



**GRADIDGEMAHURA**  
INVESTMENTS

The Family Wealth Experts

## TAX-FREE SAVINGS ACCOUNT

A Tax-Free Savings Account (TFSA) is an excellent way to grow your wealth, allowing you to save and invest without incurring tax on interest, dividends, or capital gains. This unique benefit means that every contribution directly enhances your family's financial future, free from tax implications.

## TOP UP YOUR TAX-FREE SAVINGS

Maximum annual contributions for tax free saving accounts are R36 000, make sure you top up before the end of the tax year if you have not used your full amount. Note, lifetime limit for tax free savings is R500 000 and over contributions are taxed at 40%.

### INVESTMENT CONTRIBUTIONS

- **R36 000** maximum per annum (across all providers)
- **R3 000** maximum debit order per month

*This allows you to spread your annual contributions across 12 months.*

- **R500 000** lifetime maximum

### THE BENEFITS

- **No** local dividend withholding tax
- **No** tax on income
- **No** capital gains tax
- **No** performance fee
- **No** exit fee

\*Over time the balance in these accounts may exceed the R500 000 due to accumulated earnings and capital gains. In such instances, the excess amount and the income earned thereon, will not be subject to tax. 40% TAX PENALTY on amounts over the aggregate annual maximum limit across all providers.

### TRANSACTIONS NOT ALLOWED

- Debit order escalation
- Cash flow plan
- Cessions

### ALL INCOME

- Will automatically be re-invested
- Will not form part of annual or lifetime contribution

### FAST FACTS

- Contribution period 1 March to 28 February.
- Amounts may be withdrawn at any time.
- Any growth on your investment does not form part of your annual and lifetime contribution limits.
- TFSA is flexible and you are not constrained to any specific region or asset class for your investment.
- The only limitation is that the investment option has to be TFSA eligible.
- Money can be withdrawn at any time, but any new contributions will count towards your annual and lifetime contribution limits.
- A TFSA is an excellent way to supplement your post retirement years, as any withdrawals are tax free.

Gradidge-Mahura Investments is an authorised financial services provider, FSP 36327.  
28 Fricker Road, Illovo, Johannesburg, 2196  
T (010) 448 2200 | E [info@gminvestments.co.za](mailto:info@gminvestments.co.za) | [www.gminvestments.co.za](http://www.gminvestments.co.za)

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