

# 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. (see note)
- **Provident fund** - No tax consequence.
- **Retirement annuity fund** - No tax consequence. (see note)
- **Provident preservation fund** - No tax consequence.
- **Pension preservation fund** - No tax consequence. (see note)

#### 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. (see note)
- **Pension fund** - No tax consequence. (see note)
- **Provident fund** – No tax consequence.
- **Retirement annuity fund** - No tax consequence. (see note)

**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.

**Note:**

Upon the transfer from a provident fund to a more restrictive fund (pension or retirement annuity fund), 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.

Provident fund annuitisation has been postponed until 1 March 2021 and is therefore ignored for the purposes of this document. It will be updated once the implementation date has arrived.