

Understanding the Two-Pot Retirement System

Let's break it down



The savings pot Designed for flexibility

Seeding capital: **10% of existing retirement savings** as of 31 August 2024 (Limited to R30,000).

Access anytime for emergencies (subject to conditions).

Use for **financial emergencies**.



The retirement pot Dedicated to your long-term financial security

Preserved until retirement age.

Invested for growth and stable income.

Maximises retirement income with compound interest.



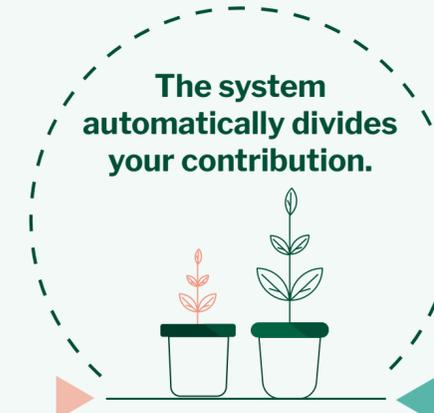
The vested pot? Holds your existing retirement savings and is subject to the rules of the current retirement regime

After seeding capital has been deducted, the remaining value of the retirement savings as at **31 August 2024** is transferred into the Vested Pot.

The vested pot will be subject to the rules of the current retirement system, including rules relating to accessibility, i.e., you may withdraw from the vested pot at resignation and the withdrawal tax table will apply.

So, how does it all work?

When you contribute to your retirement fund, your money enters the system.



One-third goes into the Savings Pot for flexibility.

Remember, this split ensures both accessibility and long-term financial stability.

The remaining two-thirds goes into the Retirement Pot for long-term financial security.

The impact of withdrawals on your Savings Pot

- 1. Choose wisely**
While the savings pot offers flexibility, frequent withdrawals impact your future growth.
- 2. Emergencies only**
Withdraw in crises; preserve your retirement funds.
- 3. "Tax bite"**
Remember, withdrawals are taxed – plan accordingly.

The benefits of continuous saving



Consistent contributions matter

Keep saving regularly and let compound interest work its magic.



Tax trap alert

Withdrawals on Savings Pot = taxable income.
Savings = tax-free growth until retirement.



Preserve your nest egg.

Use the sum of your three pots to purchase an annuity and retire comfortably.

Understanding the impact of withdrawals and the benefit of continuous saving is crucial for a secure retirement.

We are here to support you through this transition, please visit nedgroupinvestments.com to learn more about retirement planning.