



# WOOLWORTHS GROUP RETIREMENT FUND

MAKING THE DIFFERENCE TO YOUR RETIREMENT

## YOUR OPTIONS WHEN YOU LEAVE

WHAT SHOULD YOU DO WITH YOUR RETIREMENT SAVINGS?



### YOU CAN PRESERVE YOUR RETIREMENT SAVINGS OR WITHDRAW A PORTION IN CASH

- The aim of your retirement savings is to **provide you and your family with financial security** when you retire and no longer work.
- If you resign, you will need to make an important financial decision – what should you do with your retirement savings?
- **When you leave your employer, preserve your retirement savings instead of withdrawing them in cash.** If you preserve your retirement savings, your money will continue to grow.

THINK BIG. START SMALL. ACT NOW!

# YOUR CHOICES AFFECT YOUR RETIREMENT

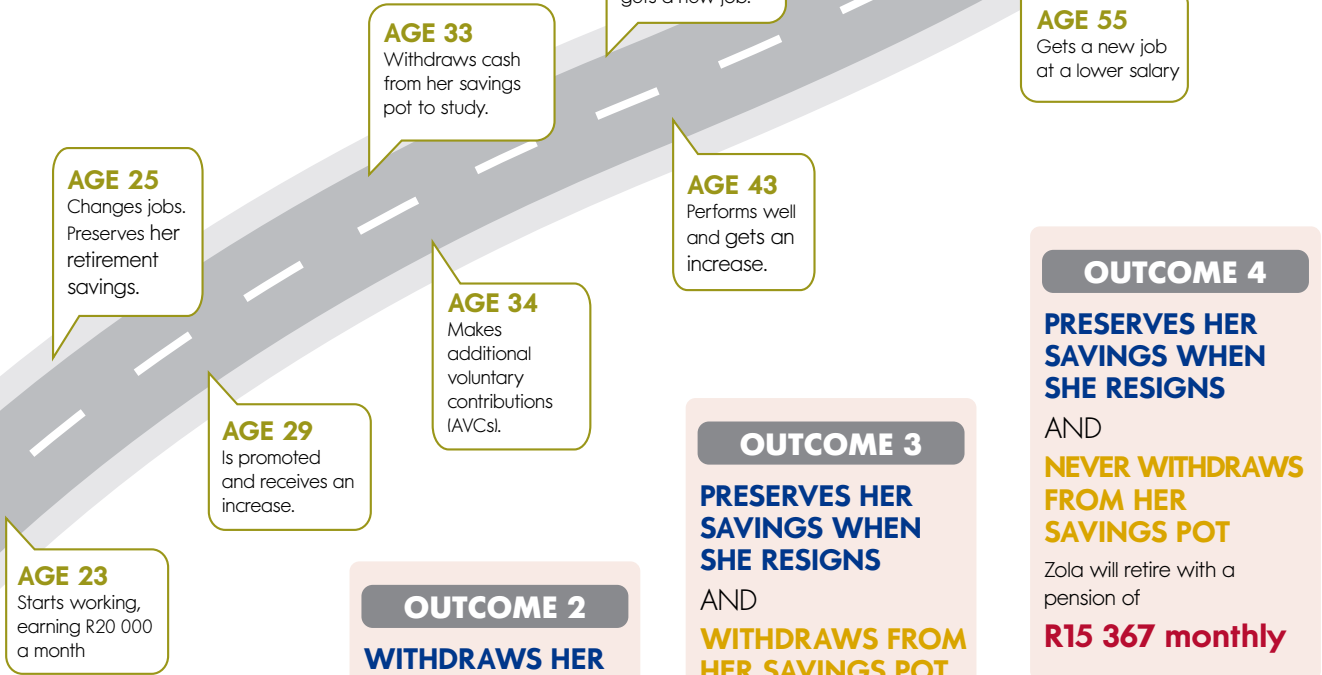
THIS IS ZOLA. HER DECISIONS ABOUT PRESERVING HER RETIREMENT SAVINGS WILL DETERMINE HER MONTHLY PENSION WHEN SHE RETIRES.

**Zola started working at 23 years of age and contributed 12% of her salary to her retirement fund.**

Like all of us, Zola's life is a journey of ups and downs. Zola was faced with the following important choices:

- Whether to withdraw or to preserve her retirement savings when she changed jobs.
- Whether to make withdrawals from her savings pot.

