



Prudential Investment Managers

MARCH 2020

## Starting the new tax year right! “Brainer”

Whether saving for something special or supplementing your retirement savings, tax-free investments are a great way to invest.

### **What are the benefits of tax-free investments?**

There are no underlying performance fees, your investment returns are exempt from local income tax, dividends tax and capital gains tax... and what's more... **the government has recently increased the maximum investment amount to R36,000 per year.**

To begin, simply complete our [online application form](#) which you can do in under 10 minutes; it really is that easy!

### **How much tax could I save?**

Try our [Tax-free Investment Calculator](#) to see how much tax you could save by investing in a tax-free investment compared to traditional unit trusts.

### **What are the benefits of setting up a debit order?**

One of the major benefits of debit order investing is that once it's set up your investments are made automatically. This means that you don't have

to worry about forgetting to top up your investment each month, and you can set a pre-determined amount upfront to ensure that you reach R36,000 for the tax year. Be sure not to exceed this amount, since any excess contributions will be taxed at 40% by SARS.

What's more is that assuming the annual limits remain unchanged for 2021, you can keep your debit order running into the new tax year without having to complete any new paperwork.

### **What about investing via a lump sum?**

Investing via a lump sum is quick and easy. Importantly, once your account has been set up, top up as early in the tax year as possible to give your investment sufficient opportunity to compound and grow over time.

### **What are the minimums?**

A debit order investment starts from as little as R500 per month, while a minimum lump sum investment starts at R10,000.

### **Need more information?**

For more information have a look at our [Tax-free Investment FAQ](#) or contact our Client Services Team on 0860 105 775 or email us at [query@prudential.co.za](mailto:query@prudential.co.za).