

WHAT IS THE TWO-POT RETIREMENT SYSTEM?

The Two-Pot Retirement System allows a member to access a small part of their retirement fund savings before they retire. The remaining money will be invested until you retire.

WATCH OUR VIDEOS ON THE TWO-POT RETIREMENT SYSTEM:



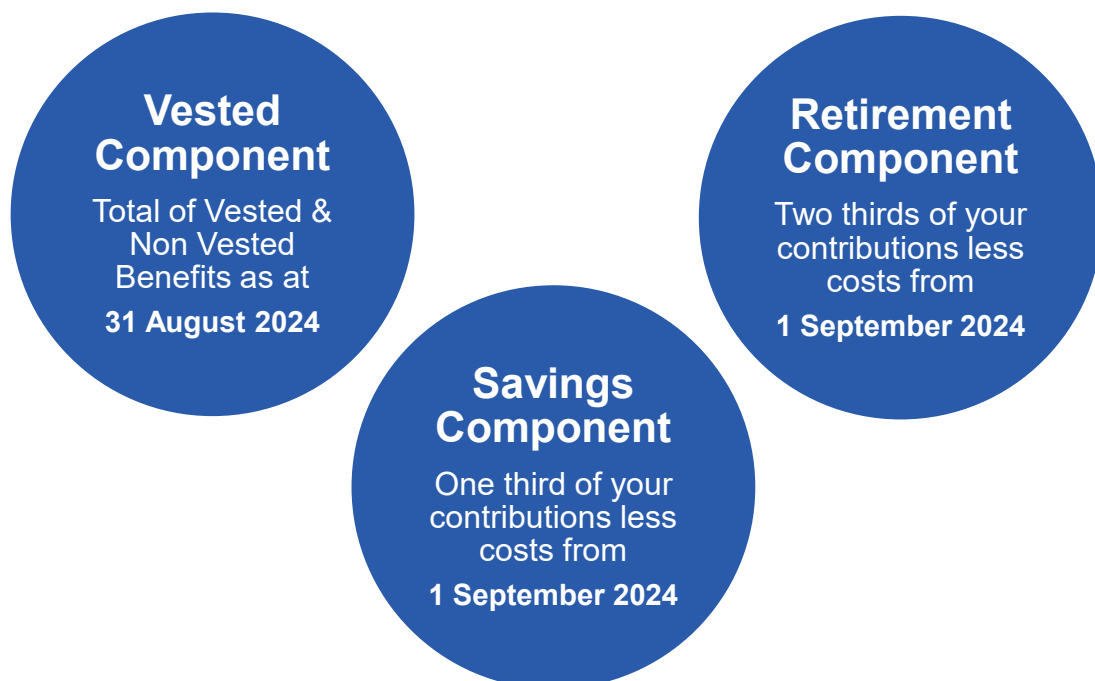
English version - [Watch here](#)



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HOW WILL IT WORK?

From **1 September 2024**, a member's retirement savings will be divided into three components:



Vested component will be their accumulated retirement savings on **31 August 2024**.

Retirement component into which two thirds of a member's monthly contribution (after deducting the insurance premiums and fees) will be paid.

Savings component into which a third of a member's monthly contribution (after deducting the insurance premiums and fees) will be paid.

HOW MUCH WILL BE AVAILABLE AS A CASH WITHDRAWAL?

Tennant will do a once-off transfer of **10% (up to a maximum of R30 000)** of a member's vested component on **31 August 2024** into the Savings component. You can only access your savings component if the balance is R2 000 or more. This allows the member to access a small portion of their retirement savings before they retire for emergencies.



HOW OFTEN CAN I ACCESS MY CASH COMPONENT?

You can access the savings component once per tax year provided that the balance available is R2 000 or more.

WILL THE WITHDRAWAL OPTIONS BE DIFFERENT FROM 1 SEPTEMBER 2024?

Under the new two-pot retirement system, there will be changes to members' withdrawal options on resignation, dismissal, or retrenchment.

CAN I SPLIT MY BENEFIT ON WITHDRAWAL?

A member's retirement savings on withdrawal is still one benefit, and they are not allowed to split their retirement savings when they transfer to another fund or choose to become a paid-up member.

Paid up in current fund

- Your retirement component must remain in the fund.
- Your vested component can be paid to you or it can remain in the fund.
- Your savings component can be paid to you or it can remain in the fund.

