Honey Retirement Annuity Plan Simply Put

The Honey Retirement Annuity Plan is an easy way to save for retirement instead of or in addition to employer pension savings. It is ideal for the self-employed or anyone looking to supplement and increase their retirement savings.

Key features and benefits

- Contributions are tax deductible, meaning that any amount invested into the Honey Retirement Annuity plan can be taken off your taxable income for the year (up to a legislated limit).
- Investors can start and stop contributing whenever they want to with no penalty fees.
- Two-thirds of the contribution is allocated to a Retirement Component, with the remaining one-third allocated to a Savings Component. If you held any retirement savings prior to 1 September 2024, you will be allocated with a Vested Component.
- Investment returns are exempt from Capital Gains tax, Interest Income tax and Dividend tax.
- The product is exempt from estate duty and executor's fees.
- Choice and flexibility when it comes to what you invest into. Choose from a range of carefully selected Unit Trust funds from reputable managers and change your selection at any time free of charge.
- One withdrawal per tax year (i.e. 1 March to 28 February) is permitted from the Savings Component (minimum withdrawal value of R2000.00 applies). No withdrawals are permitted from the Retirement Component, Vested Component or from any vested rights held prior to retirement.
- You are also entitled to withdraw your full Benefit prior to retirement when you emigrate from South Africa if you can prove you have been a non-resident for tax purposes for an uninterrupted period of three years or on the expiry of a work visa.

The following options are available to you on retirement (i.e. from age 55) per component:

Component type	Retirement options
Retirement Component	The full value must be used to purchase a compulsory annuity from an insurer.
Savings Component	The full value can be withdrawn in cash, and any amount not withdrawn must be used to purchase a compulsory annuity from an insurer.
Vested Component	One-third of the value may be withdrawn in cash, with two-thirds being used to purchase a compulsory annuity from an insurer. Any amount not withdrawn must be used to purchase a compulsory annuity from an insurer.
Vested Right	The full value can be withdrawn in cash, and any amount not withdrawn must be used to purchase a compulsory annuity from an insurer.

- To help give your investment a head start, no upfront administration fees are charged.

The Honey Retirement Annuity Fund (Reg. number 12/8/38196), is a registered Fund in terms of the Pension Funds Act 24 of 1956 with registered office B02G002, Building 2, Bridgeport House, Ground Floor Building, Hampton Office Park, 20 Georgian Crescent, Sandton, 2152 (FSP No. 52376), tel. 010 900 5129. Honey Investment Solutions (Pty) Ltd, a subsidiary of Hollard, is the appointed Administrator of the Fund Past performance is not necessarily indicative of future results. Returns shown (if any) are net of fees unless stated otherwise. Forecasts or projections are not guaranteed and may differ materially from actual results.

This material is for information purposes only and is not intended as a solicitation, offer, or recommendation to acquire or dispose of any financial product. This document does not constitute advice as defined in the FAIS Act. Clients are encouraged to obtain independent professional advice before making any financial decisions.

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www.honeyinvestments.co.za

Honey Investment Solutions (Pty) Ltd, (Reg. No. 2021/848795/07), an authorised 13B retirement fund administrator (24/816) and Financial Services Provider (FSP No. 52376). Honey Investment Solutions (Pty) Ltd is a subsidiary of Hollard.

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How do I invest?

- Contributions start from as little as R500.00 per month, or a once-off initial investment of R50 000.00
- You can transfer an existing retirement annuity, pension preservation or provident preservation investment from another provider (terms and conditions permitting).
- You can invest a benefit received from an employer pension or provident fund when leaving the employer (terms and conditions permitting).
- Download an application form and investment portfolio list from the Honey Investment website www.honeyinvestments.co.za, or ask your Financial Advisor.

How much does it cost?

- A weighted average fee is charged on the value of all your investment accounts held on the platform (Ts&Cs apply).
- A minimum annual administration fee of R110.00 applies per investment account.

Investment Value	Annual Admin Fee – Weighted Fee (excl. VAT)
From R0.00 to R1.5 million	0.40%
Next R4 500 000.00	0.20%
Above R6 000 000.00	0.10%

This fee is charged on the value of your investment across all components and deducted proportionally from each respective component monthly in arrears.

- Your Financial Advisor may charge you an initial and ongoing fee. These fees are negotiable between yourself and your Advisor. A maximum of 3% excluding VAT applies for financial advisor initial fees (excluding transfers from another Retirement Annuity where no initial fees are permitted), and a maximum of 1% per annum excluding VAT applies for financial advisor ongoing fees.
- Should you choose to invest via a model portfolio, a portfolio management fee will apply.
- The manager of the Unit Trust funds or other investment options you have selected charges an annual management fee, which will vary per investment option and is incorporated into the investment option unit price.

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Honey Retirement Annuity Plan Simply Put

Summary of allocation of contributions & withdrawal / retirement options

Honey Retirement Annuity Plan

Timing of Provident Fund Contributions	**Between** 1 March 2021 & 31 August 2024	**After** 1 September 2024		***Initial 10% seeding on 1 Sep 2024** (capped at R30 000.00) from Vested Component
Allocated Investment Account	**Vested Component**	**1/3** *Savings Component	**2/3** Retirement Component	**Total Retirement Savings**
Pre-retirement Withdrawals	**No withdrawals permitted**	**Once a tax year Min R2000.00** Taxed at Marginal tax rate	**No withdrawals permitted**	**If total value in the Fund is R15 000.00 or less** Taxed at pre-retirement withdrawal tax tables
Retirement Options	**1/3 can be taken in cash** 2/3 must be used to purchase an annuity	**100% can be cashed in or used to buy an annuity**	**100% used to purchase an annuity**	**Any portion cashed out** will be taxed at SARS retirement tax tables

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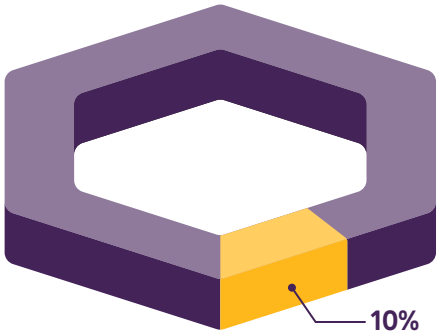
Saving for retirement: How much is enough?



As low as 10% of people saving for retirement will save enough to make ends meet during retirement

(Source: National Treasury paper: Strengthening Retirement Savings, 2012)

After working for 10 years you need to have **saved** 2x your annual salary for your retirement

(Source: www.sanlambenchmark.co.za)

After working for:

- **20 Years: 4x Salary**
- **30 Years: 7x Salary**
- **40 Years: 12x Salary**

Only 7 million South Africans have access to formal retirement saving through an employer

(Source: Quarterly Labour Force Survey, Quarter 3, Statistics SA, 2)

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