

# The **Two-Pot** Retirement System:

## An update from Sanlam Corporate



### Dear Employer/Trustee

A revised Revenue Laws Amendment Bill published on 1 November 2023 proposed – amongst other things – that the implementation of the Two-Pot system be postponed to 1 March 2025. However, on 21 November 2023, the Standing Committee on Finance rejected this proposal, which was brought forward by National Treasury.

On 4 December 2023 the Standing Committee on Finance deliberated the matter further and agreed to a revised implementation date of 1 September 2024.

Sanlam Corporate fully supports the Two-Pot system. The approach aims to balance immediate financial needs with long-term retirement security, and we believe this will help improve members' retirement outcomes.

Sanlam Corporate also supports the revised implementation date, as adequate time is needed between the finalisation of the legislation and its implementation to ensure a smooth transition to the new system. Furthermore, the delay in finalising legislation affects our ability to finalise developments and updates to systems, and to educate stakeholders about new and revised processes.

### Current status

We await clarification of a number of matters in the revised Revenue Laws Amendment Bill, a revised Pension Funds Laws Amendment Bill and changes to the SARS tax directive application processes. The latter is crucial for finalising the cash withdrawal from the Savings Pot and normal withdrawals from a retirement fund.

We want to assure our clients that we are working hard and doing our best to prepare our systems to be ready for the implementation of the Two-Pot system. Our readiness also depends on the preparedness of the FSCA and SARS to manage administrative processes.

Our top priority is to administer our clients' retirement savings in a way that is safe, secure, and compliant. To this effect we will continue to engage with the FSCA and SARS through industry bodies, to seek further clarity and minimise potential delays.



### Next steps in Parliament

When a Parliamentary committee changes a proposed law, they are required to provide the Minister of Finance with an opportunity to respond to the changes. Once received, the Standing Committee on Finance will consider his response and make their final decision regarding the implementation date. It is his process which has now resulted in a revised implementation date of 1 September 2024.

The next step is for the National Assembly will then vote on the final amendment bill as tabled by the Standing Committee on Finance. To this end, the Revenue Laws Amendment Bill is only expected to be finalised by the end of December 2023 or early January 2024.

We are monitoring the situation closely and will continue to update our clients on further developments.

*If you missed the 2nd edition, please [click here](#).*

Kind regards

**Johan Prinsloo**

Project sponsor: two-pot system  
Sanlam Corporate