



What does Two-Pot mean?

From 1 September 2024, your future retirement fund contributions will be split into three pots. These pots are called the Savings Pot, Retirement Pot, and finally the Vested Pot. One-third of your contribution will go into the Savings Pot, and two-thirds of it will go into your Retirement Pot. All your retirement savings saved until 31 August 2024 will go into your Vested Pot. [Click here](#) for a detailed recap of how the split between the pots will work.



Your Total Retirement Savings = Your Savings Pot + Retirement Pot + Vested Pot

How Does Seeding Work and Who qualifies to withdraw once the system is implemented?

10% of your total retirement savings as at 31 August 2024, up to a maximum of R30,000 will be transferred into your Savings Pot. This is called Seeding. This amount is meant to be your opening balance in your Savings Pot from which you can withdraw from. It's important to note that 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 process the Seeding and the withdrawals.

Now, let's take a look at the examples below to understand more about the qualifying criteria and how to process Savings Pot Withdrawals.

	Mike	Monica	Mpho
Retirement Savings Balance on 31 August 2024	R15 000	R25 000	R600 000
Seeding Amount into Savings Pot	R1 500	R2 500	R30 000
Can they make withdrawals from their Savings Pot?	No	Yes	Yes
Why does Mpho only get R30,000 in her Savings Pot, when 10% of her Retirement Savings Balance is R60,000?	10% of Mpho's total retirement savings as at 31 August 2024, up to a maximum of R30,000 will be transferred into her Savings Pot. This is called Seeding. It is to allow her to process an initial Savings Pot withdrawal once the system allows.		
Why can't Mike process a Savings Pot Withdrawal at this point?	Unfortunately, the minimum withdrawal is set at R2,000, and Mike has less than this amount. This means he cannot withdraw yet . From 1 September, with every contribution that goes into his retirement savings, Mike will have one-third go into his Savings Pot and two-thirds will go into his Retirement Pot. This means his pots will grow over time. After a while, his Savings Pot will surpass the minimum R2,000 that is required for him to qualify for a withdrawal. He may process a Savings Pot withdrawal after that should he face a financial emergency.		
How will each of them be taxed when they withdraw from their Savings Pot?	Mike, Monica and Mpho will all be taxed at their Marginal Rate of Tax should they withdraw from their Savings Pot. Click here to see what this means . Remember, they are only allowed to make one Savings Pot Withdrawal in each tax year (1 March - 28/29 February)		
Where can each of them go to process their Savings Pot Withdrawal?	They can use the Old Mutual Savings Pot Withdrawal Calculator to: <ul style="list-style-type: none"> - See an estimate of how much they are eligible to withdraw - See an estimate of their tax deduction when they withdraw - Learn more about the Two-Pot Retirement System - There will be a R250 Two-Pot transaction fee per Savings Pot Withdrawal <p>Note: Members will be able to withdraw from their Savings Pot via Old Mutual WhatsApp, Web, and App once we have released the new withdrawal capability.</p> <p>Read more about the WhatsApp Savings Pot Withdrawal Calculator in English IsiXhosa IsiZulu Afrikaans Sesotho Sepedi</p>		

Visit our website for any questions you may have www.oldmutual.co.za/two-pot-retirement-system