

MIRF OFFERS YOU RETIREMENT BENEFIT COUNSELLING

Everyone needs financial security, especially during their retirement years. It is important to make informed decisions about your retirement savings, so that you are supported in the next phase of your life. Speaking to a financial advisor on your retirement benefit options, will afford you peace of mind and financial security.

As members of the Motor Industry Retirement Funds (MIRF), you are provided with financial benefits when you retire and you must make informed decisions considering all the options available. We recommend that you contact your accredited adviser to support you in planning for your retirement.

Our retirement benefit counselling is offered at no additional costs and provides you with information about the options available. It is not a replacement for advice, which is based on your personal circumstances.



OPTIONS AT RETIREMENT

The source of retirement savings and the rules that apply to your retirement fund determine your options when you retire. As you near retirement, now that you have reached the point in your career where you will be retiring and entering a new phase of your life, MIRF would like you to carefully consider what your options are available to you to support you in the next phase of your life.

At retirement, you are entitled to your total retirement savings, which are made up of all you're your contributions, as well as investment growth (less investment fees) over the period that you have been a member of the funds.

Option 1:

Stay in the fund as a deferred retiree

When you retire from the service of your employer you can postpone payment of your retirement benefit until a date after termination of service, as can be elected by you.

No contributions will be required are made, but you still get growth on your investment growth.

You can retire at a later stage, and your money will keep growing and will buy you a larger pension.

The following rules will apply:

- No further contributions will be required are made, but you will still earn any investment growth.
- No further deductions however your /cover for risk benefits will still apply.
- Administration fees will be deducted from your Fund credit.

Option 2:

Withdraw a part of your savings in cash

You can withdraw one-third of your retirement benefit in cash at retirement and use the balance to purchase an annuity that will pay you an income during your retirement.

For vested benefits (Protected Savings) up to 1 March 2021, you can withdraw up to the full amount in cash at retirement.

Your benefit statement will show your vested and non-vested benefits. Any amount you withdraw in cash at retirement will be taxed according to the retirement fund lump sum tax table, and your income from your chosen annuity will be taxed as normal income.

Option 3:

Buy an out-of-fund living annuity

The Fund's preferred annuity strategy is a life annuity that is offered by Just Insurance. For further information on this product, you can contact the Fund's Administrator, MIFA, for the contact details of Just Insurance.

Option 4:

Buy an annuity of your choice from an registered insurer

There are a range of annuities available from registered insurers or any other financial services providers. This can be a living annuity or a life annuity and you will be able to receive a monthly income, depending on the type of annuity you select.

OPTIONS WHEN YOU LEAVE EMPLOYMENT BEFORE RETIREMENT

You have a number of options choices on what to do with your current retirement savings in the you can:

Option 1:

Remain in the fund

Choosing this option will mean that your retirement savings will automatically remain invested as it is currently now. This is the default preservation option which works as follows:

- No tax will be deducted, so your full savings amount will stay invested.
- No further deductions and /cover for risk benefits will apply.
- No further contributions are required made, however but you will still earn any investment growth.

Investment fees will remain stay the same, and an administration fee will apply, these both will be deducted from your savings.

Option 2:

Transfer your money to a preservation fund

There is a wide range of preservation funds to choose from that have with different investment options. Speak to your financial advisor about the different options available to you. This is a tax-free transfer if you do not owe SARS any money.

Option 3:

Transfer your money to your new employer's fund

No tax will be deducted if you do not owe SARS any money.

Option 4:

Take all your retirement savings in cash

Tax may be deducted before you withdraw your funds first.



COST OF RETIREMENT BENEFIT COUNSELLING

No advice fee will be charged to the member for retirement benefit counseling, and once a product is sold, the financial advisor will be paid a legislated commission from the product supplier. In this instance, all fees will be disclosed to the member in this instance.

FOR MORE INFORMATION

If you have any questions or need more information, speak to your financial adviser by sending a request for assistance to the following email address: **MIRFclient@optimumgroup.co.za** or contact an Optimum Financial Adviser on **087 095 8850**