

Tax Free Savings Accounts

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WHAT IS A TAX-FREE SAVINGS ACCOUNT?

A Tax-Free Savings Account (TFSA) provides South African investors with an opportunity to save towards a specific goal or supplement their retirement savings within a flexible, tax-free investment solution.

WHO CAN INVEST?

- ◆ South African Resident Individuals.

KEY BENEFITS OF TFSA'S

- ◆ All investment returns (interest, dividends and capital gains) within the product are completely tax-free.
- ◆ The investment can be transferred between product providers.
- ◆ There is no minimum investment term.
- ◆ There is no limit on the amount an investor can withdraw tax free.
- ◆ No performance fees are levied by underlying fund managers.

KEY CONSTRAINTS

- ◆ Contributions are limited to R36 000 per annum with a lifetime limit of R500 000.
- ◆ Limits are imposed per individual.
- ◆ Growth within the product does not affect the contribution limits.
- ◆ Contributions exceeding the limits will be subject to a penalty of 40%.
- ◆ Beneficiaries cannot be nominated.
- ◆ May not be ceded or paid to a third party.
- ◆ Any contributions after a withdrawal will be regarded as a new contribution.
- ◆ Minimum investment amounts may apply.

IMPLICATIONS ON DEATH

- ◆ Proceeds are payable to the investor's estate.
- ◆ Proceeds are subject to estate duty and executors fees.