



WOOLWORTHS GROUP RETIREMENT FUND

MAKING THE DIFFERENCE TO YOUR RETIREMENT

YOUR OPTIONS IF YOU RESIGN

WHAT SHOULD YOU DO WITH YOUR RETIREMENT SAVINGS?



YOU CAN PRESERVE YOUR RETIREMENT SAVINGS OR WITHDRAW THE CASH

- When you resign, you will need to make an important financial decision – what should you do with your retirement savings?
- When you leave your employer, preserving is when you leave your retirement savings in the current fund or transfer them to a new fund instead of taking the cash.
- The aim of your retirement savings is to provide you and your family with financial security when you retire and are no longer able to work.

THINK BIG. START SMALL. ACT NOW!

YOUR CHOICES AFFECT YOUR RETIREMENT

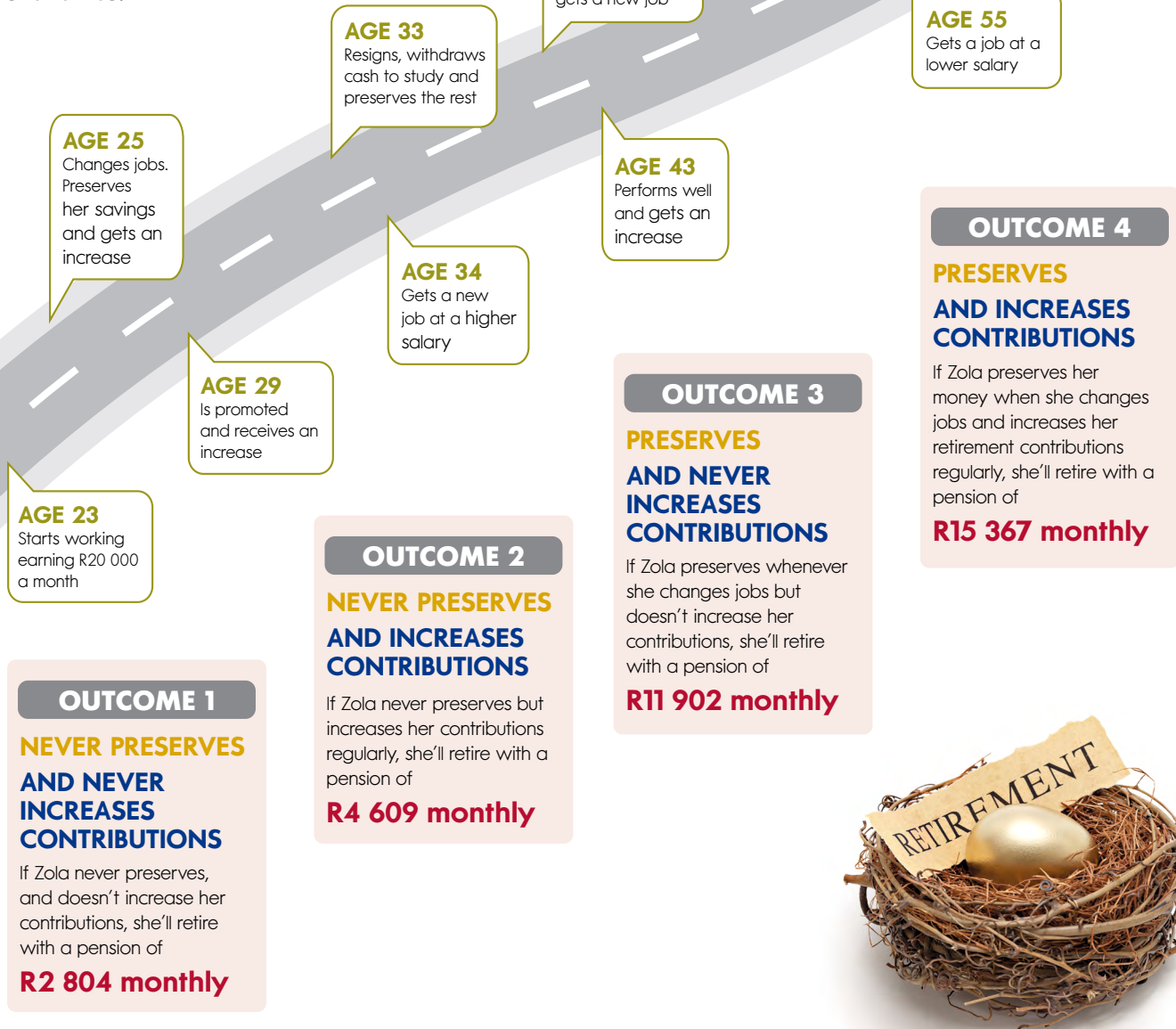
THIS IS ZOLA. HER DECISIONS ABOUT PRESERVING HER RETIREMENT SAVINGS WILL DETERMINE HER MONTHLY PENSION WHEN SHE RETIRES.

