



GRADIDGEMAHURA
INVESTMENTS

The Family Wealth Experts

Making the Most of Your Retirement Fund Benefits

21 September 2026



National Team



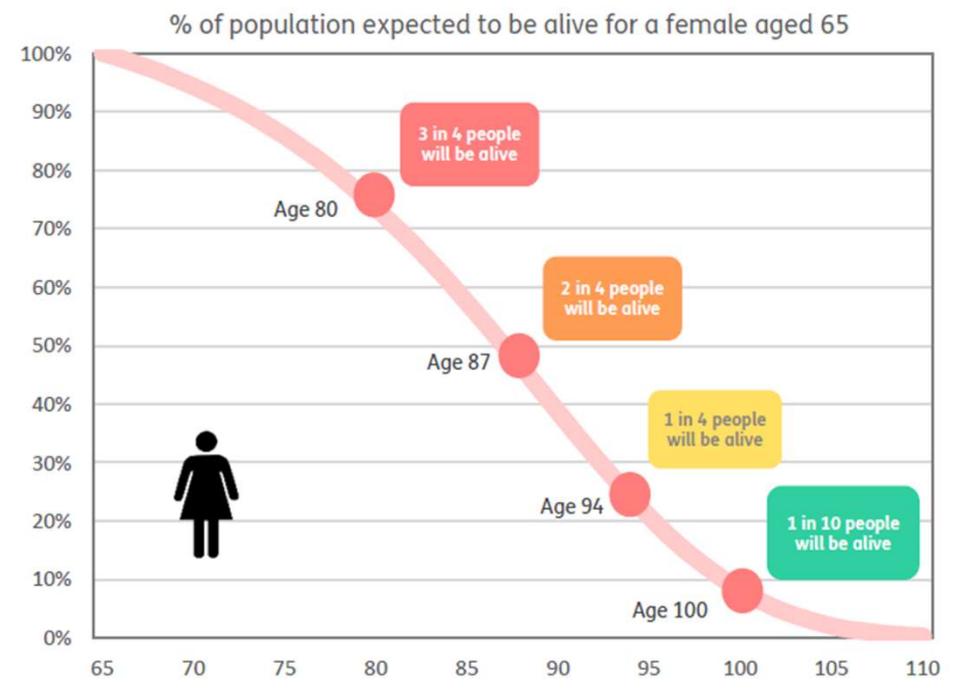
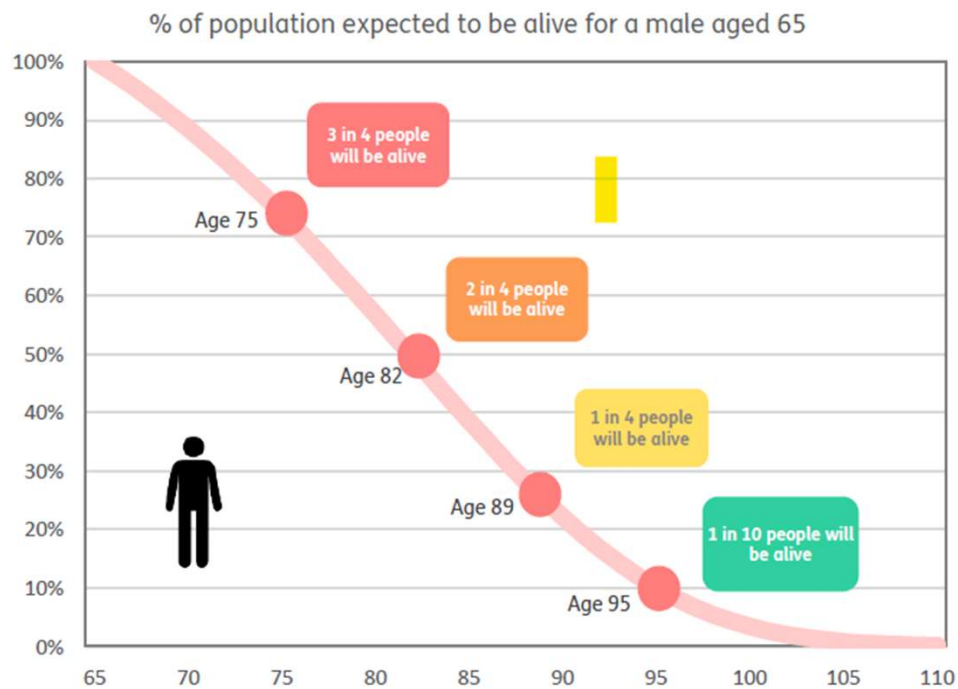
UCTRF is supported by the complete, diverse team of Gradidge-Mahura Investments.
Our team is based Nationally – Cape Town, Johannesburg and Durban.



