



UPDATE: TWO-POT RETIREMENT SYSTEM

Administratively, the Fund is on track to implement the Two-Pot Retirement System from 1 September 2024. We are currently waiting for the Financial Sector Conduct Authority (FSCA) to approve the required Fund Rule Amendments. Without this approval, the Fund cannot process any payments for Savings Pot withdrawals.

Seeding of your Savings Pot

To calculate your seeding capital amount, the Fund requires the unit prices of each of the Fund's life-stage portfolios as at 31 August 2024. These prices will only be available on Monday 2 September 2024. We anticipate that the amount available in your Savings Pot will be established by approximately 24 September 2024 ("The seeding process").



Withdrawals from your Savings Pot

When your seeding capital amount has been calculated and transferred from your Vested Pot, you will be able to apply for a withdrawal payment from your Savings Pot. The minimum withdrawal amount is R2 000 and the maximum is what is available in your Savings Pot.

The withdrawal process:

1. Complete and submit a DB/DC19 form (this form will be made available in September 2024).
2. The Fund will validate your request – including your identity, bank account details and tax number.
3. If you have any foreign service, the Fund must request the relevant participating employer for a breakdown of such.
4. The Fund will then apply to SARS for a tax directive.
5. Due to the high demand anticipated, SARS may take longer than usual to process tax directives.
6. The Fund anticipates that valid claims will be paid within 6 to 8 weeks from the completion of the seeding process.

The financial impacts of making withdrawals from your Savings Pot

Please be aware that withdrawals from your Savings Pot will be subject to **tax at your marginal rate**. This rate is higher than the tax rates applied on retirement lump sums and withdrawal benefits at retirement or withdrawal from the Fund and will reduce your net amount significantly. Additionally, please note that SARS may deduct any outstanding taxes you owe from your withdrawal amount before payment is made.

Your withdrawal from your savings pot could be delayed by any of the following:

- Your employer has your incorrect ID or passport number.
- Your bank account verification does not match your ID or passport number.
- Incorrect or no SARS tax number.
- Unresolved disputes with SARS resulting in them not issuing a tax directive.

The Fund, however, may also experience delays due to:

- A delay in the approval of the required Fund Rule Amendments from the FSCA.
- The seeding process taking longer than expected.
- A backlog with SARS tax directives.
- High volumes of claims.

Comprehensive Two-Pot communication coming your way

Once the FSCA approves the required Fund Rule Amendments, we will promptly send further comprehensive communication about the Two-Pot Retirement System to all members. In the meantime, please visit the Fund's website and the new [Two-Pot page](#) for additional information.

