



Retirement

Alexander Forbes Retirement Fund newsletter

Issue 3 for 2024



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Secure your tomorrow today

Welcome to the third issue of the Alexander Forbes Retirement Fund newsletter for 2024. This newsletter aims to share important fund information and update you with the latest news in the retirement fund industry so that you can understand your fund and build a better financial future for you and your family.



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Two-pot system *fast facts*

Fast fact

Money in your savings pot on 1 September 2024

To start this new system, 10% of your retirement savings, as at 31 August 2024, to the maximum of R30 000 will be transferred into your savings pot. This is known as seed capital.

This is a once-off event and won't happen again. One-third of your ongoing contributions after 1 September will feed your savings pot.



Fast fact

Withdrawal limits

You are restricted to one withdrawal in a tax year (1 March to 28 February). You can't withdraw less than R2 000. The amount you withdraw will be taxed at your marginal rate (the same rate that your salary is taxed).

Fast fact

Your vested pot

The money you saved before up until 31 August 2024 is called your **vested pot**. This is where the money in your savings pot will come from on 1 September 2024.

Your vested pot is not affected by the two-pot system. The money in your vested pot will still follow the old retirement fund regulations.

This money stays invested in the same investment strategy, steadily **growing** over time.



Money in your savings pot

Fast fact



The amount of money you'll have in your savings pot on 1 September depends on how much you've already saved:

Example:

Savings as at 31 August 2024	Amount in savings pot
Less than R20 000	Less than R2 000 - you won't be able to withdraw until you have at least R2 000
R20 000 to R50 000	R2 000 to R5 000
R50 000 to R250 000	R5 000 to R25 000
R250 000 and above	R25 000 to R30 000

Fast fact

Tax and processing fees

Let's look at **Thandi** and how much **tax and fees she'll be charged** when she withdraws from her savings pot:

- Thandi earns R250 000 per year
- Her marginal tax rate is 26%
- Thandi has R5 000 in her savings pot on 1 September 2024
- She decides to withdraw R3 000



Calculating Thandi's Tax:

R3 000 (withdrawal amount)

Less R100 (Alexforbes processing fee)

Less R754 ($R2\ 900 \times 26\% = R754$ tax)

Equals R2 146

The processing fee increases with the amount you withdraw:

Withdraws between R2 000 and R 5 000 are charged a R 100 processing fee, anything higher is charged 2 percent to maximum of R600.

Processing fee is inclusive of VAT.



Fast fact

Two-pot resources

For more information on the two-pot system:

Access the **My Money Matters Toolkit**. You can watch two-pot system videos in different languages and read all the latest updates and different educational articles.

To see how much you have in your savings pot:

1. **Register** on AF Connect
2. **Log into AF Connect**. You can see how much is in your savings pot in the section called Retirement savings.

Savings pot values will only be visible from 2 September 2024.



Scan this QR code to read more about the two-pot system.

<https://mymoneymatters.alexforbes.com/twopot.html>

>>> Save your savings pot for your future self!

July is Savings Month: *use your savings pot for something important*

In South Africa, **July** is recognised as **National Savings Month**.

The purpose of this initiative is to challenge all South Africans to build financial security and resilience by making saving a priority.

If you think differently about your savings pot and you are responsible with your savings, you can use your savings pot smartly, and in a way that works for you. It can help you address the financial needs you have today while making sure a comfortable retirement is still within reach. It puts you in control of your future.





Tips for unlocking the potential of your retirement savings

Save with purpose:

deciding to withdraw savings from your savings pot is an important decision. With a goal in mind, a clear vision of something you want to achieve can mean that you're withdrawing the right amount, the right way, at the right time. With that, there's not much that can stop you from making the most of your money and improving your financial outcomes.

Increase your contribution rate:

every month, money is put into your fund and invested towards your retirement. It's very important to contribute as much as you can every month. By saving more each month, you build a stronger financial foundation for retirement, and you create more flexibility in accessing your savings pot when needed. In other words, the more you contribute now, the more likely it is that you'll have enough to live on one day, allowing you to confidently control the benefit of your savings pot when necessary.

