

What to know about preservation funds and why you may need one

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You've just landed a new job and you have handed in your resignation. Now you need to move your retirement savings (in a pension fund or provident fund) from the employer that you are leaving. Obviously, you want to protect and grow these savings. Preservation funds offer one of the best solutions to allow your hard-earned retirement savings to grow and be protected. Your existing retirement savings need to be cared for even while you continue to work and build more retirement savings with your new employer or through your private retirement annuity. Remember to think carefully before you steal these savings from your future retirement by cashing it in now.

Whenever you have the option to withdraw from an employer's approved pension or provident fund, you can transfer your withdrawal benefit into a pension preservation fund or a provident preservation fund.

Jabulani Sibanyoni, Business Development Manager at Glacier by Sanlam, examines what you need to know about this important decision.

What is a preservation fund and how does it help you?

A preservation fund offers a flexible way to retain and grow your retirement savings when you leave an employer. They were specifically designed for these exact purposes, to help you protect and grow your retirement savings when you change jobs. In simple terms, a preservation fund is a type of retirement savings fund that focuses on the growth and protection of savings that may no longer be held in an occupational fund (a pension or provident fund).

The [Glacier Personal Portfolios Preservation Funds](#) offer the following benefits:

- Continued growth: Your retirement capital is preserved and may continue to grow. Your investment options to help you grow the capital amount are very wide on the Glacier

platform. At retirement, you can easily transfer your retirement savings to a retirement income product, such as a living annuity or a conventional life annuity.

- Protection: Your retirement savings in the preservation fund will be protected against creditors.
- Tax efficiency: No tax is payable on the growth of your capital in this fund (interest, dividends or capital gains).
- Access to your money: You can choose when to retire from this fund as long as your chosen date is after age 55. You can make one withdrawal before retirement. Although a withdrawal may not be advisable, you may withdraw all your money or part thereof.

Confident investing for retirement

“The [Glacier Personal Portfolios Preservation Funds](#) offer you continuity, protection, tax benefits and access to your money”, says Jabulani. “With a minimum lump sum of R100 000, you can invest for growth in a way that suits your unique financial circumstances and tolerance for risk.”

Practice caution, though, he says. It’s not ideal to make any investment decision without the help of an appropriately authorised financial adviser. Your retirement savings are a critical step to a confident future and should last as long as you live. Investing your hard-earned savings must be done with the help of a professional.

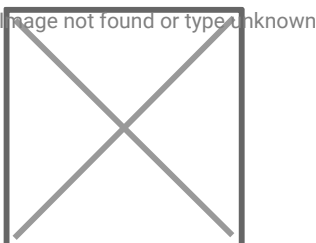
[View more information on Glacier Preservation Funds](#)

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Jabulani started his career at Glacier in 2013 and was appointed as a Business Development Manager in 2019. His responsibilities include developing and maintaining an investment intermediary portfolio and increasing the Sanlam Group’s retail investment market share in new market segments. Jabulani has obtained a Bachelor of Commerce (Honours) degree in Management with a focus on Marketing Policy and Strategy. He also attained a National Certificate in Financial Markets & Instruments (cum laude) and a Postgraduate Diploma in Financial Planning from the University of the Free State.

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