

# ASAP

## Legal and Technical Update

### Retirement fund transfers

The following is a list of the transfers allowed between retirement funds, prior to retirement.

#### Transfer from a pension fund to:

- **Pension fund** - No tax consequence.
- **Provident fund \*** - This transfer will be deemed to be withdrawal from the pension fund, which will be subject to tax according to the withdrawal tables.
- **Retirement annuity fund** - No tax consequence.
- **Pension preservation fund** - No tax consequence.

#### Transfer from a provident fund to:

- **Pension fund\*\*** - No tax consequence.
- **Provident fund** - No tax consequence.
- **Retirement annuity fund\*\*** - No tax consequence.
- **Provident preservation fund** - No tax consequence.
- **Pension preservation fund\*\*** - No tax consequence.

#### Transfer from a retirement annuity fund to:

- **Another retirement annuity fund** - No tax consequence.

#### Transfer from a provident preservation fund to:

- **Another provident preservation fund** - No tax consequence.

- **Pension preservation fund\*\*** - No tax consequence.
- **Pension fund\*\*** - No tax consequence.
- **Provident fund** – No tax consequence.
- **Retirement annuity fund\*\*** - No tax consequence.

**Transfer from a pension preservation fund to:**

- **Another pension preservation fund** - No tax consequence.
- **Pension fund** – No tax consequence.
- **Provident fund\*** - This transfer is seen as a withdrawal from the pension preservation fund and will be subject to tax based on the withdrawal tax table.
- **Retirement annuity fund** - No tax consequence.

**Notes:**

\* From 1 March 2019 there will be no tax consequence due to the amendments pertaining to provident funds coming into effect.

\*\*Upon the transfer the client should be made aware of the fact that the retirement benefit will be restricted to one-third as a lump sum compared to full accessibility in the case of a provident fund or provident preservation fund.