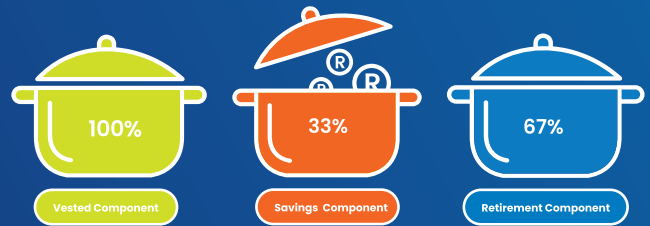


## Two-Pot Retirement System

### Impact of accessing your savings component

September 2024



### Accessing Your Retirement Savings Component

Starting 1 September 2024, retirement fund members can withdraw from their Savings Component (1/3 of new contributions) once per tax year (1 March – 28 February) with a minimum withdrawal amount of R2,000.

### Impact of Withdrawals on Retirement Savings

- ✦ Withdrawing from your Savings Component now will reduce your cash at retirement and lower your potential retirement growth due to lost compound returns.
- ✦ If you leave this money untouched, it will continue to grow, providing a larger amount for retirement.

### Replenishing Withdrawn Savings

- ✦ A financial planner can help calculate how much you'd need to contribute to offset any withdrawn amount, including interest and tax.
- ✦ If allowed by your fund's rules, you can make additional voluntary contributions to rebuild your savings.
- ✦ Whatever remains in the Savings Component at retirement will count as the one-third cash amount available at retirement.

### Deductions on Withdrawal

- ✦ **Tax:** SARS will apply your marginal tax rate, and any outstanding tax liabilities may also be deducted.
- ✦ **Transaction Fees:** The fund administrator will apply an administration fee to process your claim.

### When to Consider Accessing Your Savings Component

- ✦ It's best to reserve these funds for significant financial distress or emergencies.
- ✦ For smaller needs, consider building a separate emergency savings account where tax doesn't apply.
- ✦ Leaving the Savings Component untouched helps it grow with compound returns for retirement.