Questions to Ask Before Retirement

-  What does my retirement journey look like? (Lifestyle & Financial)
-  What income can I expect?
-  What tax will I pay in retirement?
-  What other benefits will I keep after retirement?
-  Can I take my pension offshore?
-  Do I need estate planning?





Source: JUST SA Retirement Insights 2024



To 100 and Beyond

(Author: Wynand Gouws, CFP®)





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What to Expect from the UCTRF Appointed Financial Advisers

- **Personalised Retirement Income Plan** – tailored to your lifestyle and financial needs
- **Clear Guidance on UCTRF Investments** – understanding the available channels and how they work for you
- **Annuity Options Explained** – life, living and hybrid annuities made simple
- **Advice Beyond UCTRF** – guidance on external products, if relevant to your situation



What to Expect from the UCTRF Appointed Financial Advisers Cont.

- **Accurate Estimates & Final Quotations** – to support confident decision-making
- **Tax & Estate Planning Insights** – ensuring your retirement is tax-efficient and your estate well-structured
- **Comprehensive Retirement Roadmap** – covering all aspects of your retirement journey
- **Support with Emigration Planning** – advice on cross-border and tax-efficient strategies if you intend to emigrate



Options at Retirement

Defer Retirement (Phased Retiree) - Continue as a member of the fund, with no access to your cash portion yet.

Transfer to Another Fund - Move your benefit to a Preservation Fund or Retirement Annuity.

Take a Cash Lump Sum - Access all or part of your UCTRF benefit in cash, subject to tax rules. PF1
(Access to your full benefit as a lumpsum provided you have NOT opted in to Two-Pot)

Choose Your Annuity:

1. Board-endorsed **Inflation-Linked Life Annuity** (external provider)
2. **Life Annuity** (external provider)
3. **Living Annuity** (from UCTRF or an external provider)
4. **Hybrid Annuity** (a combination of Life and Living options)



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PF1

This will also depend on if they opted in to 2 Pot

Penny Fabre, 2025-09-16T12:00:34.388

Will I qualify for an Old Person Grant ?



✓ Means Test

- ❑ Income < R9,350/month (single), < R18,700/month (married).
- ❑ Assets < R1,584,000 (single), < R3,168,000 (married).

💰 Grant Amounts

- ❑ Age 60 – 74: R2,400/month.
- ❑ Age 75+: R2,420/month.
- ❑ Application: Apply in person at SASSA office with valid ID and proof of income/assets.

🏠 Do I need to cash in my pension to qualify ?

- ❑ NO – as long as you qualify for the means test.



What Risks do Retirees Face?



LONGEVITY RISK

Outliving Your Retirement Savings



INFLATION RISK

Income needs to grow to keep up with increase in cost of goods and services



INVESTMENT RISK

Insufficient returns or excess investment volatility will compromise income sustainability