**The choices she makes along the way will make a big difference to the amount of her monthly pension once she retires.**



**OUTCOME 1**

**WITHDRAWS HER SAVINGS WHEN SHE RESIGNS**

AND

**WITHDRAWS FROM HER SAVINGS POT**

Zola will retire with a pension of **R2 804 monthly**

**OUTCOME 2**

**WITHDRAWS HER SAVINGS WHEN SHE RESIGNS**

AND

**NEVER WITHDRAWS FROM HER SAVINGS POT**

Zola will retire with a pension of **R4 609 monthly**

**OUTCOME 3**

**PRESERVES HER SAVINGS WHEN SHE RESIGNS**

AND

**WITHDRAWS FROM HER SAVINGS POT**

Zola will retire with a pension of **R11 902 monthly**

**OUTCOME 4**

**PRESERVES HER SAVINGS WHEN SHE RESIGNS**

AND

**NEVER WITHDRAWS FROM HER SAVINGS POT**

Zola will retire with a pension of **R15 367 monthly**



## OPTION 1

# PRESERVE YOUR RETIREMENT SAVINGS

REDUCE THE RISK OF NOT SAVING ENOUGH FOR YOUR RETIREMENT.



### TRANSFER YOUR MONEY TO YOUR NEW EMPLOYER'S FUND

- **You can withdraw a part or all of your vested pot and your savings pot in cash** and transfer the balance to your new employer's fund.
- **You cannot take your retirement pot in cash.** It must be moved to your new employer's retirement fund. This money is to give you an income when you retire.
- You may access your savings pot in your new employer's fund once every tax year. You must have at least R2 000 in your savings pot.
- You can withdraw from your vested pot in cash when you leave your employer.
- Remember – **you don't pay tax if you transfer your retirement savings** to your new employer's fund.
- **If you withdraw cash, you will pay tax.**



### LEAVE YOUR MONEY IN THE CURRENT FUND

- **What must I do if I choose this option?** Nothing. Your retirement savings will stay invested and can keep growing.
- **This is a low fee option and is cost-effective.**
- **You cannot make any additional contributions to any of the pots.**
- You will only be able to withdraw from your savings pot before you retire.
- **When you leave your employer, your retirement pot cannot be taken in cash.** It must either be transferred to another fund or preserved in the current fund.
- If you choose this option, you cannot make a cash withdrawal from your vested pot.
- Your money will be transferred with the same values into your savings, retirement and vested pots.
- **You can still withdraw cash from your savings pot** once per tax year (1 March to 28 February).
- **Your savings pot will not get topped up** as you are not making ongoing contributions.
- Any risk cover you had before you left your employer will stop.

## OPTION 1

# PRESERVE YOUR RETIREMENT SAVINGS



### TRANSFER YOUR MONEY TO A PRESERVATION FUND

- **You can take a portion of your Fund Credit in cash** and transfer the balance to a preservation fund.
- **You will pay tax if you withdraw cash.** You do not pay tax on the money you transfer.
- **Before retirement, you can make a once-off withdrawal from your vested pot.** This withdrawal allows you to take all or a portion of your vested pot.
- You will be able to access the savings pot once every tax year.
- You may transfer from a preservation fund to a future employer's fund.
- **You cannot make any additional contributions.**
- When you retire, you can transfer to a preservation fund if you don't want to set up an income at that stage. You may not, however make a once-off withdrawal.
- The [AFRIS Preservation Fund](#) is available to you. This fund has lower fees and allows you to leave a legacy for your beneficiaries, while providing you with a guaranteed income once you retire.



### TRANSFER YOUR MONEY TO A RETIREMENT ANNUITY

- **You do not pay any tax on transfer.**
- Your money will be transferred with the same values into your savings, retirement and vested pots.
- You will be able to access the savings pot once every tax year.
- You can contribute up to 27.5% of your taxable income (up to R350 000 per year) and get the tax back on your contributions. One-third of your contributions will go into your savings pot and two-thirds to your retirement pot.
- **When you retire, you can withdraw up to one-third of your vested pot, and all of your savings pot in cash.**
- **When you leave your employer, your retirement pot cannot be taken in cash.** It must either be transferred to another fund or preserved in the current fund.
- The [In-fund Living Annuity](#) has the lowest fees. It also allows you to remain a member of the Fund and stay part of the Woolworths family when you retire.

