



Vested Component






Savings Component



Retirement Component

You may have up to **3 pots** (known as components) in total from 1 September 2024.

High-level look at the proposed Two-Pot Retirement system

	 Vested Component	 Savings Component	 Retirement Component
What's in it?	<ul style="list-style-type: none">Vested benefits, i.e. retirement savings accumulated up to 28 Feb 2021 + investment returns earned on these contributions*Vested benefits for members of provident funds who were aged 55 or older on 1 March 2021 will also include contributions made from 1 March 2021 onwards + investment returns on these contributionsNon-Vested benefits, i.e. contributions made after 1 March 2021, but before 1 September 2024 + investment returns earned on these contributionsInvestment returns earned on the Vested and Non-Vested Benefits in this component from 1 September 2024 onwards <p>Please note:</p> <ul style="list-style-type: none">The value of Vested Benefits and Non-Vested Benefits on 31 August 2024 will be reduced proportionally by Seed Capital, which will be transferred to the Savings ComponentNo further contributions will be allocated to this component from 1 September 2024 onwards	<ul style="list-style-type: none">Seed Capital of 10% of benefits accumulated up to 31 August 2024 capped at R30,000. This is a once off proportional reduction of Vested Benefits and Non-Vested benefits accumulated as at 31 August 2024One-third of all retirement contributions (less charges and risk premiums) from 1 September 2024 onwards + investment returns earned on these contributions	<ul style="list-style-type: none">Two-thirds of all retirement contributions (less charges and risk premiums) from 1 September 2024 onwards, + all investment returns earned on these contributions
Pre-retirement withdrawals	<ul style="list-style-type: none">All existing pre-retirement withdrawals will be allowed.Preservation fund members can take their once-off full or partial withdrawalRA members can commute benefits under R15,000Preservation fund and RA members can take withdrawals on emigration or cessation of SA tax residency for a period of at least 3 years. Non-residents can take withdrawals on the expiry of a work visa	<ul style="list-style-type: none">Minimum of R2 000 withdrawal allowed once per year of assessment. Withdrawals taxed at marginal tax rates	<ul style="list-style-type: none">No withdrawal allowed prior to retirement except under exceptional circumstances i.e emigration or cessation of SA tax residency for a period of at least 3 years
Accessibility at Retirement	<ul style="list-style-type: none">Vested Benefits may be taken as a cash lump sum retirement benefit in full, subject to tax in terms of the retirement lump sum tax tableNon-Vested Benefits-least two-thirds must be used to purchase an annuity, taxed at marginal tax rates. Up to one third may be taken as a cash lump sum retirement benefit, subject to tax in terms of the retirement lump sum tax table	<ul style="list-style-type: none">Balance of benefits at retirement may be paid as a cash lump sum retirement benefit subject to the retirement lump sum tax table, alternatively the balance of benefits may be transferred to the Retirement Component and taken as an annuity	<ul style="list-style-type: none">Entire amount must be annuitised. Annuities are subject to tax at marginal tax rates.Member's can take their benefits as a cash lump sum retirement benefit if 2/3rds of their Non-Vested Benefits in the Vested Component plus the full value of benefits in their Retirement Component do not exceed R165 000.

What if you were a provident fund member who was aged 55 or older on 1 March 2021?

Existing members of provident funds who were aged 55 or older on T-Day (1 March 2021) will be excluded from the Two-Pot Retirement System with the opportunity to opt into it should they choose to do so.

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