



*Moving towards a better future **together***

Transport Sector Retirement Fund **Retirement Benefits**

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Introduction

At retirement age 65, members will receive their Member Share/Fund Credit as a retirement benefit. Members may retire before or after the normal retirement age, with permission from their employer.

Contributions

Member Contribution

Every month a member pays 10% of their salary or wages as a contribution to the Fund. The full contribution is invested for retirement. Please check your pay slip for the exact amount you are contributing.

Employer Contribution

Every month the employer pays 10% of a member's wages or salary as a contribution to the Fund, on the member's behalf. A portion of the employer's contributions goes towards the various costs including risk benefits, administration fees and audit fees. The remainder is invested for the member by the Fund.



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*Your money
is protected
by legislation
and laws
to ensure
that you have
money saved
for when
you retire*

Legislation Changes

From 1 September 2024 the total of the Member and Employer contribution (after costs) are allocated as follows:

- ✓ **two-thirds** are allocated to the Retirement Component, and
- ✓ **one-third** is allocated to the Savings Component.

From 1 March 2021, it became compulsory for a provident fund member to buy an annuity (pension) at retirement with at least two-thirds of their accumulated retirement savings.

The Good News is that provident fund members' vested rights were protected and this means that members who joined the Fund before 1 March 2021 kept their right to withdraw their accumulated retirement savings as at 1 March 2021, plus the growth on them, as a lump sum cash benefit, even if they transfer to another retirement fund after 1 March 2021.

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Two-Pot System

The Two-Pot legislation that came into effect on 1 September 2024 means that a member's Fund Credit now consists of the total of the Vested, Savings and Retirement components.

Vested Component

Vested Component may consist of vested and non-vested benefits depending on when a member joined the Fund. **What is the difference between a vested benefit and a non-vested benefit?**

The **vested benefit** is the member's fund savings as at 1 March 2021 plus growth on the money until the member retires. At retirement this benefit can be taken as a cash lump sum.

The **non-vested benefit** is all the new contributions to the Fund from 1 March 2021 up to 31 August 2024. At retirement the member can only take one-third of this money as a cash lump sum and two-thirds must be used to buy a pension (compulsory or guaranteed life annuity).

Please note: If two-thirds of the non-vested "pot" together with the retirement "pot" is less than R165 000 (*de minimis*) this may be taken as a cash lump sum.

Savings Component

100% of the balance in a member's savings component may be taken in cash at retirement.

Retirement Component

100% of this benefit must be used to buy a pension/annuity for life.

Payment of Benefit

A summary of the way in which the retirement benefit is paid is shown in the following table:

	Vested Component		Savings Component	Retirement Component
	Vested Benefits	Non-vested Benefits		
Must annuitise:	None	At least 2/3rds of your Non-vested Benefits	None	Full balance in your Retirement Component
May be taken as cash:	Up to 100% of your Vested Benefits	Up to 1/3rd of your Non-vested Benefits	Up to 100% of the balance in your Savings Component	None

Annuitisation of Retirement Benefits

An annuity is a regular income that you can purchase from an authorised provider. It may also be referred to as a pension or income in retirement. You can purchase an annuity through the Fund (default annuity) or any other reputable service provider of your choice.

[Click here](#) to read more about the **Fund's default annuity**

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Members of the Fund that were 55 years and older on 1 March 2021: Members of the Fund that were 55 years and older on 1 March 2021 and who did not opt-in to the Two-Pot system on 1 September 2024 will only have a Vested Component and will be able to take the full value of the Vested Component in cash when they retire. These members are the only members that will continue to contribute to the Vested Component.

Members who joined the Fund for the first time after 1 September 2024: Members who joined the Fund for the first time after 1 September 2024 will only have a Savings Component and a Retirement Component, unless they transferred a Vested Component from another fund into the TSRF when they joined. These members will be able to take the balance in their Savings Component in cash at retirement but must use 100% of their Retirement Component to buy a pension for life.

Tax Implication Note: The first R550 000 taken in cash at retirement is tax free. Without a tax number the Fund cannot pay your claim.

Deductions

The following deductions may be made from the retirement benefit:

1. Tax payable on any lump sum withdrawal benefit more than R550 000.
2. Home loans granted or secured by the Fund.
3. Arrear tax owed to SARS.
4. Employer losses (theft, fraud and dishonesty) (37D deduction).
5. Maintenance orders in relation to arrear maintenance.
6. Divorce orders where the fund is ordered to make a payment to your ex-spouse.



Retirement Counselling

The Fund provides **Retirement Benefit Counselling** to help you understand your options at retirement. To be sent a link and login details for the **benefit counsellor tool**, contact the **Salt Employee Benefits EB** call centre on

 **011 544 8300**

 **WhatsApp "Hi"to: 087 240 7006**

It is recommended that you read the **Fund's Member Guide** for **more information** and to **see how to claim your benefit:**

[Click here](#) to read the **Fund's Member Guide**

Contact details for the Fund

 **087 405 6377** Member enquiries

087 405 6376 Two-Pot System enquiries

 **Email:** members@tsrf.salteb.co.za

 **Web:** www.tsrf.co.za

Fund no: 12/8/37811

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