

Attributes Of Voluntary Contributions:

- Voluntary Contributions are not mandatory, so it can be any amount of your choice
- Will be credited into your existing RSA
- Must be remitted through your employer
- Your statement of account will show the details of your VC

Benefits Of Making Voluntary Contributions

- Increases the value of your retirement savings
- It is a convenient mode of savings as you determine the frequency (i.e. monthly or quarterly bi-annually or annually)
- Can be withdrawn partly or fully at anytime
- Provides tax savings if not withdrawn within 5years as withdrawals after 5 years of remittance is tax free!
- Voluntary Contribution can also serve as a form of targeted savings towards specific projects, such as, mortgages, children’s school fees or a dream vacation.
- Voluntary Contribution provides higher return than the conventional banking.

Oak Pensions Limited VC is managed by our experienced professionals and, therefore, would enjoy our noted investment management expertise.

Sample 1: Tax On Voluntary Contribution Withdrawal

Please note that income earned on Voluntary Contributions is subject to Personal Income Tax (PIT) if withdrawn within 5 years from the date the contribution was made at the current PIT rate.

Below contains the current tax rates applicable on VC withdrawals where the amount withdrawn falls within the respective withdrawal values and the contributions are less than 5 years old:

	Amount (N)	Tax Rate (%)
1	300,000.00	7
Next	300,000.00	11
Next	500,000.00	15
Next	500,000.00	19
Next	1,600,000.00	21
Above	3,200.000.00	24

Sample 2: Additional Growth On Income Invested From Voluntary Contribution

The illustration below shows the growth on investment for RSA holders with VC and non-VC. For instance, an RSA holder earns ₦300,000.00 as gross monthly income. The future values on net cash position with deduction for Voluntary Contribution would be relatively higher than where just regular investments are made after tax deductions:

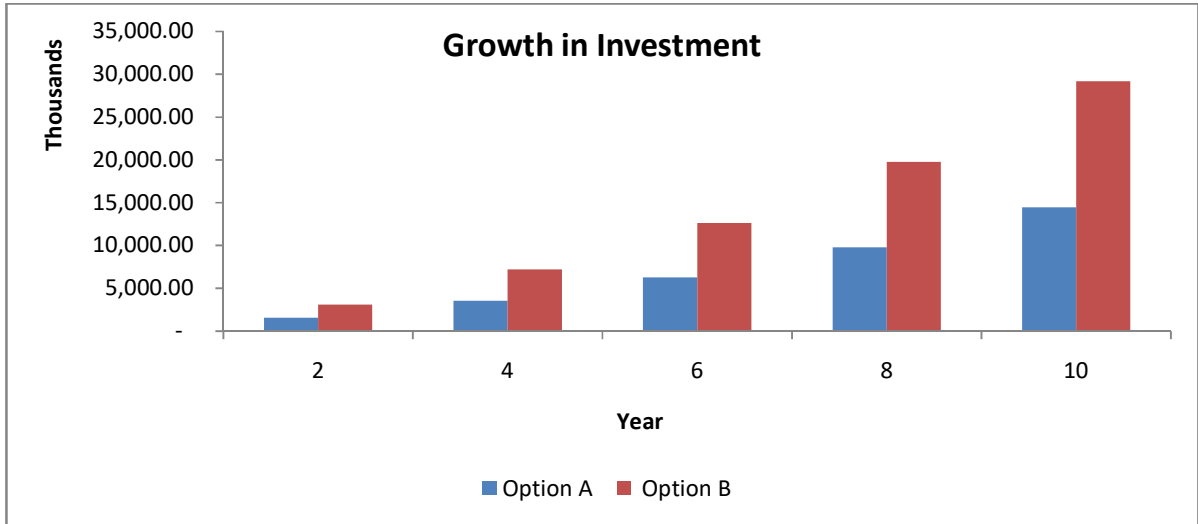
	Option A: Regular Investment	Option B: Deduction for VC	Tax Incentive
Gross income per month	300,000.00	300,000.00	
Deduction for VC	-	(70,000.00)	
Taxable income	300,000.00	230,000.00	
Less Tax (7%)	(21,000.00)	(16,100.00)	4,900.00
Net Cash Position	279,000.00	213,900.00	
Disposable income (80%)	223,200.00	171,120.00	
Investment (20%)	55,800.00	42,780.00	

Number of years	Future Value Option A	Future Value Option B	Additional Growth on Investment: VC
2	1,535,235.44	3,102,936.44	1,925,922.60
4	3,563,261.66	7,201,875.45	4,470,041.51
6	6,242,258.13	12,616,521.01	7,830,789.77
8	9,781,177.92	19,769,197.95	12,270,294.88
10	14,456,045.30	29,217,791.91	18,134,823.85

Assumption: Interest rate of 14% per annum for both options remains unchanged through the life of investment

Note: *Under the Option A, Regular Investment, the monthly income of ₦55,800.00 is invested by using prorated 14% per annum interest rate to a monthly basis (i.e. compounded monthly)

**The future value in Option B comprises of both the monthly-compounded investment of ₦42,780.00 and that of the voluntary contribution of ₦70,000.00



For enquiries, please do not hesitate to send an email to info@oakpensions.com
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You can call our Call Centre on **07002255625 (0700CALLOAK)**