



OLD MUTUAL

EMPLOYEE GROUP IN SUPERFUND



Don't overwhelm yourself with impossible retirement savings goals - 1% can make a huge difference!

We know that increasing your contribution rate isn't easy, especially when times are tough but a small sacrifice now can make a big difference to your retirement savings.

As a member of OMEGS, you have the opportunity to increase your contribution rate before 10 July 2019.

Save more and reduce your tax bill

Cindy does not have much disposable income but she believes that by making small sacrifices she will be able to increase her contribution by 1% this year.



Meet Cindy

Pensionable earnings **R35 000**

15 years left until retirement

Increases contribution by **1%**

*Additional **1% (R350)** will increase her retirement savings by **R92 868** over the next **15** years.

***Assumptions: 0% salary growth, 5% earnings per year, administration costs and other expenses have not been taken into account.**

In addition to this great enhancement to her retirement savings, **Cindy will also gain the extra benefit of a tax saving.** You will remember that with effect from March 2016, retirement fund contributions are tax deductible up to 27.5% of the greater of your remuneration or taxable income (annual tax deductions are limited to R350 000).

In a nutshell, Cindy will be saving R350 extra each month but the net impact on her take home pay will only be R242.

That's the **true power** of **compound interest!**

As you can see, a little can indeed go a long way!

"Compound interest is the eighth wonder of the world. He who understands it, earns it; he who doesn't, pays it," **Albert Einstein**

Closing date: 10 July 2019

Field staff (i.e. employees whose earnings include a commission component) can make changes to their retirement fund contribution rate by completing the attached form or using Oracle HRMS.