Contribute extra money:

many retirement funds offer the option of making additional voluntary contributions on top of your regular monthly contributions. These extra contributions will be split between your savings pot and retirement pot. One third going into your savings pot and two-thirds into your retirement pot. These extra contributions provide you with the flexibility to decide how much more you want to save toward your retirement goals. Whether it's a percentage of your salary or a specific rand amount, these extra contributions can significantly boost your retirement savings without paying extra fees. By taking advantage of this option, you increase your overall savings and minimise the impact on your retirement outcome when withdrawing from your savings pot for immediate needs.

Always remember to withdraw from your savings pot with purpose and with a plan to pay back what you have used.

Top tip:

Saving more through the fund is easy, cost effective, tax efficient and has a limited effect on your take-home pay.



Speak to your HR or payroll department to find out if and when you can increase your contribution rate or contribute extra money. If you'd like help to work out how much you need to save to reach your goals, you can speak to a financial adviser or call the My Money Matters Centre on 0860 000 381 or at mymoneymatters@alexforbes.com.



Celebrating Women's Day: empowerment through owning a home

As we celebrate Women's Day and Month this August, it's the perfect time to reflect on the progress women in South Africa are making, particularly in homeownership. The statistics tell a good story of empowerment and financial independence that should be celebrated.

Single women are buying more homes than single men

In a recent article, BetterBond – one of South Africa's largest bond originators – reported that in 2023 they recorded more single women successfully applying for home loans than single men. Research from Lightstone between 2015 and 2020 also shows that more women are buying property compared to men or even married couples. It tells us that more women are taking charge of their finances and investing in their future by buying a home of their own.

Women are heading up close to half of the homes in South Africa

In 2024, Stats SA reported that around 43% of South African households are headed by women. The head of a household is the primary breadwinner – or the person in the home who brings in the most money. This statistic could be one of the reasons for the increase in female homeowners.



43%

Women own more than half of residential properties in South Africa

Lightstone also reported that by the end of July 2022, women accounted for, individually or in partnership, 54% of the total value of residential properties registered at the Deeds Office. According to Lightstone, most of these women homebuyers are between the ages of 36 and 49. This age group is at a stage where financial stability is important and having a house to call home for a family is a priority.

Good financial money habits make home ownership dreams come true

As we celebrate Women's Day, let's honour the achievements of South African women in property ownership. Their courage, determination and success are paving the way for future generations. These women are securing homes and building legacies, proving that with discipline and good financial habits, anything is possible.



Top tip:

Buying a home is an investment – one that builds value over time. If you are thinking of buying a home, it's a good idea to speak to a financial adviser to make sure you are buying right for your budget.



Quick links



My Money Matters

My Money Matters Centre
Tel: 0860 000 381
Email: mymoneymatters@alexforbes.com
Website: mymoneymatters.alexforbes.com



AF Connect

Register for AF Connect today - it's as easy as 1, 2, 3 ...

1. Log in [here](#)
2. Click on **Register now**
3. Complete the registration page



Important note:
This may take a couple of days.

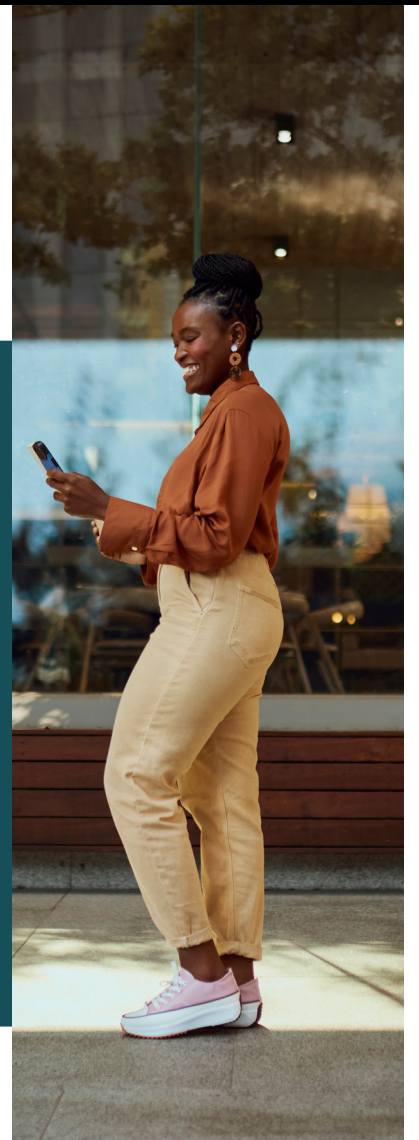
Our noticeboard



The AF Mobile App

The AF Mobile App is being reviewed so it's no longer available to download. However, anyone currently using it will be redirected to AF Connect. AF Connect has much more to offer than the mobile app:

