

COPARTES PENSION FUND DEFINED BENEFIT SCHEME

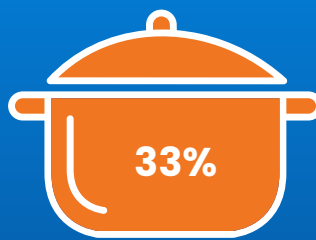
Retirement fund members will be able to access a portion of their savings to pay for emergencies or unforeseen expenses from their savings component, while ensuring that the balance is preserved until retirement, if needed.

CONFIRMED IMPLEMENTATION DATE: 01 SEPTEMBER 2024



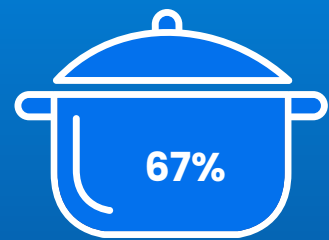
Vested Component

- Talks to current Fund benefits prior to the date of implementation 1 September 2024.
- For defined benefit funds like Copartes this refers to the years of pensionable service that have already accrued to you before the date of implementation.
- On resignation, retrenchment or dismissal you will still be able to access your withdrawal benefit in line with the Fund rules based on your member contributions and pensionable service at the date of implementation.
- Pensionable service and member contributions after this date will be dealt with in the savings and retirement components.



Savings Component

- Addresses immediate financial needs.
- The value of 1/3 of your future pensionable service will be credited to the savings component.
- In other words, for every year (12 months) of future service 4 months' worth of benefits will be allocated to the savings component.
- The new legislation will set out how this will be calculated.
- Can be withdrawn once in a tax year, provided the amount is not less than R2 000.
- No limit on the amount you can withdraw.
- You can also retain this in the Fund and use it for future retirement benefits.
- Tax at marginal rate applies for amounts withdrawn; and
- Any withdrawal will result in a reduction in your pensionable service used to calculate future benefits.



Retirement Component

- The value of the remaining 2/3 of your future pensionable service must be retained in the Fund and used for your retirement benefits.
- Cannot be accessed as a cash withdrawal before retirement on resignation, dismissal or retrenchment.
- These years of pensionable service will be used to determine your retirement benefit in line with the defined benefit rules.

55 years on date of implementation

You will have the option to participate in the two-pot retirement system. If you do not want to participate in the new system, then all your future pensionable service will be allocated to the vested component, and you will then not have a savings component or a retirement component.

Seed Capital

You will also have access to some seed capital, amounting to 10% of the value of current retirement savings. The value of your current savings will be determined by the Fund actuary considering your years of pensionable service at the date of implementation. The amount of seed capital allocated to the savings component will be capped at R30 000.