**5th November 2015**

Finance Secretary

Mr Allan Wicomb or Mr Peter-Paul Mbele

Parliament

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**TO WHOM IT MAY CONCERN**

Set out below are the comments from the Payroll Authors Group of South Africa (PAGSA) on the timing of the introduction of the annuitisation of retirement benefit pay-outs to provident fund members.

The PAGSA is strongly in favour of introducing Option 1 as specified in the recent media statement issued by National Treasury on 1st March 2016.

This will mean that pay-outs of provident fund lump sums will be subject to the annuitisation requirements as currently enacted (including the concessions for 55 and older members), and further softened by the proposed increase of the *de minimis* from R75 000 to R247 500.

We feel that these requirements are in the best interests of the country as a whole, as well as improving the financial well-being of all members of provident funds.

Thank you for the opportunity to comment - I trust that they will be of value to you.

Regards,

Rob Cooper

Chairman Payroll Authors Group of South Africa