- › submit a savings pot claim
- › understand the benefits you are entitled to as a member of the fund
- › download your benefit statements
- › view your current investment values
- › track your claims
- › update all your beneficiary nomination forms





WhatsApp – another easy way to connect with Alexforbes

You can now connect with us using self-service.

Here's how it works:



Save our WhatsApp number as a contact: **+27 60 043 9601**



In WhatsApp, type 'Help' to get started.

With Alexforbes WhatsApp you can:

- > request your
 - most recent tax certificate
 - most recent benefit statement
 - fund balance
- > track the status of a claim
- > register on AF Connect or reset your password
- > access to financial education

Our WhatsApp self-service option is available **24/7, 365 days a year!**



Top tip:

You can track the status of a savings pot claim using this handy WhatsApp self-service – and it won't cost you a cent!

Do you have any questions relating to the articles in this newsletter?

You can contact the fund using these contact details:

Alexander Forbes Retirement Fund
0860 100 333

admin@alexforbes.com

contactus@alexforbes.com
(if there's something you feel the fund can improve on)



AF Rewards – are you missing out?

If you haven't registered yet – right now is the perfect time to get rewarded with awesome deals and discounts! Why?

The money you save from the deals and discounts available on AF Rewards will help you stretch your money to the end of the month. Here are six more reasons why you are missing out:

Over **20 000**

members have enjoyed more than

R24 million

in savings so far.

- > It's a dynamic online shopping experience that gives you thousands of offers from leading brands.
- > The supermarket coupons give you discounts on food, cleaning products and baby products from Shoprite, Checkers, Checkers Hyper, Pick n Pay.
- > The wellness coupons give you discounts on health products from Dis-chem.
- > You can enjoy speaking to friends and family for longer by topping up your airtime and data balances for less on the network of your choice.
- > The travel deals change with the seasons to give you more reasons to start shopping today!

Yes, it is a big deal!



Top tip:

Besides **visiting the website**, you can also access your rewards through USSD. All you need to do is dial the USSD string: ***120*9006#** insert your ID or passport number and press **send**.



Investments

President Cyril Ramaphosa started his term on June 19, 2024, marking an important time for South Africa's economy under the GNU (a group of ten political parties).

This group holds more than 70% of the seats in the National Assembly, reflecting a broad representation and a strong mandate to govern. South Africans are hopeful because they expect this to lead to economic recovery and stability. The GNU is also expected to improve accountability and governance, which makes citizens optimistic about economic reforms. The markets and the South African currency, the rand, have shown positive reactions, increasing in value before the first meeting of the seventh administration.

The coalition's promise to respect the law and constitution could result in more stability and accountability, which are important for attracting investment and encouraging growth. But it's still early days, and we'll understand the real impact as the government starts to put its policies into action and deal with the challenges of a governance model that involves sharing power.

There are some important roles in this GNU that we should keep an eye on because they could greatly affect the country's path towards economic recovery and social unity.



These include the:

- Finance
- Trade
- Agriculture
- International Relations and Cooperation
- Mineral Resources

- Deputy President
- Public Enterprises
- Industry and Competition
- Land Reform and Rural Development
- Police
- Energy

