

Two-pot system

Fast fact 3

Provident fund members
55 years or older

Know your options



If you were 55 years or older and in a provident fund on 1 March 2021 and are still in the same provident fund, you can opt into the two-pot system.



Effective:
1 SEPTEMBER
2024

My Money Matters

When making important decisions, consult your licensed financial adviser or call the My Money Matters Contact Centre on 0860 000 381 or email mymoneymatters@alexforbes.com.



You have from 1 September 2024 until 31 August 2025 to opt in.

Let's see what the differences are between opting in and not making any changes:



Opting in

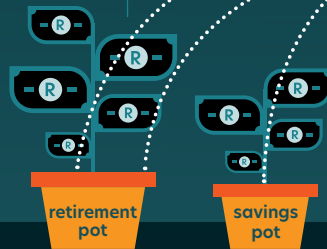
- > You can't opt out again
- > Your retirement savings at 1 September 2024 (less any amount transferred to your savings pot) remains in your vested pot. No additional contributions will go into your vested pot, it will stay invested and continue to grow.
- > You are unable to withdraw your retirement pot in cash, unless the amount is below the de minimus amount, currently R165 000)
- > Your ongoing contributions will be split between your retirement pot and savings pot, as illustrated below
- > You can make one withdrawal per tax year from your savings pot. Any amount you withdraw will be taxed.
- > Withdrawing from your savings pot decreases the amount of money you can take in cash and potentially get tax-free at retirement

two-thirds (about 67%) of new retirement savings automatically go into your retirement pot



No change

- > You will only have a vested pot and all your ongoing contributions will be added to your vested pot
- > You can't get any cash from your vested pot unless you resign or retire
- > You could qualify for a tax-free portion on cash taken at retirement
- > You can still take your full benefit in cash at retirement, resignation or dismissal, subject to tax



one-third (about 33%) of new retirement savings automatically goes into your savings pot

Advisers from Alexforbes can help you understand how this change may impact your retirement decisions and assist you in planning for a secure future. This is an excellent opportunity to review your retirement strategy and make informed decisions.

Click
here

Request a
call back from a
financial adviser



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