



The Tourism Hospitality and Catering Retirement Fund

Additional Voluntary Contributions (AVCs)

The Taxation Laws Amendment Act No. 25 of 2015, published in Government Gazette No. 39588 on 8 January 2016, introduced changes to the tax treatment of retirement fund contributions and aligned the annuitisation requirements applicable to retirement funds from 1 March 2016.

Members may claim a tax deduction for contributions made to their Pension Fund. The deduction is limited to 27.5% of the greater of remuneration or taxable income (excluding retirement fund lump sums, withdrawal benefits and severance benefits), subject to an annual maximum deduction of R430,000. The deduction may not exceed taxable income before the inclusion of any taxable capital gain.

Any contributions that exceed these limits are carried forward to the following year of assessment and are deemed to have been contributed in that year. Excess contributions may continue to be carried forward until they can be utilised and may also, subject to the applicable tax legislation, be used to reduce the tax payable on certain retirement benefits.

These limits apply to the combined total of a member's employer and employee contributions to all pension, provident and retirement annuity funds.

Please Note:

Additional Voluntary Contributions to the Tourism, Hospitality and Catering (THACSA) Retirement Fund form part of the overall retirement fund contribution deduction limit of 27.5%, subject to the annual maximum deduction of R430,000.

Advantages of Additional Voluntary Contributions

- May provide further tax relief in addition to the normal contributions to the Thacsa Retirement Fund.
- No dividends tax or capital gains tax applies to investments while they remain invested in the Fund.
- Contributions can be increased, reduced or suspended to suit cash flow.
- Enhances your retirement savings without additional costs.
- Contributions may be made as monthly deductions, annual contributions or once-off lump-sum contributions.

Process

Should you wish to make Additional Voluntary Contributions, please complete the attached form and return it to your HR Department.

IMPORTANT

Please note that the above information does not constitute financial or tax advice. You are encouraged to consult a qualified financial adviser or tax practitioner to assess your personal circumstances and determine the tax deductions and benefits for which you may qualify.



TOURISM HOSPITALITY AND CATERING RETIREMENT FUND

APPLICATION FOR ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVCs)

Employer/Division/:

I, (Full Name and Surname)

...../...../..... (date of birth) wish to make a lump sum additional voluntary contribution of

R..... for the tax year ending 28/02/.....

And/or

Wish to make additional voluntary monthly contributions of R..... to be deducted

from my salary with effect from 20.....

I hereby authorise (Name of Establishment) to deduct the agreed to amounts as indicated above from my salary and to transfer it to the Tourism Hospitality and Catering Retirement Fund.

Signed at on 20.....

Signed by Employee

Employee Number

Email address

Telephone /Cellphone number