

Sygnia Tax-Free Savings Account

Tax-efficient short- and long-term savings

Product benefits:

Tax-free growth 

Pay no taxes on any growth or income you earn

The Sygnia Tax-Free Savings Account (TFSA) is a savings account that allows you to save for both short- and long-term goals without paying taxes on any of the growth or income you earn. In addition, you are not taxed on withdrawal or termination of the account – and you have instant access to your money whenever you need it.

Overview

Purpose	Tax-efficient general savings
Minimum contribution	R10 000 lump sum or R500/month
Access	Access anytime
Key features	Annual limit R36 000, lifetime limit R500 000

Real people. Real questions.

Who should invest?

The Sygnia TFSA is most suitable for:

- Individuals who wish to save their money in a flexible and tax-efficient manner;
- Individuals who wish to supplement their existing pre-retirement savings;
- Self-employed entrepreneurs who do not contribute to an occupational pension or provident fund and may require an alternative or a supplement to a standard retirement annuity;
- Employed persons, when the employer does not offer (or does not make contributions to) an occupational pension or provident fund;
- Individuals who earn additional income that is not taken into account in determining contributions to an existing occupational pension or provident fund.

Are there contribution limits?

Minimum contributions:

- R10 000 minimum lump sum amount
- Debit order of R500 p/m

Maximum contributions:

- Lifetime contribution of R500 000
- Annual contribution in a tax year of R36 000
- Debit order of R3 000 p/m

The contribution limits apply to individual investors with respect to their total investments in all tax-free savings accounts. You may stop contributing at any time with no penalty.

Please note: Minimum lump sum of R1 000 if investing into the Sygnia Money Market Class S1 or S2 (established by Sygnia Collective Investments (RF) (Pty) Ltd).

Does my Sygnia Tax-Free Savings Account have a fixed term?

No, you have instant access to your money whenever you need it.

What happens if I invest more than R36 000?

Any contributions made to tax-free savings accounts over and above the R36 000 annual limit will attract tax at a rate of 40%. Sygnia will not allow investments in excess of the stated limits to be deposited into the Sygnia TFSA.

When can I withdraw from my investment?

Withdrawals are permitted at any stage and will be processed within four (4) business days of receipt of withdrawal instruction. No payments to third party bank accounts will be processed. Withdrawals from your TFSA do not credit your annual or lifetime limits, so these limits cannot be extended by withdrawing a portion of your TFSA.

Can I have more than one tax-free savings account?

There is no limit to the number of tax-free savings accounts you may open. However, you will need to ensure that your payments across all approved tax-free savings accounts (with Sygnia or other providers) do not exceed the annual contribution limit of R36 000 per tax year.

Can I open a Sygnia Tax-Free Savings Account for my children?

Yes, you can open a Sygnia TFSA on behalf of your child or other family member; however, be mindful that you will be using part of their annual tax-free allowance, which will limit their ability to save for themselves via this type of product in the future. Also note that any withdrawals from the TFSA can only be paid into a bank account in the account holder's name (i.e. in the name of the child).

Can I transfer my investment?

Yes, you may transfer from an existing TFSA to a Sygnia TFSA. You may also transfer out of a Sygnia TFSA to another TFSA. A product provider must transfer any amount in respect of a TFSA within ten (10) business days. The transferring provider must supply a certificate to the investor stipulating the details of the TFSA transferred.

Ready to apply?

Submit your application online by visiting our website and clicking on “Open an account”. Alternatively, you can contact the Sygnia Client Service Centre on 0860 794 642 (0860 SYGNIA) for assistance.

Required documentation

- Copy of South African green barcoded ID/South African Smart ID Card, birth certificate (if minor) or valid passport (if a foreign national).
- Proof of residential address not older than 3 months.
- Proof of bank details not older than 3 months.
- Proof of deposit/transfer into the relevant Sygnia bank account.
- If a unit transfer is required, please provide a recent statement of your current investment.

I've already opened a Sygnia Tax-Free Savings Account – how do I transact online?

The Sygnia Alchemy Online portal is a one-stop online solution for your investment and retirement planning needs. Visit our website and click on “Log in” to access your secure online account or to register.

Need more help?

Don't miss out on this opportunity to invest with confidence and serenity. Contact your financial advisor or visit sygnia.co.za to find out more about the Sygnia Tax-Free Savings Account.

Disclaimer

The Sygnia Tax-Free Savings Account (TFSA) allows you to save for both short- and long-term goals without paying tax on the growth or income you earn. You have instant access to your money whenever you need it, and you are not taxed on withdrawal or termination of the account. This fund qualifies as a tax-free investment under section 12T of the Income Tax Act, effective 1 March 2015. South Africans qualify for the associated tax benefits – no tax on dividends, income or capital gains – while still enjoying all the benefits of a particular investment vehicle. Contributions to tax-free investments are limited to R36 000 per tax year, with a lifetime limit of R500 000. Amounts invested in excess of these permissible thresholds are taxable at 40%. The Sygnia Group is a full member of the Association for Savings and Investment SA. Sygnia Collective Investments RF (Pty) Ltd is a registered and approved Manager in collective investment schemes in securities. Collective investment schemes are generally medium- to long-term investments. Sygnia Asset Management (Pty) Limited (FSP 873), an authorised financial services provider, is the appointed investment manager of the Fund. The portfolio may invest in other unit trust portfolios that levy their own fees, which may result in a higher fee structure. The value of investments/units/unit trusts may go down as well as up. Past performance is not necessarily a guide to future performance. Collective investments are traded at ruling prices and can engage in borrowing and scrip lending. A schedule of fees and charges and maximum commissions is available from the Manager on request. Performance is based on NAV-to-NAV calculations, with income reinvestments done on the ex-div date. Performance is calculated for the portfolio, and individual investor performance may differ as a result of initial fees, actual investment date, date of reinvestment and dividend withholding tax. The Manager does not provide any guarantee with respect to the capital or the return of a portfolio. Collective investments are calculated on a net asset value basis, which is the total market value of all assets in the portfolio, including any income accruals and less any deductible expenses such as audit fees, brokerage and service fees. Forward pricing is used. All the portfolio options presented are approved collective investment schemes in terms of the Collective Investment Schemes Control Act, no. 45 of 2002 (“CISCA”). The fund may from time to time invest in foreign countries and may therefore have risks regarding liquidity, the repatriation of funds, political and macroeconomic situations, foreign exchange, tax, settlement and the availability of information. The Manager has the right to close any portfolios to new investors to manage them more efficiently in accordance with their mandates. A copy of the Minimum Disclosure Document (MDD) is available on our website: www.sygnia.co.za.