



HOW DOES THE TWO-POT RETIREMENT SYSTEM IMPACT PRESERVER & DEFERRED RETIREE MEMBERS?

Note: This communication is aimed at Preserver and Deferred Retiree members as at 1 September 2024.

The Two-Pot Retirement System is set to launch on 1 September 2024, and we want to empower you to make informed financial decisions. To prepare you for Two-Pot, we're excited to announce that you now have access to our digital channels, so you can check the value of your benefits 24/7.

WE ARE DIGITAL!

Old Mutual provides a secure and easy self-service option through the Old Mutual App (available on Android and iOS), Secure Services and WhatsApp.

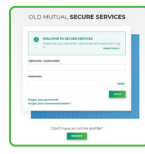
Convenience at your fingertips

On the Old Mutual app, you can:



- View your retirement savings value
- View your product portfolio
- Update your contact and personal details
- View any relevant documents
- Keep track of your Old Mutual Rewards points and find out how you can earn and spend them

On Secure Services, you can:



- View your retirement savings value
- View your product portfolio
- Update your contact and personal details
- Complete or update your Beneficiary Nomination Form
- Keep track of your Old Mutual Rewards points and find out how you can earn and spend them
- Click here for a detailed registration guide

On WhatsApp, you can:



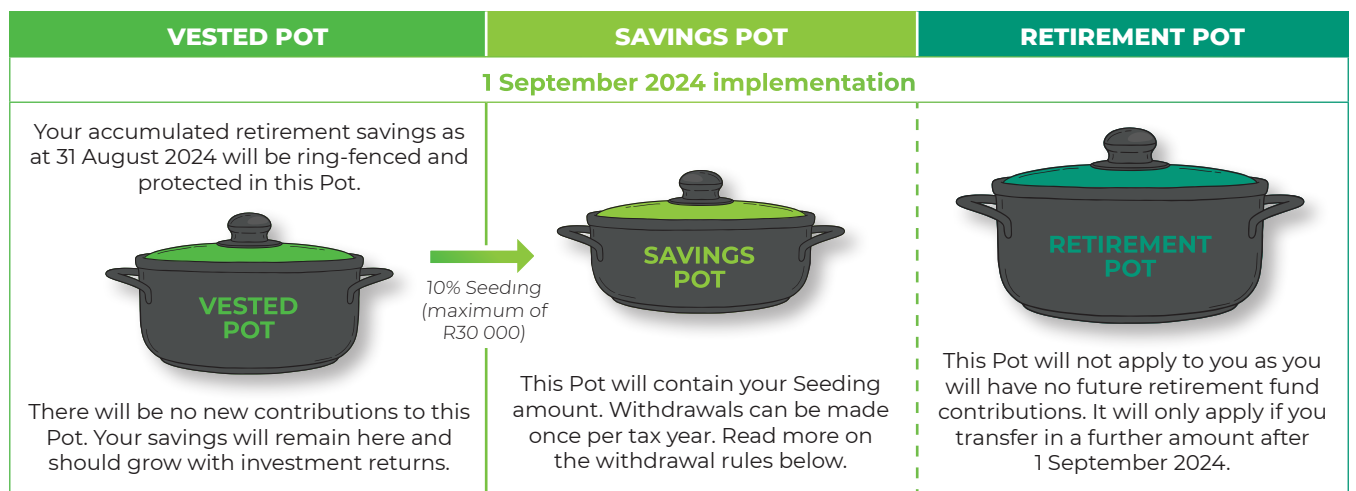
- Access our new Two-Pot Savings Withdrawal Calculator and educational Two-Pot resources.
- Check your retirement savings value
- Download the Beneficiary Nomination Form
- Access your retirement and withdrawal guide
- Access educational member content
- To access Old Mutual on WhatsApp, scan the QR code or save 0860 933 333 as a contact.
- Send "Hi" on WhatsApp.
- The Old Mutual menu will appear. Select option 8 to access the Two-Pot content.

Will I be affected by Two-Pot?

Two-Pot will affect all retirement fund types, i.e. - Pension, Provident, Retirement Annuity and Preservations funds.

The exception is for Provident fund members who were 55 years of age or older on 1 March 2021 and are still members of that same fund. They will have an option to opt in to this new system within a specified period.

Here's a breakdown of how it will work for SuperFund Preserver and Deferred Retirees as at 1 September 2024:



Your Vested Pot will not be impacted by the new rules, i.e. it will remain subject to the pre-1 September 2024 access rules and restrictions that apply.

When is the tax year?

The tax year runs from 1 March until 28/29 February of the following year.

Note: Two-Pot will affect future retirement fund contributions (from 1 September 2024). As a Preserver/Deferred Retiree member, you will not receive future contributions, so this does not apply to you. However, if you choose to consolidate any other retirement savings into the fund in the future, it will be split across the three Pots (based on what we receive from the transferring fund).

Seeding

On 31 August 2024, 10% of what you have in your Vested Pot (up to a maximum of R30 000) will be transferred to your Savings Pot. This is a once-off occurrence and is known as "Seeding". If you have retirement savings in multiple contracts, such seeding will be attended to in respect of each contract. You will be able to withdraw this amount.

Remember, while you can withdraw from your Savings Pot, it is strongly advised this be done for emergencies only: this Pot's value is meant to be your cash lump sum at retirement.

For example, if you have R100 000 in your retirement savings on 31 August 2024, 10% of this amount, which is R10 000, will be transferred from your Vested Pot to your Savings Pot.

By not keeping your retirement savings invested, you lose out on the benefit of compound interest – and you might never manage to build up the same savings amount again.

Withdrawal rules from your Savings Pot:

- If you have retirement savings in multiple contracts, you are allowed one withdrawal from each contract's Savings Pot during every tax year.
- You will be taxed at your marginal tax rate for every withdrawal (this is the highest tax bracket into which your income falls).
- If you have any outstanding taxes payable to SARS (the South African Revenue Service), this will be deducted before your benefit is paid to you.
- An administration fee will be deducted from each withdrawal value.
- The minimum withdrawal amount will be R2 000 per fund. The maximum withdrawal amount is the amount available in your Savings Pot.

To claim from your Savings Pot, you will need the following:

1. Your South African ID number
2. Your bank account details
3. Your tax number
4. Taxable income

Important: While the Two-Pot legislation takes effect from 1 September 2024, members won't be able to withdraw from their Savings Pot immediately. This is because systems will need to be updated to handle the withdrawals. We will communicate the exact date closer to the time.

Have any questions? For everything you need to know about the Two-Pot Retirement System, visit www.oldmutual.co.za/two-pot-retirement-system