WHAT ARE THE TWO POTS?

The government is changing retirement fund rules to make sure your money is preserved until your retirement. But you'll have an opportunity to access some of it in an emergency before you retire.

WHY DO WE NEED THE SYSTEM AND HOW WILL IT WORK?

From 1 September 2024, contributions to retirement funds will be split between two pots. One-third will go into a Savings Pot and two-thirds will go to a Retirement Pot.

YOUR RETIREMENT SAVINGS

VESTED POT

Your existing retirement savings accumulated up to 1 September 2024 will be allocated to the Vested Pot and will be subject to the existing rules. No further premiums will be invested into this pot.

- If you are part of an occupational fund, then the current access rules on withdrawal will still apply to this amount.

RETIREMENT POT

From 1 September 2024 two-thirds of future contributions will go into the Retirement Pot.

- The funds in your Retirement Pot are not accessible until your retirement.
- The Retirement Pot will be used to provide your income at retirement.

SAVINGS POT

From 1 September 2024 one-third of future contributions will go into the Savings Pot.

- As at 1 September 2024, 10% of your existing retirement savings (capped at R30,000) will be transferred into your Savings Pot as an opening balance.
- You can withdraw cash from your Savings Pot once per tax year.
- If you withdraw from your Savings Pot you will pay a transaction fee as well as tax based on your marginal tax rate.
- Minimum withdrawal is R2 000.
- Don't be tempted to withdraw from your Savings Pot as this will reduce your money available at retirement.
- What you don't spend from your Savings Pot will be available as a lump sum when you retire.

For more information on the new Two-Pot Retirement System, visit our website to learn more, or speak to your financial adviser.

TWO-POT RETIREMENT SYSTEM