

BRENTHURST NEWS FLASH

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INVESTMENT PLANNING • RETIREMENT PLANNING • OFFSHORE INVESTMENTS
TAX PLANNING • ESTATE PLANNING • LIFE INSURANCE



THE POWER OF INDEPENDENT ADVICE

23 APRIL 2015

TAX FREE SAVINGS -A FIRST FOR SOUTH AFRICA

Most of the leading financial institutions, including Brenthurst's preferred investment partners, will soon have products available to allow clients and investors access to the tax free savings option as announced in the Budget address presented in parliament in February this year.

Until now, the earnings from savings and investment products have been subject to tax. The government has recognised that there is a severe lack of personal savings in this country so, in an effort to incentivise and promote savings in South Africa, it launched this tax-free savings option for individual investors for the first time in South African tax history.

A tax-free savings account is a savings product that offers individuals tax savings benefits. If you choose to save through such a product, you benefit from not having your savings taxed. This is an ideal savings product for children's education or even to supplement a retirement nest-egg.

In terms of s12T of the Income Tax Act, as from the 2 March 2015, these accounts will not attract withholding tax on dividends or interest, no income tax on income earned within the investment portfolio, nor will it attract any Capital Gains Tax when you switch or withdraw. All earnings and growth within the account will be re-invested automatically. Other benefits include the fact that there will be no performance fees on the funds within the product, no initial platform fees, as well as lower services fee and lower on-going advisory fees.

THE TAX BENEFITS	FEE BENEFITS
<ul style="list-style-type: none">• No withholding tax on interest• No withholding tax on dividends• No tax on Interest and income earned from property funds• No Capital Gains Tax on a switch or a withdrawal	<ul style="list-style-type: none">• No performance fees• No initial fees from platforms• No initial advisory fee• There will be no additional fees charged except the annual service fee of the fund selected within the portfolio and the reduced advisory fee of 0,5% p.a.

However, as per legislation, there are limits to the amounts that can be contributed into this new tax-free savings product.

The product allows a maximum of **R30 000** annual contribution and a maximum contribution of **R500 000 over the lifetime of the investor**. (These numbers may likely be adjusted for inflation each tax year). Over time, the balance in these accounts may exceed the R500 000 limit due to accumulated earnings and capital gains.

The investor has the flexibility to withdraw from the tax-free savings account at any time, however, any withdrawal will count against the yearly and lifetime contribution limits. *For example, if you invest R30 000, and before the end of the same tax year withdraw R10 000, leaving a balance of R20 000, the R10 000 you withdrew will count against your yearly limit. Your annual contributions are always limited to R30 000.*

CONTACT YOUR BRENTHURST WEALTH FINANCIAL ADVISOR TO START YOUR OWN TAX-FREE SAVINGS ACCOUNT.

SMART TIP

We strongly advise all clients to make use of this tax free savings option. Do contact your Brenthurst advisor for any advice of how this will fit into your overall financial plan and long term investment strategy or how this option can be used to save for particular goals, for instance a child's education. Do not miss this opportunity to save taxes on savings, it is a rare concession from SARS.

Although many banks and other financial institutions are already offering these tax free savings accounts their investment options are limited. Brenthurst Wealth has however already negotiated with one of our preferred product providers an alternative with a much wider range of investment options which will offer our clients greater investment opportunities. THESE WILL BE AVAILABLE AS FROM END MAY 2015. It is advisable to leave the investment to grow for as long as possible and avoid the temptation of withdrawing any of the proceeds until you really need it.

UPCOMING SEMINARS

We would like to invite all our clients to attend any of our upcoming countrywide seminars, which will be hosted in conjunction with **STANLIB**. Kindly note that booking is essential to secure your seating.

Presenters: Kevin Lings **STANLIB** & Magnus Heystek **BRENTHURST**
Topic: Challenges facing South Africa

PRETORIA SEMINAR: 26 MAY 2015

TIME: 16h00 to 17h45
VENUE: Villa Sterne Boutique Hotel, 212 Johann Rissik Drive, Waterkloof Ridge, PTA
RSVP: +27 12 347 8240 or magda@brenthurstwealth.co.za

JOHANNESBURG SEMINAR: 27 MAY 2015

TIME: 16h00 to 17h45
VENUE: Stanlib JHB Office: 17 Melrose Boulevard, Melrose Arch, JHB
RSVP: +27 11 799 8100 or erna@brenthurstwealth.co.za

CAPE TOWN SEMINAR: 01 JUNE 2015

TIME: 16h00 - 17h45
VENUE: Stanlib Office: Liberty Life, The Estuary Century Boulevard Century City
RSVP: +27 21 914 9646 or ronelle@brenthurstwealth.co.za

NEWS SNIPPET

Brenthurst Wealth Management just launched a blog pagewhere we will post investment articles and features not linked to major investment or market events. You can find it on our website in the media section at: www.brenthurstwealth.co.za or at <https://brenthurstwealthblog.wordpress.com/>.

"THE FINE ART OF MANAGING INVESTMENTS REQUIRES CONSISTENCY, PATIENCE AND THE CRITICAL ABILITY TO PERCEIVE A LONG-TERM APPROACH TO THE CREATION OF WEALTH AND MOST IMPORTANTLY, THE POWER OF GOOD SOUND INVESTMENT ADVICE."

JOHANNESBURG

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This document should not be viewed as investment advice as each individual investor is different and has different investment needs. Please consult any one of our highly qualified investment advisors before acting on the advice and recommendations contained in this newsletter. Kindly contact BWM for an appointment.

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