



Transfers between different retirement funds

This edition of ASAP will summarise the most common transfers that take place between retirement funds on the resignation of a member from an existing retirement fund. It will also highlight the tax consequences of the transfers.

Transfer from a pension fund to:

- **Pension fund**
No tax consequence.
- **Provident fund**
This transfer will be deemed to be withdrawal from the pension fund, which will be subject to tax according to the withdrawal tables.
- **Retirement annuity fund**
No tax consequence.
- **Pension preservation fund**
No tax consequence.

Transfer from a provident fund to:

- **Pension fund***
No tax consequence.
- **Provident fund**
No tax consequence.
- **Retirement annuity fund***
No tax consequence.
- **Provident preservation fund**
No tax consequence.
- **Pension preservation fund***
No tax consequence.

Transfer from a retirement annuity fund to:

- **Another retirement annuity fund**
No tax consequence.

Transfer from a provident preservation fund to:

- **Another provident preservation fund**
No tax consequence.
- **Pension preservation fund***
No tax consequence.
- **Pension fund***
When the member regains employment and belongs to the employer pension fund, the transfer will be tax neutral.
- **Provident fund**
When the member regains employment and belongs to the employer provident fund, the transfer will be tax neutral.
- **Retirement annuity fund***
No tax consequence.

Transfer from a pension preservation fund to:

- **Another pension preservation fund**
No tax consequence.
- **Pension fund**
When the member regains employment and belongs to the employer pension fund. This transfer will be tax neutral.
- **Provident fund**
When the member regains employment and belongs to the employer pension fund. This transfer is seen as a withdrawal from the pension preservation fund and will be subject to tax based on the withdrawal tax table.
- **Retirement annuity fund**
No tax consequence.

*Note:

Upon the transfer the client should be made aware of the fact that the retirement benefit will be restricted to one-third as a lump sum compared to full accessibility in the case of a provident fund or provident preservation fund.