Transfer to another fund

- Your retirement component must be transferred to the fund of your choice.
- Your vested component can be paid to you or it can be transferred to the same fund as your retirement component.
- Your savings component can be paid to you or it can be transferred to the same fund as your retirement component.



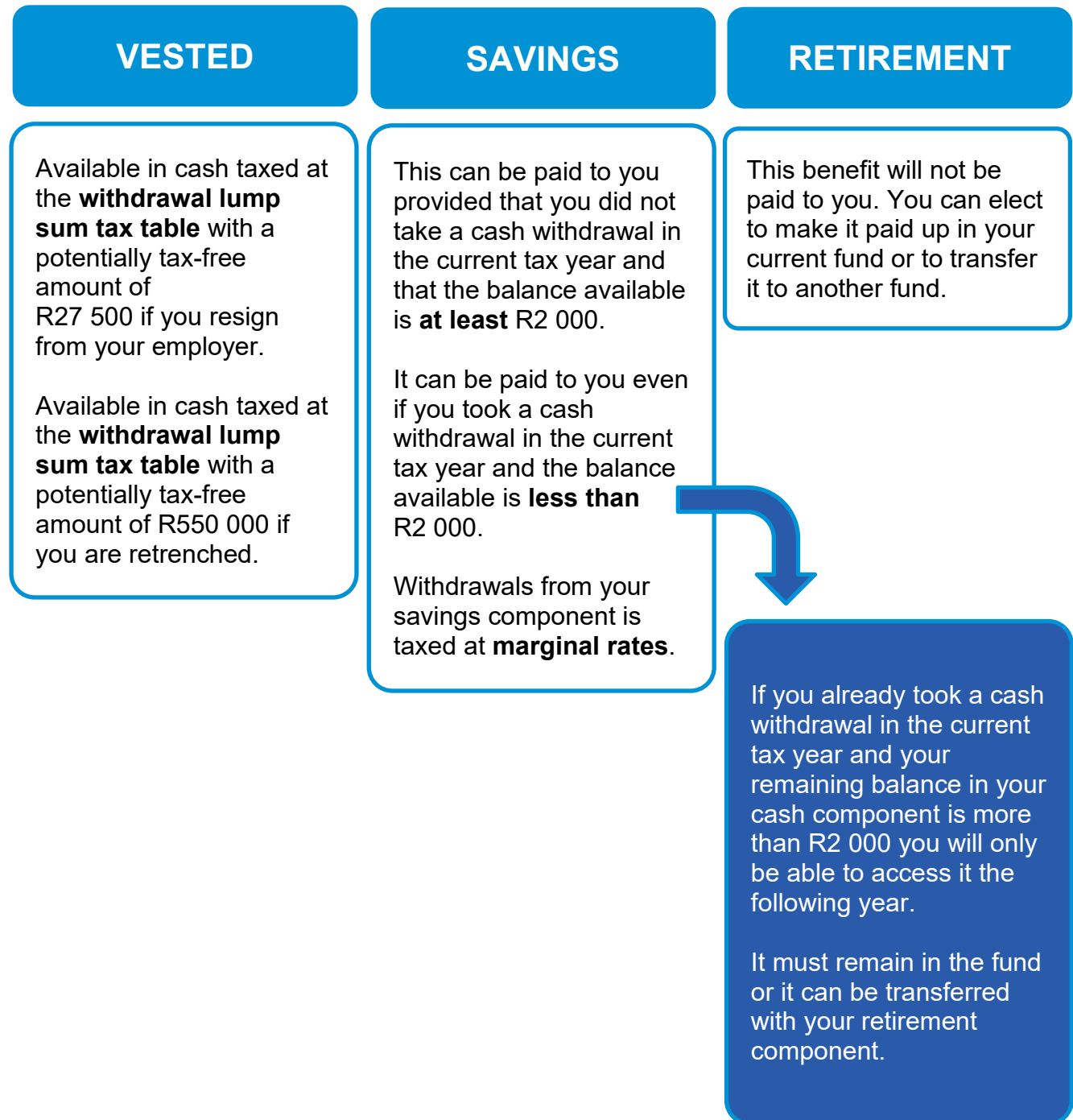
WHAT ARE THE OPTIONS ON WITHDRAWAL?

