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EMPLOYEE BENEFITS CONSULTING (PTY) LTD

IMPORTANT INFORMATION: RETIREMENT POT

The introduction of the Two-Pot Retirement System has led many members to focus on the Savings Pot and the opportunity to make withdrawals for emergencies before retirement.

However, the Retirement Pot forms a significant part of a member's retirement benefit and understanding how it works is equally important.

The Retirement Pot was created to preserve retirement savings and provide members with an income at retirement. Unlike the Savings Pot, money in the Retirement Pot cannot be accessed before retirement.

From 1 September 2024, two-thirds of the retirement fund contributions are allocated to the Retirement Pot.

WHY CAN MEMBERS NOT ACCESS THE RETIREMENT POT BEFORE RETIREMENT?

Retirement funds are primarily intended to provide financial security when a member retires.

Many people underestimate how much money they will need in retirement, fail to preserve retirement savings throughout their working lives and underestimate how long they may need their retirement savings to last.

The Retirement Pot helps ensure that members have some assets available when it is needed most.

WHAT HAPPENS AT RETIREMENT?

At retirement, the Retirement Pot must be used to provide a retirement income unless the benefits fall under the legislated threshold.

This means that the Retirement Pot is intended to support members throughout their retirement years rather than being spent before retirement.

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.