PSG Wealth

Tax Free Investment Plan FAQ

What is the difference between a tax free savings account and a tax free investment plan?

- Our product is called a Tax Free Investment Plan, but the core rules between the products, no matter the name the provider uses do not change. These include the type of instruments that may be invested in as well as the annual and lifetime limits.

What are the advantages of the PSG Wealth Tax free Investment Plan?

- You will not pay any tax on investment returns.
- You can invest in any clean class, single manager unit trusts that do not charge performance fees.
- There are no limits on when you can access your investment, and there are no exit fees.
- You can start and stop contributions at any time.
- You can make debit order investments or lump sum investments.
- You can have several different tax free investments with different product providers. However, the annual and lifetime limits still apply (i.e. your combined contributions across all your tax free investments must be within the set limits). It is up to you to monitor your investment limits.
- You can choose to have your investment contribution increased automatically every year.
- From 1 March 2018, you can transfer your investment in a tax free savings account with another provider to the PSG Wealth Tax Free Investment Plan.

What are the disadvantages of the Tax free Investment Plan?

- You are limited to investing R36 000 per year and R500 000 over your entire lifetime. For example, if you reach your investment limit of R500 000 and withdraw R50 000, you will not be able to add a further R50 000 at a later stage.
- This product is only available to individuals who are South African tax citizens.
- You cannot convert existing investments in other products to the Tax Free Investment Plan, even if the underlying assets are the same. You would have to withdraw your existing investment and reinvest in the tax free product.