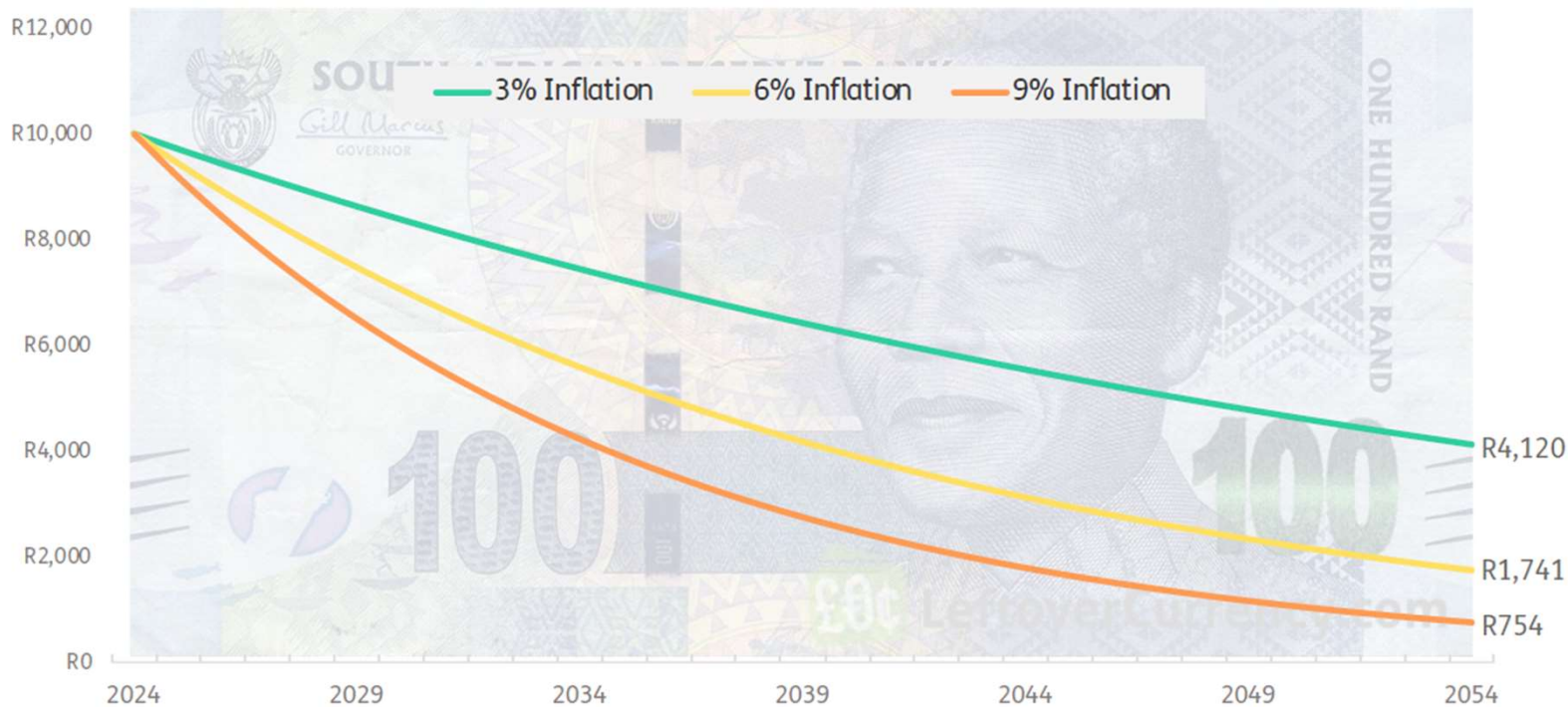


BEHAVIOURAL RISK

Income Security over Legacy;
Investing too conservatively

Inflation: How Rising Prices can Shrink Income

Impact of inflation on retirement income of R10 000



Source: JUST SA Retirement Insights 2024



What Income do I Need in Retirement

Lump Sum Needs	Income Needs
Home Loan	Medical Aid
Vehicle Loan	Food
Debt	Petrol
Home Renovations	Rates, Water, Electricity
Travels	Insurance
Emergency Fund	Internet, Cellphone



What Tax will I Pay on my Lump Sum Withdrawal

- Your lump sum withdrawal is taxed as per Retirement Tax Tables
- This is your lifetime limit across pension, provident and RA's
- GMI can assist you by getting a Tax Simulation from SARS, before you make a withdrawal

Taxable Income (R)	Rate of Tax
1 – 550 000	0% of taxable income
550 001 – 770 000	18% of taxable income above 550 000
770 001 – 1 155 000	39 600 + 27% of taxable income above 770 000
1 155 001 and above	143 550 + 36% of taxable income above 1 155 000



How Much Should I Take as a Lump Sum?

💡 Best Practice

It is generally in your interest to take the **maximum tax-free lump sum** available.

- Can be used for tax-efficient income planning
- Provides flexibility and access to cash
- Useful as an emergency fund

⚠️ What to Avoid

It is usually **not advisable** to withdraw more than the tax-free lump sum:

- In a **Life Annuity**, the more capital you leave invested, the higher your guaranteed income.
- In a **Living Annuity**, keeping funds invested allows for **tax-efficient growth**.



What Income can I Expect in Retirement

Living Annuities → Usually provide the lowest starting income (ASISA recommends a maximum 5% drawdown at age 65).

Life Annuities → Typically offer a higher, guaranteed income.

Combination Approach → At retirement, you can split your savings between annuities. This is your only opportunity to split your retirement fund and create flexibility for the future.

Impact of Fees → Costs directly reduce your income.

Provider Comparison → Income differences between providers can sometimes be ~15%.

Informed Decisions → We provide detailed projections of all options to help you choose with confidence.



How is My Annuity Taxed?

✅ Tax-Free Transfer

Your annuity portion is transferred without any tax deduction.

💰 Tax on Income

Annuity payments are taxed according to your **personal marginal tax rate**.

🎂 Age Benefit

From age 65, the **tax threshold increases**, giving you more relief.

