

Two-pot system

Fast fact 4

Vested pot

The money you saved before 1 September 2024 is called your **vested pot**.

Your vested pot is where the seed capital in your savings pot came out of on 31 August 2024.

Existing retirement savings	Savings pot transfer
> Less than R300 000	> 10% of your existing retirement savings
> R300 000 and above	> R30 000

This was a once off event and won't be repeated.



What happens to my vested pot now?

- > It is not affected by the two-pot system.
- > It remains invested and will continue to grow as the markets grow.
- > It stays within the same investment strategy you were in but you may switch portfolios where permitted by the Fund.
- > No new contributions may be made to this pot*.

*Exceptions apply

What happens to my vested pot if I leave my employer?

- > If you leave your employer, you can transfer your vested pot to your new employer, to another approved fund or withdraw some or all of your savings. (*Rules apply to members of provident funds who were 55 and older on 1 March 2021)
- > You will be charged tax on any withdrawals.

*Provident Fund members 55 years and older on 1 March 2021 not participating in the two-pot system.

What happens to my vested pot when I retire?

Provident fund members

You have the choice to take all your vested pot in cash, as the rules prior to 1 September 2024 apply, or you can purchase an annuity with a portion of the pot you do not take in cash.

Pension fund members

You can take up to one-third in cash and two-thirds must be used to set up an income at retirement.

Any cash that you take is subject to tax on withdrawal and at retirement.

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

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



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

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

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