



# The two-pot system for retirement savings - what you need to know

The two-pot system will be implemented from 1 September 2024 to give members of pension, provident and retirement annuity funds access to short-term financial relief in an emergency.

## How will it work?

From 1 September 2024, your retirement fund savings and future monthly contributions savings will be split to three pots.



### The Vested Pot (Current Savings)

1



Your accumulated retirement savings up to 31 August 2024 will be allocated to the Vested pot.

10% maximum of R30 000

10% of this pot calculated on 31 August 2024, up to a maximum of R30 000, will be transferred to your Emergency Savings pot as a starting balance.



You will not make any more contributions to this pot and it will grow with investment returns.



At retirement, your Vested pot will be paid according to your existing Fund rules.

### The Emergency Savings Pot (Seed amount and future savings)

2



10% of the value in your vested pot accumulated up to 31 August 2024 will be your opening balance. This opening balance is known as the seed capital, but may not be more than R30 000.



From 1 September 2024 one-third of your retirement contributions will go to the emergency savings pot. This pot will grow with monthly contributions and investment returns.

- You can make one withdrawal from this pot once every tax year.
- You will be able to submit a withdrawal instruction for this seed amount. The minimum withdrawal amount is R2000.
- The maximum withdrawal amount is what is available in your pot.
- PAYE tax plus an administration fee will be deducted before it is paid to you.

- You do not have to withdraw from your savings pot if you do not need the money.
- What you do not withdraw from your savings pot during your membership will form part of your retirement lump sum when you retire.
- At retirement, the balance in this pot can be paid as a lump sum (and taxed) or can be used to buy a pension.

### The Retirement Pot (Future savings)

3



From 1 September 2024 two-thirds of your contributions will go to the retirement pot.

- This pot will grow with monthly contributions and investment returns.
- You will not have access to the retirement pot when changing jobs or during emergencies.
- You may only receive the money in the retirement pot as a monthly pension when you retire.

## 55+ Provident fund members have a choice

- Provident fund and provident preservation fund members who were 55 years or older on 1 March 2021 and who remained members of the same fund until 1 September 2024 are excluded from the new Two-pot System unless they choose to participate.
- This is a once-off decision available between 1 September 2024 and 1 September 2025. Members who want to opt-in must exercise this option on the new Sanlam Portfolio App, the opt-in decision can't be revoked there after again.

## TO MAKE WITHDRAWALS from the emergency savings pot



With the Two-pot System coming into effect on 1 September 2024, you will need to use digital platforms if you want to access your emergency savings pot. The Sanlam Portfolio app is a powerful tool created to enable you to manage your retirement benefits and savings with confidence.

## Next steps from you?

Download and install the new Sanlam Portfolio App from Google Play or Apple App store by scanning the QR codes below.

If registered on The MyRetirement App which is being retired, uninstall the old MyRetirement app. Download and install the new Sanlam Portfolio App from Google Play or Apple App store by scanning the QR codes below. The login process remains unchanged.



If you need help, please contact the SC Client Care on: [SCClientCare@sanlam.co.za](mailto:SCClientCare@sanlam.co.za) or send a WhatsApp or call on: 0861 223 646 from 8am- 5pm Monday to Friday excluding public holidays