



Beste kliënte,

Dit is vir my 'n wonderlike voorreg om weer van die geleentheid gebruik te kan maak om 'n paar interessante artikels met iedereen te kan deel.

Die jaar het soos oudergewoonte weer spoed gevang en daar is nog net 'n paar maande oor.

In dié uitgawe van die nuusbrief wil ek graag almal se aandag op een slagvat vestig waarin so baie van ons trap. Wat maak 'n mens met jou aftreegeld wanneer jy van werk verwissel?

Dis partykeer so moeilik om die nodige dissipline te handhaaf wanneer jy die geleentheid kry om geld uit jou pensioen- of voorsorgfonds te onttrek.

Dan is daar ook 'n baie oulike artikel vir diegene wat beplan om eersdaags 'n nuwe motor aan te koop vir hulle amper-grootmens matrikulant.

Laastens, is daar twee personeelveranderinge wat ek graag onder u aandag wil bring.

Annelien de Ronde tree eersdaags af en ons almal wil haar graag sterkte toewens met die nuwe uitdaging!

Daarmee saam wil ek ook vir Jeandre Kruger van harte welkom heet by ons.

Groete,

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Ons spesialiseer in:

- Testamente en boedelbeplanning
- Aftredebeplanning (aftreeannuïteite en pensioenfondse)
- Na-aftrede beplanning (lyfrente en lewende-annuïteite)
- Beleggingbeplanning
- Langtermyn versekeringsdekking (lebensdekking, ongeskiktheidsdekking, traumadekking)
- Inkomstebeskerming
- Mediese fondse

Retiring or withdrawing?

Deur Carrie Furman, Tax Specialist, Allan Gray

After a lifetime of work, retirement is often a welcome change of pace, but many people rush into a decision to retire or withdraw from their retirement fund.

You need to ensure you understand and carefully consider the tax implications of your decision before submitting an instruction.

Once your completed form is received, it is too late to change your mind. This is according to the Income Tax Act - not Allan Gray processes.

We can all learn from Mr. Williams' story:

Mr. Williams decided to retire from his Allan Gray Retirement Annuity Fund when he turned 60. He submitted his retirement notification to them, informing them he wanted to withdraw R400 000, and transfer the remainder of his investment to a living annuity.

He chose R400 000 as his lump sum, assuming that because it was below the R500 000 retirement lump sum amount, which may be taxed at 0%, he would not have to pay tax.

Mr. Williams intended to use his money for home repairs and a dream round-the-world trip.

Mr. Williams was hit with an unexpected R121 500 tax bill.

Why did Mr. Williams get this so wrong and how can you avoid the same situation?

The tax bill on your retirement cash lump sum takes all previous taxable cash lump sums you have received into account, including severance benefits and cash lump sums withdrawn from a living annuity (which is allowed if the value of your account falls below the prescribed limits).

Mr. Williams had made a withdrawal from his retirement fund of R200 000 in 2010 and received a severance package of R600 000 in 2016, i.e. he had already used up his once-off tax concession of R500 000.

SARS took these amounts into account when calculating his tax bill. With his plans in tatters, Mr. Williams asked to have his retirement transaction reversed. Unfortunately, Allan Gray were legally unable to do so.

Why can't they undo retirement requests or withdrawals?

The moment they receive a retirement notification or a retirement fund

withdrawal form they are legally required to inform SARS of this by way of a tax directive. The purpose of the tax directive is to determine



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the tax to be withheld from the lump sum before it is paid out.

When SARS receives the tax directive they calculate the tax you owe on the lump sum, taking previous taxable cash lump sums into account. The Income Tax Act states that SARS' determination of the amount of tax to be withheld, as indicated on the directive, is final. This means they have no wiggle room to undo or redo an application to retire or withdraw money from a retirement fund from the moment they receive an application.

What if you want to increase your cash lump sum amount?

After they explained all of this to Mr. Williams he asked them to rather just increase his cash lump sum withdrawal so that he would get R400 000 after tax. They were legally unable to do so.

SARS is very clear on this point: there can be no amendments. In the eyes of SARS Mr. Williams becomes entitled to his cash lump sum amount on the day he submits his retirement notification form to Allan Gray, which means they cannot change any detail of his transaction after the fact.

