



Investing for a world of change

# Ninety One Tax-Free Savings Account

Tax-free savings accounts (TFSAs) provide South African investors with an opportunity to save towards a specific goal or supplement their retirement savings. As TFSAs are not subject to income or capital gains tax, they provide a convenient and flexible way to accumulate savings over time.

## Who can invest?

Individuals resident in South Africa

## Investment limits per investor

Current annual limit	R36 000 (per tax year)
Current maximum monthly debit orders	R3 000
Current lifetime contribution limit	R500 000

Any amounts contributed in excess of these limits will be subject to 40% tax payable by the investor.

A convenient and flexible way to accumulate savings over time in a tax-efficient manner

## Contributions

Any contribution received by Ninety One Investment Platform (Ninety One IP) which results in the annual or lifetime contribution limits being exceeded will be rejected in full and will not be processed. Investors will be required to resubmit their application and deposit an amount which does not result in the limit being exceeded. Ninety One IP will not be able to consider an investor's contributions to another product provider's TFSA.

Total contributions across all providers of TFSAs are limited to an aggregate of R36 000 per year of assessment and R500 000 over the investor's lifetime. Any amounts contributed in excess of these limits will be subject to 40% tax payable by the investor.

## Ninety One Tax-Free Savings Account

Ninety One IP is required to inform the South African Revenue Service (SARS) of an individual's contributions to its TFSA. SARS will monitor the individual's annual and lifetime limits across all product providers to determine if any penalties should apply.

The maximum contribution in any given tax year is R36 000 regardless of whether or not the investor has utilised their past allowances. Parents may contribute to a TFSA on behalf of their children, and those contributions will count towards the children's limits.

### Accessing the investment

- There is no minimum investment term, therefore no restrictions or limitations on access can apply.
- There is no limit to the amount an investor can withdraw from their TFSA and all withdrawals are tax free. However, any reinvestments will be regarded as new contributions and will be added to the existing contributions to calculate the total contribution limits. For example, if an investor invests R36 000 at the start of the tax year and subsequently withdraws R10 000 in the same tax year, the investor will not be allowed to re-contribute R10 000 in that year.
- Funds will be available within three business days but this will vary depending on the investor's bank.

### Tax implications

TFSAs are exempt from income, interest, dividends and capital gains tax.

### Negotiability

TFSAs may not be ceded or paid to any third party.

### Benefits on death

The investment will be payable to the investor's estate and may be subject to estate duty and executor fees. While the investment is held within the estate the returns from the TFSA will continue to be exempt from income tax and capital gains tax.

### Transfers

You may transfer your TFSA to another product provider.

## **Important information**

All information and opinions provided are of a general nature and are not intended to address the circumstances of any particular individual or entity. We are not acting and do not purport to act in any way as an advisor or in a fiduciary capacity. No one should act upon such information or opinion without appropriate professional advice after a thorough examination of a particular situation. We endeavour to provide accurate and timely information but we make no representation or warranty, express or implied, with respect to the correctness, accuracy or completeness of the information and opinions. We do not undertake to update, modify or amend the information on a frequent basis or to advise any person if such information subsequently becomes inaccurate. Any representation or opinion is provided for information purposes only.

The investments referred to in this document are generally medium to long term investments. Their value may go down as well as up and past performance is not necessarily a guide to future performance. Fluctuations or movements in exchange rates may cause the value of the underlying international investments to go up or down. A schedule of fees and charges is available on request from Ninety One Investment Platform Proprietary Limited. A prospectus is available in respect of the underlying fund on request from Ninety One. Ninety One SA (Pty) Ltd and Ninety One Investment Platform (Pty) Ltd are authorised financial services providers.

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