

Two-pot system

Fast fact 5

Money in your savings pot | 1 September 2024



Effective:
1 SEPTEMBER
2024

The two-pot system is effective from 1 September 2024. To start this new system, 10% of your retirement savings, as at 31 August 2024, to the maximum of R30 000, will be transferred into your savings pot. This is known as seed capital.



The amount of money you'll have in your savings pot on 1 September depends on how much you saved by 31 August 2024.

The table below illustrates how much you could expect to have in your savings pot and if you meet the minimum withdrawal allowance of R2 000.



Existing savings

- > Less than R20 000
- > R20 000 to R50 000
- > R50 000 to R250 000
- > R250 000 and above

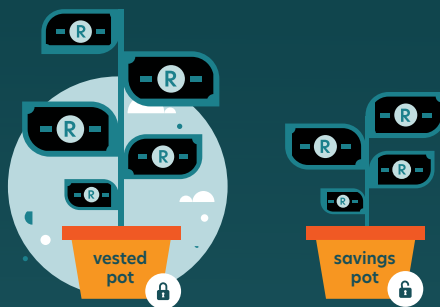


Amount in savings pot

- > Less than R2 000 - You will not be able to make a withdrawal until you have at least R2 000
- > R2 000 to R5 000
- > R5 000 to R25 000
- > R25 000 to R30 000

Remember that you will pay tax on the amounts you withdraw at your marginal tax rate and transaction fees will be deducted, so you won't receive the exact amount once the claim is finalised.

The transfer of money from your retirement savings, as at 31 August 2024, is a once-off automatic event; it won't happen again.



If you belong to a pension, provident, or retirement annuity fund, the value of your savings pot will increase with the allocation of one-third of your ongoing contributions and investment returns.

Things work slightly differently for **Provident Preservation and Pension Preservation funds**. You will have the once-off seed capital transfer from your preserved amount into a savings pot, but your savings pot won't get topped up if you make a withdrawal as you are not making ongoing contributions.

>>> 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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