## OPTION 2

# TAKE YOUR RETIREMENT SAVINGS IN CASH

IT IS BEST TO PRESERVE YOUR RETIREMENT SAVINGS WHEN YOU RESIGN.

### Why you should keep your retirement savings invested

More than half of those retiring **will have to live on less than R2 000** as a pension, for every R10 000 they were earning before retirement.

### Why does the average member have this experience?

**It is mainly because members withdraw their retirement fund savings instead of preserving them when they change jobs.**

- When you retire, your quality of life will depend on how much money you have saved.
- **If you spend your retirement savings, you will have no money to provide you with a pension when you get older and no longer work.** Think carefully before taking your retirement savings in cash.

### The advantages of preserving your retirement savings

**Your full benefit consists of:**

- your contributions
- the company's contributions
- your investment returns
- **A large tax-free portion.**

**If you withdraw cash, tax will be deducted before it is paid to you. You will receive less money.**



### Some important financial tips

- Contribute as much as you can afford to your retirement fund savings. Complete your [Additional Voluntary Contribution Form](#).
- Keep an emergency fund by having at least 3 months' salary saved and set aside only for emergencies.
- Manage your debt. Pay back your loans and do not borrow money. Spend only with money that you have.

#### EXAMPLE OF TAX LIABILITY

Zola's Fund Credit is **R100 000**.

Her tax liability is 40% which is **R40 000**.

**If she chooses the cash option, she will only receive R60 000.**

### Get free financial advice

**The value of getting financial advice from a certified financial adviser must not be underestimated. It is highly recommended.**

You may want to get advice from your own certified financial adviser. Their fees will vary.

**For free financial advice** you can contact the My Money Matters Centre.

Call **0860 000 381** or

email: [mymoneymatters@alexforbes.com](mailto:mymoneymatters@alexforbes.com)

# TAX – THE DIFFERENCE BETWEEN PRESERVING AND WITHDRAWING

RATHER PRESERVE YOUR RETIREMENT SAVINGS.

If you decide to withdraw your retirement savings in cash, rather than keep them invested, these charts below show you how you will be taxed (based on tax law at September 2024).

IF YOU WITHDRAW		WHEN YOU RETIRE	
Cash you withdraw	Tax	How much you take	Tax
R0 to R27 500	0%	R0 to R550 000	0%
R27 501 to R726 000	18%	R550 001 to R770 000	18%
R726 001 to R1 089 000	R125 730 + 27%	R770 001 to R1 155 000	R39 600 + 27%
R1 089 001 and above	R223 740 + 36%	R1 155 001 and above	R143 550 + 36%

- Withdrawals from your savings pot before retirement do not reduce your R550 000 tax-free allowance.
- Savings pot withdrawals are taxed at your marginal tax rate (the same as your salary is taxed).
- When you retire, you can take a total of R550 000 of your retirement savings TAX FREE.



## ABOUT YOUR RETIREMENT FUND AND THE BENEFITS

View our online brochure with information about the Woolworths Group Retirement Fund and the benefits.

## HOW MUCH HAVE YOU SAVED IN THE FUND?

To find out what your fund credit is, log in to [online.alexforbes.com](https://online.alexforbes.com). You will require a PIN and password. Alternatively, please visit PeopleSoft.

## THE VALUE OF GOOD ADVICE

We recommend getting financial advice from a qualified financial adviser to help you consider your options. Contact the My Money Matters Centre: Call **0860 000 381** or email [mymoneymatters@alexforbes.com](mailto:mymoneymatters@alexforbes.com)

**Fund queries:** For information about the Fund, please call **021 401 9300** or email [wgrfmbrqueries@aforbes.co.za](mailto:wgrfmbrqueries@aforbes.co.za)  
**Or write to us at:** Woolworths Group Retirement Fund, PO Box 680, Cape Town 8000

[WWW.WGRF.CO.ZA](https://www.wgrf.co.za)



[Benefit Brochure](#)

**DISCLAIMER:** Although every effort has been made to ensure that the information in this brochure is correct, the Board of Trustees, Woolworths and the administrators take no responsibility for any loss or damage suffered by any person as a result of their reliance on the information in this brochure. Any information provided is of a general nature and you must take into account your own personal retirement objectives and financial circumstances. In the event of a dispute, the rules of the Woolworths Group Retirement Fund will prevail.