

Two-Pot Retirement System: *preserving your golden years*

Currently, one's retirement savings are pooled into a single value where one can only access the retirement savings upon retirement or departure from employment. Unfortunately, many South Africans opt to cash in their full benefit each time they exit employment leaving retirees without sufficient retirement savings.

Recognising these limitations, South Africa is set to implement the Two-Pot System on 1 September, 2024. The new approach aims to provide a balance between access to savings and preservation of benefits by dividing future retirement savings into a Retirement Component and a Savings Component.

Existing Savings

Vested Component

This component holds all one's existing retirement savings before the rollout of the new system. These savings are not subject to the new rules and continue to grow normally but new contributions cannot be made. Exceptions apply to certain members.

Future Savings

Retirement component

This component preserves one's funds. It aims to accumulate sufficient funds to support one's golden years comfortably.

Savings component

This component offers access to one's funds, to address financial needs without risking one's retirement savings.

Contributions

Two-thirds of future contributions are allocated here for long-term growth.

One-third of future contributions is allocated here for accessibility.

What happens in the meantime?

Visit our website to keep up with new developments as we anticipate the rollout of the new system. For enquiries, you can call us on 0800 000 274 or email us at twopot@27four.com.



27four.com/twopot

Authorised FSP (31045) and Life Insurer (I238)

Please read the terms and disclaimers at www.27four.com/twopot before reviewing this material.