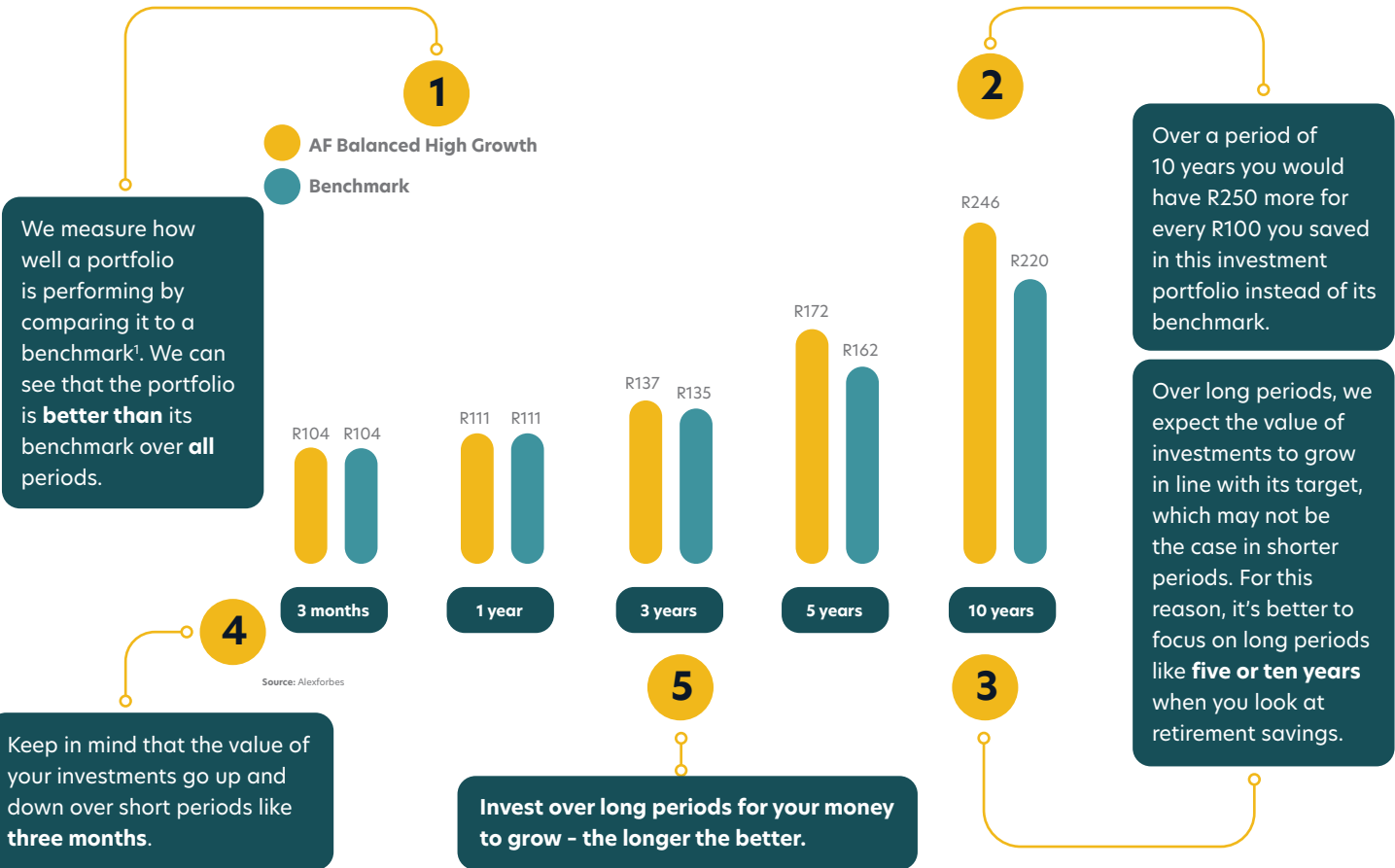


Investment returns

Performance of investment portfolios to 30 June 2024

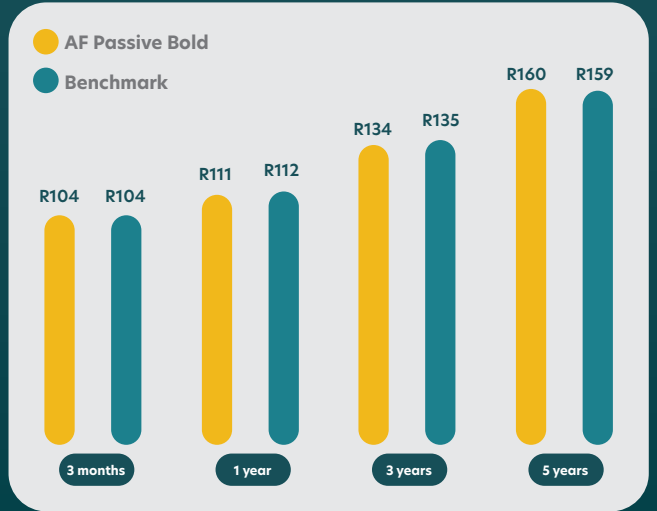
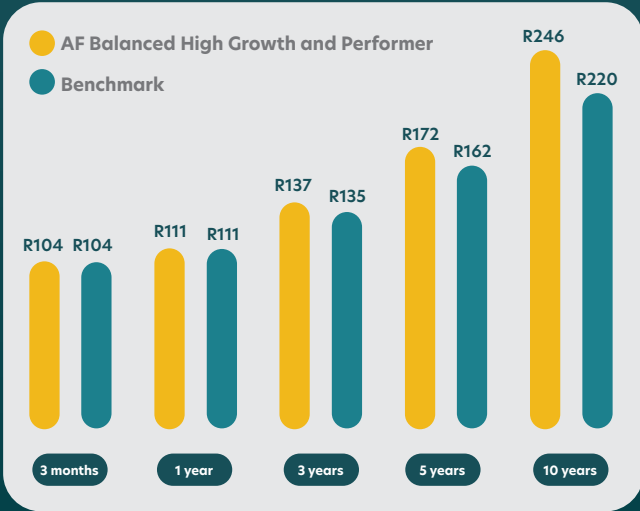
Let's take AF Balanced High Growth as an example

The value of R100 invested over various periods to the end of June 2024

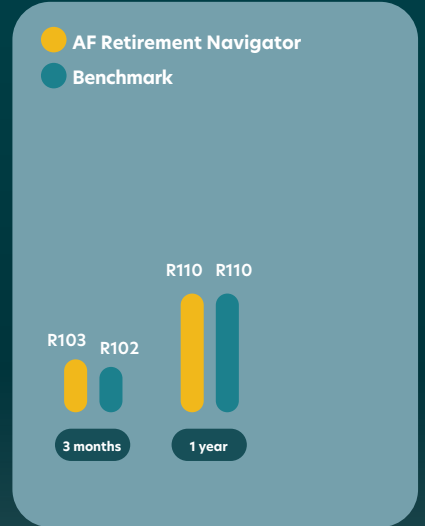
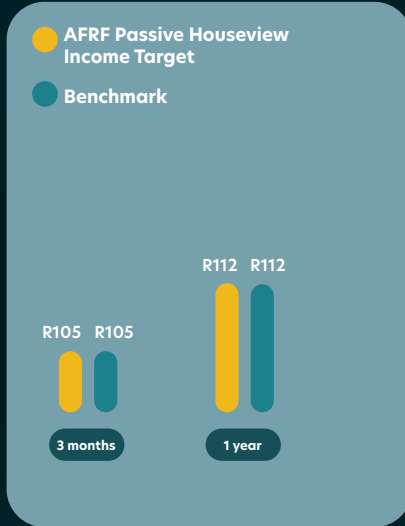
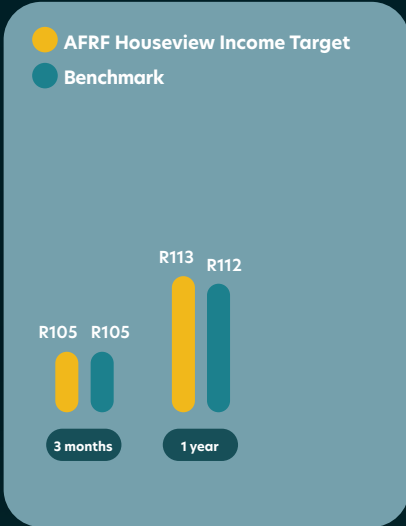




Growth portfolios



Income target portfolios



Source: Alexander Forbes Investments





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0860 100 333
Monday to Friday between 08:30 and 17:30

Send an email to:
admin@alexforbes.com
contactus@alexforbes.com
(if there's something you feel the fund can improve on)
alexforbes.com

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