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 preserve her retirement savings whenever she changed jobs.
- Whether to increase her monthly contribution rate regularly, or not.

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



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 don't pay tax on transfer.
- You can take a portion of your Fund Credit in cash, which is taxable, and transfer the balance tax free.

TRANSFER YOUR MONEY TO A PRESERVATION FUND

- You don't pay tax on the money you transfer.
- You can take a portion of your Fund Credit in cash, which is taxable, and transfer the balance tax-free.
- You can make a once-off withdrawal from the preservation fund. This single withdrawal allows you to take all or a portion of your money.
- You can transfer from a preservation fund to a future employer's fund.
- You cannot make any additional contributions.
- The [AFRIS Preservation Fund](#) is available to you. This fund combines the benefits of a living annuity with a guaranteed life annuity, allowing you to leave a legacy for your beneficiaries, while providing you with a guaranteed income once you retire.

CHOICE

1

LEAVE YOUR MONEY IN THE CURRENT FUND

- This is a cost-effective option because of lower pricing.
- You cannot make any additional contributions.

CHOICE

2

- You can withdraw your full Fund Credit before you retire. If you withdraw only part of your Fund Credit, the balance must be transferred to another fund.

CHOICE

3

TRANSFER YOUR MONEY TO A RETIREMENT ANNUITY

- Your Fund Credit is preserved for your retirement.
- You don't pay tax on transfer.
- You can make additional contributions.

CHOICE

4

- You cannot withdraw any money until you retire, unless you emigrate.
- You can take up to one-third of your benefit as cash when you retire.
- 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. You may also elect to invest in one of the four default investment portfolios chosen by the trustees, who will continue to manage your investments.

OPTION 2

TAKE YOUR RETIREMENT SAVINGS IN CASH

INCREASE THE RISK OF NOT SAVING ENOUGH FOR YOUR RETIREMENT.

Since most of us cannot resist the temptation to spend money that comes our way, the best option is to preserve your retirement savings when you resign.

- When you retire, your quality of life will depend on how much money you have saved over your entire working life.
- **If you spend your retirement savings, you will have no money to provide you with a pension when you get older and are no longer able to work. Think very carefully therefore before taking your retirement savings in cash.**
- **An advantage of preserving your retirement savings** is that your full benefit which consists of:
 - your contributions
 - the company's contributions
 - the investment returnsis transferred and it is **tax-free**.
- If you withdraw the cash you will receive your Fund Credit, but tax will be deducted before it is paid to you. You will receive less money.



EXAMPLE

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 qualified, professional financial adviser cannot be underestimated and is highly recommended.

You may want to get advice from your own Financial Planner. Their fees will vary. Ensure that they are certified by the Financial Planning Institute.

For FREE financial advice you can contact the Alexforbes Individual Advice Centre.

Call **0860 100 983** or email: iac@aforbes.com

TAX – THE DIFFERENCE BETWEEN PRESERVING AND WITHDRAWING

RATHER PRESERVE YOUR RETIREMENT SAVINGS.

IF YOU WITHDRAW	
How much you take	Tax
R0 to R27 500	0%
R27 501 to R726 000	18%
R726 001 to R1 089 000	R125 730 + 27%
R1 089 001 and above	R223 740 + 36%

WHEN YOU RETIRE	
How much you take	Tax
R0 to R550 000	0%
R550 001 to R770 000	18%
R770 001 to R1 155 000	R39 600 + 27%
R1 155 001 and above	R143 550 + 36%

- All amounts exceeding R25 000 that you withdraw in cash before you retire will reduce this tax-free amount.
- The tax free amount that you can take in cash **depends on all your cash withdrawals** from your retirement fund.
- **When you retire, you can take a total of R550 000 of your retirement savings TAX FREE.**

SOME IMPORTANT FINANCIAL TIPS

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



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HOW MUCH DO YOU HAVE SAVED IN THE FUND? To find out what your Fund Credit is, go to online.alexanderforbes.co.za. You will require your pin and password. Alternatively, please visit PeopleSoft.

THE VALUE OF GOOD ADVICE: We recommend getting financial advice from a qualified financial adviser. Contact Alexforbes Individual Advice Centre (IAC): Call **0860 100 444** or email iac@aforbes.com

FUND QUERIES: For information about the Fund, call **021 401 9300** or email wgrfmbqueries@aforbes.co.za

You can write to us: Woolworths Group Retirement Fund, PO Box 680, Cape Town 8000

WWW.WGRF.CO.ZA

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