📌 Other Taxes to Keep in Mind

- ☐ Income from other sources
- ☐ Tax on interest earned
- ☐ Capital Gains Tax (where applicable)

Age	Tax Threshold (2026)
Under 65 Years	R99 000
65 Years to Younger than 75 Years	R153 250
75 Years and Older	R171 300

Transferring Leave Pay to the UCTRF

✓ Option Available

You may transfer up to 55% of your leave pay into the UCTRF.

💡 Why This Matters

If your total retirement contributions are **below the allowable tax-deductible limit**, you can make an **additional contribution from leave pay** and receive **tax relief** on that amount.

📄 Important Requirements

- Notify your Department of your **final leave dates at least 2 months** before your last working day (to allow for leave audit reports).
- Submit the required **form by the 3rd of the month** in which you exit.
 - ❑ *Example: If your last working day is 31 December, the form must be submitted by 3 December.*



Key Tax-Efficient Strategies at Retirement

Determine your available tax-free portion

This can be more or less than the standard R550,000, depending on your previous withdrawals.

Contribute Leave-Pay to Retirement Fund (if appropriate)

Contribute 55% of your leave pay-out into a retirement fund to reduce tax payable.

Structure your income streams

If possible, draw your desired retirement income using both compulsory annuities and discretionary funds.

Maximise available exemptions

Where possible, take advantage of the annual interest exemption & annual capital gains tax (CGT) exclusion.

Learn more

Watch our 6-Part Video Series on Tax-Saving Strategies at Retirement on the *Gradidge-Mahura Investments* YouTube Channel or on the UCTRF Website: <https://uctrf.co.za/uctrf/retirement-benefits>



Compulsory Funds vs Discretionary Funds

	Compulsory Funds	Discretionary Funds
What is it?	Retirement Funds (pension funds, provident funds, retirement annuities and preservation funds) and Living Annuities; Considered 'before tax' monies	Everything except for Retirement Funds, i.e. savings account, tax-free investment, unit trust, fixed deposit, etc.
Tax implications on investment growth	None	Yes - Interest earned and capital gain triggered is taxed as per the investor's marginal tax rates (except for a TFSA)
Tax implications on income drawdown	Income is taxed as per the investor's marginal tax rates.	None
Estate Dutiable	No	Yes



Annual Interest and Capital Gains Exemption

Exemption	Value
Annual Interest Exemption (Under Age 65)	R23 800
Annual Interest Exemption (Age 65 & Older)	R34 500
Annual Capital Gains Exemption	R50 000



Converting Your Separate (Unapproved) Death Cover

Key Features

1. Requires no in-depth medical underwriting.
2. Premiums are paid by you or your family, not the UCTRF.
3. If you retire early, you may continue cover through a **Continuation Option** at UCTRF rates until your retirement age. At retirement age, member would then exercise **Conversion Option**.
4. At retirement age, you can **reduce the benefit** if affordability is a concern.

Why Consider Converting?

- 💰 Settle outstanding debts.
- 🏠 Provide liquidity for estate duty.
- ⚖️ Protect and provide for your spouse or dependants.
- 🌳 Create a legacy for your family.



Do I Need Estate Planning and an Updated Will?

Your Estate

Includes everything you own and everything you owe.

Your Intentions

Decide how you want your estate to be distributed when you pass away — who should receive what — and formalise this in a **valid will** (and sometimes a trust).

Death Taxes

Plan for estate duty and other taxes by ensuring there is enough **liquidity** to settle them.

Retirement Funds & Compulsory Annuities

- ☐ These are **excluded** from your estate.
- ☐ Ensure that **beneficiaries** are properly nominated for:
 - Living Annuities
 - Life Annuities with a guaranteed period



What you need to do to Ensure your February Income Payment

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 **Consult with a GMI Adviser** - Book your one-on-one sessions

 **Complete and Submit Exit Form** - GMI Service Team can assist; Deadline: End of October.

 **Updated Life Annuity Estimates** Available from January onwards (if chosen annuity is a Life Annuity)

 **Finalise Retirement Benefits** - Invest with your chosen provider (15 January onwards)

Annuity to be finalized by 15th January for a January income payment. While we aim for this, it is not always the case and member may only receive **first income end February**.

The Lumpsum (if applicable) would be paid out sooner, shortly after Directive has been received from SARS.



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PF1 We usually aim to pay them end Jan?

Penny Fabre, 2025-09-16T12:06:05.082

MM1 0 Yes, for some members, Annuity does get implemented in time for a end Jan income. In some cases, does not get implemented and member only gets first income end Feb.

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Thank you

