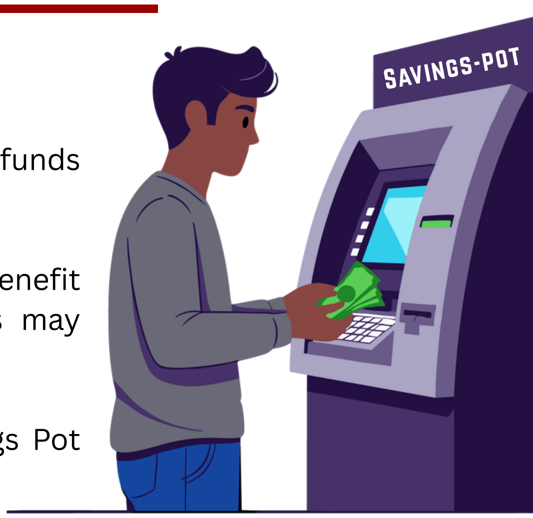
VERSO®

EMPLOYEE BENEFITS CONSULTING (PTY) LTD

SAVINGS POT CAUTIONARY



BEFORE MAKING SAVINGS POT WITHDRAWALS

The Savings Pot was introduced to provide members with access to funds before retirement for emergencies.

Every withdrawal reduces the amount available at retirement and the benefit of compound investment growth. Over time, repeated withdrawals may significantly reduce the value of a member's retirement benefit.

Members should carefully consider the long-term impact of a Savings Pot withdrawal before making their decision.

UNDERSTAND THE TAX IMPLICATIONS

Savings Pot withdrawals are taxed at a member's marginal tax rate. This means the withdrawal is added to a member's annual taxable income and taxed together with their salary and any other taxable income.

As a result, members may:

- pay more tax than expected;
- move into a higher tax bracket;
- be required to submit an income tax return to SARS; or
- have part of the withdrawal used to settle outstanding tax debt.

Members should understand the tax implications before applying for a Savings Pot withdrawal.

RETIREMENT BENEFITS COUNSELLING

The decisions members make today will have a significant impact on their future financial well-being. Members are encouraged to take the necessary steps to empower themselves to make well-informed decisions.

Please contact the Fund should assistance or Retirement Benefits Counselling be required.