



Benefits of severe illness cover

As people live longer, the likelihood of experiencing and surviving severe illnesses increases, making severe illness or dread disease cover ever more important.

Severe illness cover is designed to complement disability and life cover policies. It provides financial support for a wide range of needs that may arise following a severe health event.

For instance, the benefits can help fund necessary home modifications or private care services during recovery. It can cover procedures or therapies that medical schemes might not include, assist with rehabilitation costs and pay for reconstructive surgery. It may even manage travel-related expenses so you can see out-of-town medical specialists.

[See other benefits of severe illness cover.](#)



How the new retirement saving system works

The new approach to managing retirement savings, known as the two-pot system, will come into effect on 1 September 2024. This shift aims to help retirement fund members achieve a healthy balance between having access to their retirement savings and preserving those savings for the future.

Under the new system, 10% of your current retirement savings, capped at R30 000, will be transferred to your savings pot. The balance will stay vested until you retire and will continue to be governed by the rules of your pension fund.

Going forward, a third of your retirement contributions will go into your savings pot, while the remaining two thirds will be allocated to your retirement pot. New rules will dictate when and how much you can withdraw from your savings pot, what you can access if you resign or lose your job, and how to manage your savings at retirement.

[Read about the effect of early withdrawals from retirement savings.](#)



Understanding investment risk

Investors can achieve higher returns by exposing their investments to higher risk. This doesn't imply speculating on unpredictable outcomes but involves accepting short-term uncertainty for more certain long-term gains.

Investment risk is not only the possibility of losing your initial investment, but also the risk of not keeping up with inflation or earning underperforming returns that prevent you from meeting your financial goals.

Short-term investment losses may also occur, but these 'paper losses' only become real if you sell your investment at less than the purchase price.

To make informed decisions, it's essential to know the minimum recommended investment term for your chosen investment and the expected average return over that period. Ultimately the level of risk should be one you can tolerate and afford to take, ensuring it aligns with your financial objectives and comfort level.

[Read about other investment risks.](#)



Get quotes for cover before buying a car

Before buying a new car, get car insurance quotes, to ensure the total cost of owning the vehicle fits within your budget. This step helps you plan for all expenses associated with your new purchase.

Car insurance premiums are influenced by various factors including the vehicle's make and model, its colour and features, parking location, and the driver's age and driving history.

Young and inexperienced drivers, as well as vehicle brands prone to theft typically face higher premiums.

If you finance your vehicle purchase, car insurance is mandatory. Cancelling your cover before fully paying off your car is a breach of contract and would leave you responsible for the monthly repayments if your car is stolen or written off in an accident.

[See other factors to consider when buying a car.](#)



Maximise the value of your medical scheme

Understanding your medical scheme's benefits and using it efficiently can provide greater value for your money. Here are some tips to maximise the benefits of your medical scheme.

If you have a chronic condition, ask your doctor to prescribe medicines and a treatment plan covered by your medical scheme to avoid co-payments. Use your scheme's designated service provider for treatment, and request generic medication whenever possible. Pay claims from your savings account at scheme rates instead of using it for over-the-counter medications, vitamins and supplements. Additionally, use your scheme's day-to-day benefits for specific tests or health checks to detect illnesses early.

See why you should [invest in your health](#).



Beware of fraudsters this tax season

Be extra vigilant for communications from fraudsters posing as the South African Revenue Service (SARS), now that the tax filing season is open.

Never click on links in SMS or email messages that appear to be from SARS. Instead, go directly to the SARS eFiling website or use the Mobi App to log in and verify the information. SARS will never ask you to update your banking details via SMS or email.

If you receive a notification from SARS for an auto-assessment, ensure the information is correct. To claim a solar tax rebate, complete your tax return and file it as usual. SARS typically processes refunds within 72 hours, however, if you owe SARS money, you must make the payment by the due date.

[Read about SARS Auto-assessments](#).