

UNPACKING THE TWO- ~~POT~~ COMPONENT RETIREMENT SYSTEM



TODAY'S PLAN, TOMORROW'S PROSPERITY

PPS Members tend to live
10 - 15 Years
longer in Retirement.

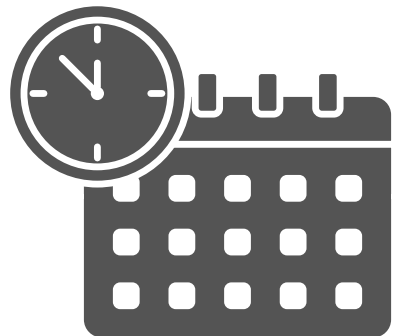
Any withdrawals from your retirement
savings can significantly impact your
income available in Retirement.

**SPEAK TO YOUR
PPS ACCREDITED ADVISOR TO
EFFECTIVELY PLAN FOR YOUR FUTURE**

A DIGNIFIED RETIREMENT.

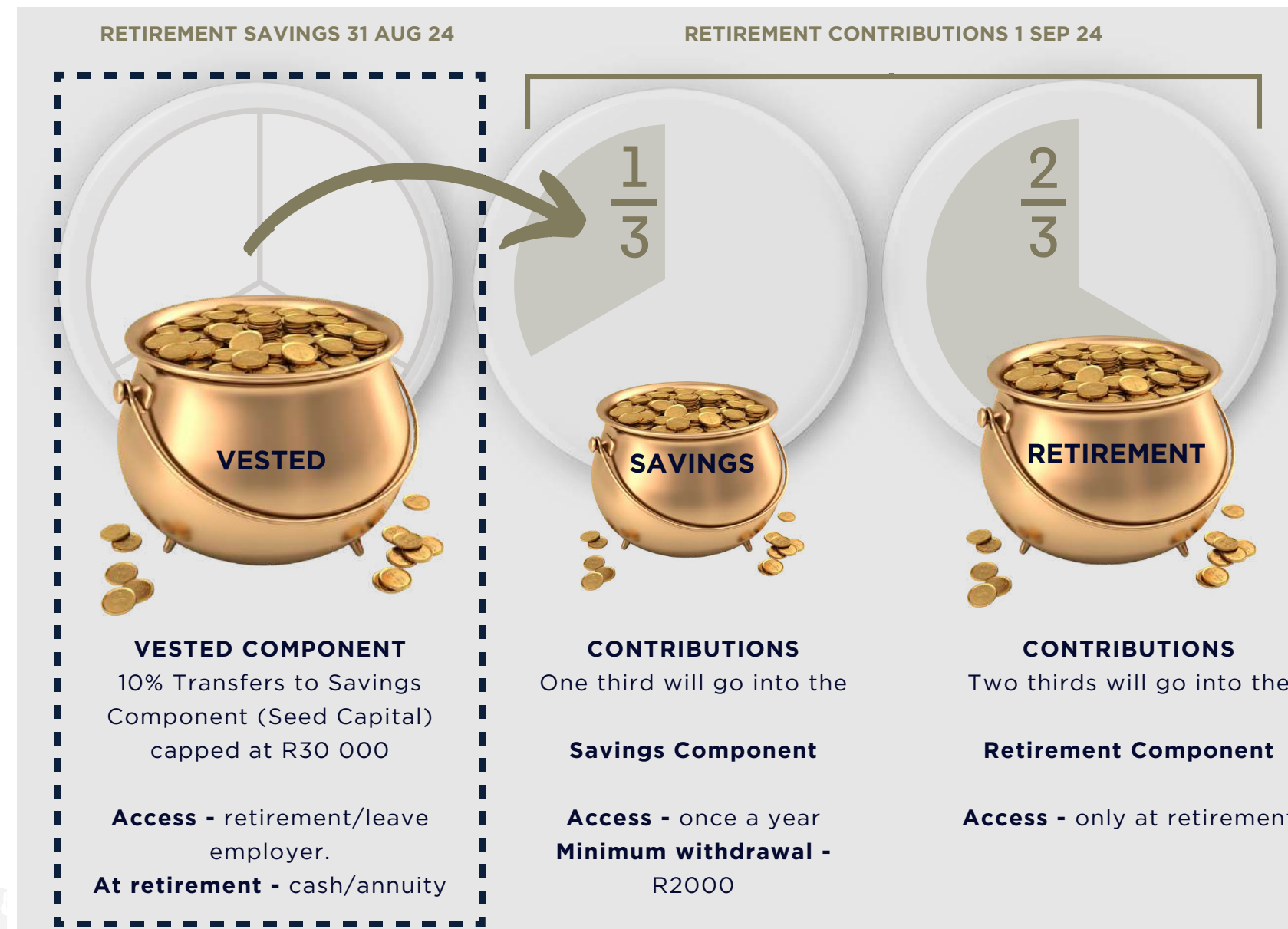
We are committed to building a BRIGHTER,
BETTER future for South Africans.”

1 SEPTEMBER **2024**



EFFECTIVE DATE

HIGH LEVEL OVERVIEW:



How it will **WORK**:

Member: Lerato aged 40
Retirement Savings; R100 000

On 31 August 2024:
10%* transfers from Vested Component to Savings Component (R10 000)

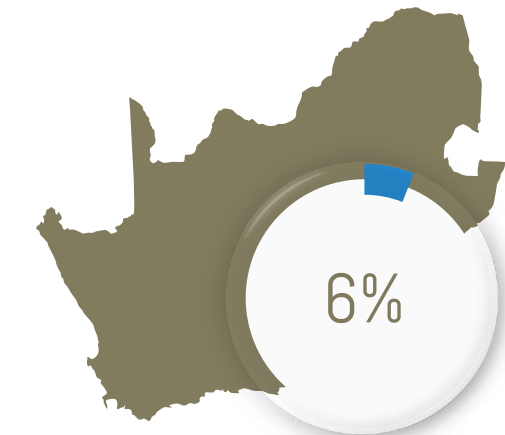
Vested Component Balance:
R90 000

*10%, but not more than R30 000.

Once two-pot is introduced **Lerato can**:

- **Preserve/allow all her components to grow to maximise her retirement outcome; or**
- Withdraw from her Savings Component annually in the case of emergencies (subject to personal income tax); or
- She can combine the Savings with the Vested and Retirement Components to purchase a pension or annuity.

Note: if 2/3 of value in vested component and total retirement component <R165 000, she may withdraw in full.



only 6% of South Africans are able to maintain their lifestyle and replace income at retirement.
'National Treasury'

GOVERNMENT IS INTRODUCING THE TWO-COMPONENT SYSTEM.

- so that South Africans can retire comfortably.
- allows access to a portion of your retirement savings in an emergency.
- protect retirement savings for retirement.

“Members older than 55 may continue to contribute to their current **Provident Fund** and will be unaffected, or may choose to participate in the new two component system”.

WHICH FUNDS WILL BE IMPACTED?

PROVIDENT

PENSION

UMBRELLA

STAND-ALONE

LEARN MORE AT : WWW.PPS.CO.ZA/INVEST/START-INVESTMENT