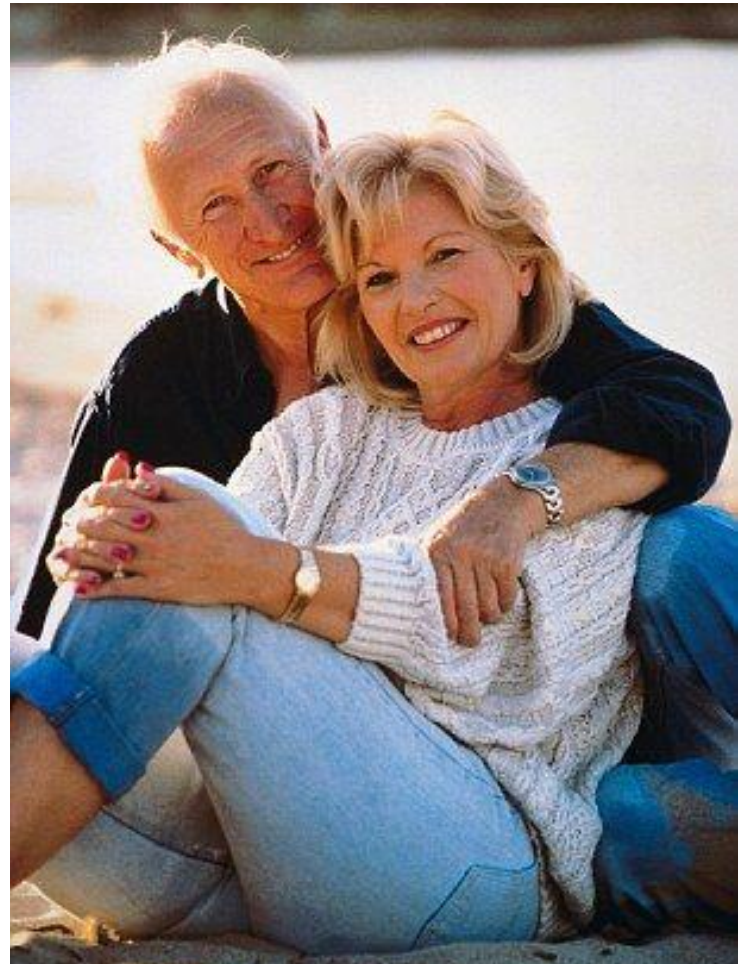
Consider this checklist before retiring or withdrawing from a retirement fund:

1. Ask SARS to give you a tax estimate before submitting any instructions to the fund.

SARS is the best place to start when you are thinking about retiring or making a cash lump sum withdrawal from a retirement fund. They can give you an accurate picture of the tax you can expect to pay by confirming which previous taxable lump sums they have on record for you.

2. Check your age and the fund you are in.

Understand the options available to you. If you have not taken any previous lump sums and you are over the age of 55 years, in most cases you will be better off retiring from your preservation fund rather than taking a withdrawal.



3. Check if you have excess retirement fund contributions

If you have contributed above the tax deductible limit (currently 27.5% of the greater of taxable income or remuneration, with an annual deduction ceiling of R350 000), your excess contributions can reduce your taxable cash lump sum amount.

Make sure you fill in the relevant section on your retirement or withdrawal form and submit your supporting documents.

4. Talk to a tax practitioner or your financial adviser

If you want more certainty, talk to a tax practitioner or your My Brokers financial adviser. They will be able to help you calculate your tax liability before sending an instruction.

New or used car? What is best for your soon-to-be-adult child?

Lorraine de Ronde / Wheels 24

With the year winding down, those of you with matriculants at home will soon be having the BIG discussion. Mom, dad... are you going to buy me a car? If the answer is 'yes', your next big decision is whether to buy a new or second-hand car.

Buying a car for your soon-to-be-adult child can be daunting. Is the car safe enough? What happens if it breaks down? Will I be able to afford the monthly instalments?

What you definitely should consider when buying a car:

1. Applying for finance is easy

When you've done all your research, know what car you want, and have calculated that you can afford it, applying for finance is as simple as visiting the dealership. A Finance and Insurance representative will also be able to give you sound advice, and can explain everything about the car loan application process to you.

2. Budget carefully

The trick to budgeting is to be honest with yourself about what you can afford. The amount allocated to the new car needs to cover the instalment, insurance, petrol and running costs.

