

## Retirement annuity contributions tax certificate (IT3(f)) explained

The tax season for individuals runs from July to November every year. For provisional taxpayers who submit via eFiling, it runs until January of the next year. During tax season you need to submit an income tax return (ITR12) to the South African Revenue Service (Sars) so that they can calculate your tax on your income and the tax-deductible expenses for the assessment year (1 March to the end of February).

Depending on the products that you have with Momentum, we'll send you the relevant tax certificates every year so that you can complete your tax return. Usually you would have received all your tax certificates from us by the end of June every year.

Some or all of the information on the tax certificate may already be prepopulated by Sars on your tax return. If it is, all you have to do is to check the prepopulated information against the information on the tax certificate. If you are happy that the information is correct, you can continue completing your tax return. If the information is incorrect, contact the Sars call centre on 0800 002 277.

If it hasn't been prepopulated by Sars, use the information on the tax certificate to complete your tax return.

You don't submit the tax certificates to Sars when you submit your tax return, but keep them for a period of five years in case Sars requires them from you.

In the table below we give you some more information about this tax certificate:

| General questions and explanations  |  |
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| What type of tax certificate is this?                                       | This is a retirement annuity contributions tax certificate (IT3(f)).   |
| What is a retirement annuity contributions tax certificate (IT3(f))?        | It reflects the voluntary contributions you made to a retirement annuity fund during the tax year.   |
| Why am I receiving it?  | We must report the voluntary contributions you made to a retirement annuity fund during the tax year. You may qualify for a tax deduction when Sars calculates your income tax.  |
| When will a deposit be allocated to my retirement annuity?                  | Deposits are defined as a voluntary contribution only on the date that <b>both of the following conditions are met:</b> <ul style="list-style-type: none"> <li>The contribution paid into the correct bank account reflects before the communicated cut-off date (28 February 2017);</li> <li>A clear and complete investment instruction is received before the communicated cut-off date (10 March 2017).</li> </ul> |
| When will you issue an IT3(f) tax certificate?                              | When you've made a voluntary contribution to a retirement annuity fund in a particular tax year.   |
| Will my certificate details and values automatically be updated on eFiling? | No, you'll have to fill in the amount we show on the certificate on your income tax return (ITR12).  |
| What should I do with the certificate?                                      | Use it to fill in the retirement annuity contribution section. Keep the certificate for your records.  |
| Where can I get more information and help with this tax certificate?        | Speak to a registered tax practitioner or visit <a href="http://taxim.co.za">taxim.co.za</a> (a Multiply partner), who can help you file your tax return.<br>You can also contact Sars on 0800 007 277 or visit its website at <a href="http://sars.gov.za">sars.gov.za</a> .  |

**Specific questions and explanations**

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|---|---|
| Why don't all contribution inflow amounts reflect on this certificate?                          | You can only claim a <b>voluntary contribution</b> as a possible tax deduction. We'll report contributions at the end of the tax year. The contribution must reflect in our bank account by the last day of the tax year for us to include it in the certificate for the current year of assessment, else we'll report it in the next tax year.<br><br>We don't include <b>compulsory contributions</b> (transfers from other retirement funds) in this certificate because you can't claim those as a deduction. |
| What if there was a delay in processing my investment instruction or receiving my contribution? | If the contribution doesn't reflect in our bank account by the last day of the tax year, we will report the contribution on the next tax year's certificate. It's not possible to back date such contributions.   |
| Where and how do I claim my tax benefit?  | If you registered for eFiling, the first page of the tax return (ITR12) will ask: "Did you make any retirement annuity fund/income protection contributions?" Select Y for yes. You can then fill in the information from the certificate.  |

**What do the different source codes in this certificate mean?**

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| How do you reflect current retirement annuity fund contributions?    | The fund to which you made your retirement annuity fund contributions will issue a tax certificate confirming the total voluntary contributions for the tax year. You must use the amount shown on the tax certificate next to <b>source code 4006</b> (current retirement annuity fund contributions) when reporting it on your tax return (ITR12).<br><br>Limits apply to the amount you're allowed as a deduction. Sars will calculate the allowable deduction.  |
| How will I be taxed if I stop contributing to my retirement annuity? | <b>Arrear retirement annuity fund contributions – section 11(n)(i)(bb)</b><br>If your contributions to a retirement annuity were in arrears and you made contributions for the amount in arrears, we'll also report it.<br><br>For arrear retirement annuity contributions, you can claim the total amount of your actual contributions made during the year of assessment, up to a maximum of R1 800 (which is the maximum deduction for reinstated retirement annuity fund contributions per person per year of assessment). Any excess contributions may be carried forward to the following year of assessment, using <b>source code 4007</b> . |

**Other information fields on this certificate**

**Year of assessment**

The year of assessment refers to the accrual period. For example, if we are notified of a member's death during the 2015 transaction year, but his date of death was in May 2011, then the transaction year will be 2015 and the year of assessment will be 2012.

**Transaction year**

Transaction year refers to the year that we process the transaction on our system, and relates to the tax year.

**Income tax reference number**

Income tax reference number refers to the Sars assigned tax reference number of the retirement annuity fund member. From August 2017 Sars will require any retirement annuity fund to supply a valid tax reference number for each client receiving a retirement annuity contributions tax certificate. Please make sure that your tax information is up to date to prevent any issues with claiming your tax benefits on the voluntary contributions you made.

Financial wellness is about you and your money and how you use the money you earn to make a living and shape your financial future throughout the different stages of your life and that of your family.

How you structure your income, and therefore your tax payable, can have a significant impact on your financial wellness. A financial adviser or registered tax practitioner can help you understand how to best structure your tax.

**Disclaimer:**

The information provided in this document is for general information purposes only and is not intended to be relied on as advice as contemplated in the Financial Advisory and Intermediary Services Act, 37 of 2002 (FAIS). The information doesn't take into account your personal financial circumstances.

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