

Two-pot system

Fast fact 4



Effective:
**1 SEPTEMBER
2024**

Vested pot

The money you saved before 1 September 2024 is called your **vested pot**.

Your vested pot is where the seed capital in your savings pot comes out of on 31 August 2024.

Existing retirement savings	Savings pot transfer
> Less than R300 000	> 10% of your existing retirement savings
> R300 000 and above	> R30 000

This is a once off event and won't be repeated.



What happens to my vested pot after 1 September 2024?

- > It is not affected by the two-pot system.
- > It remains invested and will continue to grow as the markets grow.
- > It stays within the same investment strategy you are currently in but you may switch portfolios where permitted by the Fund.
- > No new contributions will be made to this pot*.

*Exceptions apply

What happens to my vested pot if I leave my employer?

- > After September 1, 2024, if you leave your employer, you can transfer your vested pot to your new employer, to another approved fund or withdraw some or all of your savings. (*Rules apply to members of provident funds who were 55 and older on 1 March 2021)
- > You will be charged tax on any withdrawals.

*Provident Fund members 55 years and older on 1 March 2021 not participating in the two-pot system.

What happens to my vested pot when I retire?

Provident fund members

You have the choice to take all your vested pot in cash as rules prior to 1 September 2024 apply, or you can purchase an annuity with a portion of the pot they do not take in cash.

Pension fund members

You can take one-third in cash and two-thirds must be used to set up an income at retirement.

Any cash that you take is subject to tax on withdrawal and at retirement.

>>> Save your savings pot for your future self!

If you have a query or need assistance with any of the information here, contact our Call Centre at 0860 896 768 or email twopotqueries@alexforbes.com.

Please speak to a financial adviser before you make any financial decisions.



Scan the QR code to read more about the two-pot system.

<https://mymoneymatters.alexforbes.com/twopot.html>

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