

# Imagine starting a retirement annuity for your child NOW already?

**Saving for a child today is a wonderful gift for the future.**

## Example

Dad Sipho contributes R500 a month in an **Investo Retirement Annuity** from Momentum Savings when his daughter Thembu is born.

Invested in:

- the Momentum Focus 7 Fund of Funds;
- for a term of 65 years; and
- grows with inflation (6%) every year.

	Because of the headstart she got from her dad	If Thembu only starts saving when she's 23	The difference
Retirement value	R55 000 000	R24 000 000	R31 000 000
Retirement value in real terms*	R1 245 000	R543 000	R702 000

\* Real terms is like a magic mirror that shows how much you can buy with your future savings amount. It helps you understand how expensive things will get (because of inflation). It's a way to see how your saved money would look today, even if we look at it many years from now.

If Thembu **takes over the existing retirement annuity** that was started for her:

- Her monthly contributions would be R1 802 (instead of the R4 070 when she starts from scratch to reach the same goal of R55 million).
- She benefits from the total contributions of R260 000, which is tax-deductible once she starts earning an income. This tax benefit can also be left until retirement to reduce the tax payable on the lump sum portion of the retirement benefit.
- For emergencies, she will have access to some of the money.

**Parents always want the best for their children.**

These values are illustrations of a possible outcome to show the value of starting early.

**Speak to your financial adviser.**