

Two-pot system for retirement funds



Effective:
1 SEPTEMBER
2024

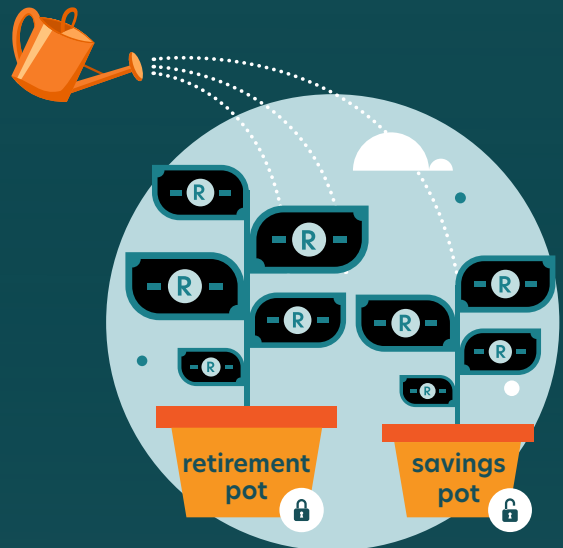
Dear member

Starting on 1 September 2024, a new two-pot retirement fund system will be implemented. This will affect all members, but if you were in a provident fund and 55 or older on 1 March 2021, and have stayed in the same provident fund since then, you have special options.

Remember that your existing rights and future returns remain in place for your vested pot.

We understand that these changes can be confusing, so we're here to help you understand your choices and how they affect your retirement plans. Here's how we can assist you:

- Access to financial advisors for personal guidance.
- Retirement seminars for expert advice as you approach and enter retirement.
- An online hub with detailed information about the two-pot system and your options.



Your Options:

- **Opting into the Two-Pot System:**
 - You must opt-in between 1 September 2024, and 31 August 2025, if you wish to join.
 - If you opt-in, future contributions will be split between a savings pot and a retirement pot.
 - Your current funds remain in the vested pot.
- **Option 1: Don't Opt-In (Stay the Same)**
 - If you don't opt-in, nothing changes.
 - No separate savings and retirement pots.
 - Current rules for contributions and withdrawals remain.
 - You cannot access your funds while working.
 - No action is needed if you choose this option.
- **Option 2: Opt-In (Two-Pot System Applies)**
 - A portion of your vested funds (seed capital) will move to the savings pot.
 - **Seed capital** is 10% of your fund credit (max R30 000), calculated at 31 August 2024*.
 - You can withdraw from your savings pot once every tax year (minimum R2,000). Taxes and fees apply, and withdrawals reduce the cash amount available on your retirement.

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Ongoing Future Contributions if you opt-in to the Two-Pot System

All new retirement savings will be split into two pots from when you opt in:

Retirement Pot

Two-thirds (67%) of new savings go here. These funds must be used for retirement income, with no lump sum withdrawals allowed.

Savings Pot

One-third (33%) of new savings go here. You can withdraw from this pot once a year while still working, with a minimum withdrawal of R2 000.

What do you need to do?

You will need to confirm if you want to opt in to the two-pot system. What should you do? It is extremely important to get advice to help guide you based on your personal needs.

YES, I want to opt in to the two-pot system

Please complete the two-pot system opt in form included herewith and send the completed form to: 2PotOver55Optin@alexforbes.com

If we receive your completed form **on/before 29 August 2024**, your seed capital will be 10% of your fund credit on 31 August 2024, subject to a maximum of R30 000. Seeding will be allocated on the date that you choose to opt-in, but is based on your fund credit at **31 August 2024**.

If we received your completed form **after 29 August 2024**, your seed capital will still be 10% of your fund credit, subject to a maximum of R30 000, calculated as at 31 August 2024 and will be allocated to your savings pot on the last day of the month in which you opt into the two-pot system.

NO, I don't want to opt in to the two-pot system

No action required. Everything stays the same.

We know these choices can feel overwhelming, especially as you near retirement. We're here to help.

>>> 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 on 0860 896 768 or email twopotqueries@alexforbes.com.

Please speak to a financial adviser before you make any financial decisions.



Scan this QR code to read more about the two-pot system.

<https://mymoneymatters.alexforbes.com/twopot.html>

Attend our seminar to better understand your options.

Book your spot!

Date: 15 Aug 2024
Time: 10:00 - 11:30

Date: 28 Aug 2024
Time: 10:00 - 11:30

[Confirm my attendance](#)

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