3. Be patient

Try to avoid balloon payments and choose the shortest possible term for the loan. The sooner you pay off the car, the sooner you are without debt.

4. Get insurance

One of the most important documents to take along when signing your contract, is proof of insurance. If you have asked the dealership to arrange an insurance quote, they will have this document.

5. Affordability

Many South Africans are unable to purchase a car at current prices, even those labelled as 'budget/entry level'. There are many options in the used-car market, provided you do your research before purchasing. Car ownership involves

much more than monthly repayments. Insurance, fuel and maintenance costs are all part of the package that you have to consider. A more affordable used car will ease your monthly budget as well as your insurance premiums.

6. Maintenance

Maintenance goes hand-in-hand with affordability. Chances are that a used-car will be out of a maintenance and/or service plan - this means that all necessary repairs will have to be paid for. Choose a car with a full service history and a strong national dealer network. Don't choose a vehicle based on looks and perceived quality. From new tyres to transmission issues, ensure that your budget can cover an out-of-warranty vehicle if repairs are needed.

7. Safety

Gone are the days when drivers had to contend with a YOLO (you-only-live-once) attitude behind the wheel of a car with minimal safety features. Considering South Africa's horrendous road death toll, it has become a necessity to purchase a vehicle with airbags and an anti-lock braking system.

Safety checklist when purchasing a new car:

- Strength, intensity and resistance of all safety belts.
- Ensure that there is a legal amount of tread on all the tyres - including the spare wheel. If need be, push the dealer/seller to fit new tyres on your car.
- Test the hooter and all the lights on and in the car.
- Ask for a report on the car's accident history report. Some dealers may not tell you this, unless you ask.
- Research the car's New Car Assessment Programme safety rating.

8. Practicality

Finding an affordable car is one thing, but there is nothing worse than getting stuck with one that is unreliable. Keep in mind what your child might

need a car for: travelling to and from college? Taking a road trip? Using it to carry loads during an internship? Ensure that the boot is big enough to carry at least three suitcases. A two-door car might seem cool, but it is a pain to load/unload rear seat passengers. If your child is tall, consider the head- and legroom. Conversely, if he/she is short, consider whether the seats can be raised or lowered.

What does the experts say?

The reasons for buying a new or used car are not the same for everyone. Most of the time your-soon-to-be-adult child, will only look at it from a one minded perspective: will I look good behind the wheel? Whereas you will probably think about whether or not you can afford the car payments? Unfortunately there is no one-size-fits-all answer. There are sound reasons to buy a new versus a used car.

Depreciation is the single largest expense of car ownership, most people will tell you that as soon as you drive your matriculant's car off the showroom floor, the car would have already lost some of its value. On the other hand, maintaining a used car requires more time and money.

When making the new versus used decision, each of us must examine our unique set of financial and life requirements. A little introspection is good for the soul and the wallet.

The Insurance Institute for Highway Safety (IIHS) recommends that parents keep the following in mind when picking a car for their teenagers:

1. Avoid high-power cars that could tempt teens into speeding.
2. Select bigger cars that have the mass to protect occupants in an accident.



3. Put young drivers in cars equipped with electronic stability control, which helps a driver maintain control of the car on curves and slippery roads.



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Ons beskik oor ons eie Facebook-blad, volg ons gerus en lees lekker saam.

Tik @mymakelaars in die soekenjin op jou Facebook-blad en gaan *like* ons blad!



Totsiens Tannie Annelien!

Aanstaande maand groet ons een van ons staatmaker assistente.

Tannie Annelien de Ronde het die afgelope twee jaar in ons Pretoria kantoor gewerk as assistent.

Ons wens Tannie 'n welverdiende en geseënde aftrede toe!



Welkom Jeandre Kruger!

Baie welkom Jeandre by die My Makelaars-familie!

Jeandre het 'n Bcom Psig graad by die Universiteit van Potchefstroom gestudeer, en is al twee jaar in die versekerings bedryf. Hy het vroeër vanjaar by ons aangesluit vanaf Sanlam.

Jeandre werk tans by die Pretoria kantoor as algemene langtermyn makelaar en junior vennoot.



Ons webblad is ook nou beskikbaar in Afrikaans!
U kan maklik tussen die Engelse en Afrikaanse webtuistes spring deur op die blou blokkie "vind ons in Afrikaans" te klik.