is my responsibility to assess the tax deductibility of my additional voluntary contribution. I have read and understand this document.

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Date

## OPTION 2 - ONCE OFF DEDUCTION

I hereby instruct the Employer to make a **once off deduction** from my salary and to pay it over to TFG Retirement Fund in addition to the normal monthly contribution that I make as a member of the Fund. This will be allocated to my Fund value.

Once off amount to be deducted from my salary	R
Amount in words	
Deduction month (e.g. December 2020)	

Please note that a new form must be completed for each time you require a once off deduction to be made. These contributions will become part of my share in the Fund and will become available to me on withdrawal, retirement or death, in accordance with the rules of the Fund.

I understand that it is my responsibility to assess the tax deductibility of my additional voluntary contribution. I have read and understand this document.

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Date