CASH OPTIONS			PAID UP OPTIONS			TRANSFER OPTIONS		
VESTED	SAVINGS	RETIREMENT	VESTED	SAVINGS	RETIREMENT	VESTED	SAVINGS	RETIREMENT
<p>Available in cash taxed at the withdrawal lump sum tax table with a potentially tax-free amount of R27 500 if you resign from your employer.</p> <p>Available in cash taxed at the withdrawal lump sum tax table with a potentially tax-free amount of R550 000 if you are retrenched.</p>	<p>This can be paid to you provided that you did not take a cash withdrawal in the current tax year and that the balance available is at least R2 000</p> <p>It can also be paid to you even if you took a cash withdrawal in the current tax year and the balance available is less than R2 000</p> <p>Withdrawals from your savings component is taxed at marginal rates.</p> <p>If you already took a cash withdrawal in the current tax year and your remaining balance in your cash component is more than R2 000 you will only be able to access it the following year. It must remain in the fund or it can be transferred to your retirement component.</p>	<p>This benefit will not be paid to you.</p> <p>You can elect to make it paid up in your current fund or to transfer it to another fund(s).</p>	<p>If you elect to make your Vested component paid up the full component will become paid up, you cannot take a portion in cash.</p> <p>Your full paid up vested benefit can be accessed before retirement. You will be taxed according to the lump sum tax tables should you choose to do so.</p>	<p>A portion can be taken in cash (provided that you did not take a cash withdrawal in the current tax year) and the balance made paid up.</p> <p>Paid up savings can be accessed annually until the balance is depleted or you retire.</p> <p>Withdrawals from your savings component is taxed at marginal rates.</p>	<p>This benefit will remain paid up until you retire. You can elect to transfer it to another fund.</p> <p>If you decide to transfer your paid up benefit you must transfer all your components or take the available portion from your vested and savings component in cash before you transfer the retirement portion.</p> <p>You cannot leave your vested and savings component paid up and transfer your retirement component.</p>	<p>This portion can be paid to you in cash taxed at the lump sum tables.</p> <p>If you elect to transfer this portion it must be to the same fund you elected for your retirement component.</p>	<p>A portion can be taken in cash (provided that you did not take a cash withdrawal in the current tax year) and the balance transferred.</p> <p>Withdrawals from your savings component is taxed at marginal rates.</p> <p>If you elect to transfer this portion it must be to the same fund(s) you elected for your retirement component.</p>	<p>The full retirement component will be transferred to the fund(s) of your choice.</p>



WHAT CAN I ACCESS IN CASH WHEN I WITHDRAW FROM THE FUND?

From 1 September 2024, members will no longer be able to take their total retirement savings in cash when they withdraw from their fund.





WHAT PAID UP OPTIONS DO I HAVE?

From 1 September 2024, members can choose that only a portion of their retirement savings becomes paid-up in their fund.

VESTED

If you elect to make your Vested component paid up the full component will become paid up, you cannot take a portion in cash.

Your full paid up vested benefit can be accessed before retirement. You will be taxed according to the lump sum tax tables should you choose to do so.

SAVINGS

A portion can be taken in cash (provided that you did not take a cash withdrawal in the current tax year) and the balance made paid up.

Paid up savings can be accessed annually until the balance is depleted or you retire.

Withdrawals from your savings component is taxed at **marginal rates**.

RETIREMENT

This benefit will not be paid to you. You can elect to make it paid up in your current fund or to transfer it to another fund.

If you decide to transfer your paid up benefit you must transfer all your components or take the available portion from your vested and savings component in cash before you transfer the retirement portion.

You cannot leave your vested and savings component paid up and transfer your retirement component.

WHAT TRANSFER OPTIONS DO I HAVE?

From 1 September a member will not be able to split their retirement savings on transfer and they must either:

- Transfer all three of their components in their fund at Tennant to the same new fund if they did not choose to take their savings and/or vested components in cash, or:

VESTED	SAVINGS	RETIREMENT
<p>This portion can be paid to you in cash taxed at the lump sum tables.</p> <p>If you elect to transfer this portion it must be to the same fund you elected for your retirement component.</p>	<p>A portion can be taken in cash (provided that you did not take a cash withdrawal in the current tax year) and the balance transferred.</p> <p>Withdrawals from your savings component is taxed at marginal rates.</p> <p>If you elect to transfer this portion it must be to the same fund (s) you elected for your retirement component.</p>	<p>The full retirement component will be transferred to the fund(s) of your choice.</p>