

Independent Model Portfolios



It's February! Remember to Review your TFSA & RA

As we approach the end of the fiscal year this February, we remind you of some important opportunities to maximize the benefits of your investments.

A Tax Free Savings Account (TFSA) is truly tax free – no tax on income or interest, no dividend tax and no capital gains tax

The end of the tax year is an ideal time to review your TFSA contributions. Remember, you can invest up to R36,000 annually, with a lifetime limit of R500,000. Contributions to your TFSA are not tax-deductible, but all returns within the account - including interest, dividends, and capital gains - are completely tax-free. If you haven't reached your annual limit yet, consider increasing your contribution to fully leverage this tax benefit.

Contributions to your Retirement Annuity (RA) are tax deductible and the returns you earn while invested are tax free

For your RA, remember that contributions are tax-deductible. This means you can potentially lower your taxable income by increasing your RA contributions before the year-end. The annual limit for tax-deductible contributions is 27.5% of your taxable income or remuneration, whichever is higher, capped at R350,000 per annum. Reviewing your contributions now could significantly benefit your tax situation.

Both of these investment vehicles offer unique advantages that can be pivotal in planning for your financial future, whether it's for retirement or other investment goals. We encourage you to consider whether you are fully utilizing these opportunities.

For assistance with a tax free savings account or retirement annuity, please contact your financial adviser or Rutherford Asset Management directly and we will gladly point you in the right direction www.rutherfordam.co.za or 021 879 5665.