

ADDITIONAL VOLUNTARY CONTRIBUTION



Additional voluntary contribution (AVC) is extra amounts that you as a member of **TFG Retirement Fund** (the Fund) may elect to contribute in order to boost retirement benefits. This is on top of the monthly contribution you and the Employer already make 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

The manner in which contributions to retirement savings are taxed changed from 1 March 2016. 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 their own 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 if I already make monthly additional voluntary contribution and I want to increase the amount?

You do not need to apply again unless you want to change the current amount that you are contributing extra.

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 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 bonus as an ad-hoc additional voluntary 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 tfcretirementfund@tfq.co.za



ADDITIONAL VOLUNTARY CONTRIBUTION FORM

Surname : _____

First Name : _____

Employee Number : _____ Branch/Cost Centre: _____

Contact Numbers : _____



TFG
retirement fund
you can never start too early

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 contribution of 7.5 % of basic salary.
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	R1 000 pm	Any amount of your choice:
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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 contribution of 7.5 % of basic salary. 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 2019)	

Please note that a new form must be completed for every consecutive year.
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

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