

Simplifying the two-pot system

From **1 September 2024** your retirement savings in FundsAtWork will be divided into 3 components, a vested, savings and retirement component. Different rules will apply to each component.

Retirement savings on 31 August 2024

FundsAtWork will do a once-off compulsory transfer of 10% of your retirement savings on **31 August 2024** or **R30 000**, whichever is the **lowest**, to the **savings component**. The rest of the money will remain in your vested component and no further contributions will go to it.



Vested component

- The money in your vested component will **still follow the same rules on withdrawal and retirement.**
- **When you leave your employer you can:**
 - stay as a paid-up member of FundsAtWork.
 - take your money in cash.
 - transfer the money to another fund.
- When you retire you can still take a portion in cash and the rest you must use to buy a pension.

Retirement contributions from 1 September 2024

- Your retirement contributions will be split into 2 components.
- **One third** to your **savings component**, and **two thirds** to your **retirement component.**



Savings component

- You can withdraw, for emergencies, a minimum of R2 000 (before fees and taxes) once a tax year without leaving your employer.
- You can take this money in cash when you retire.



Retirement component

- You can't withdraw any money when you leave your employer.
- You must buy a pension with this money when you retire.

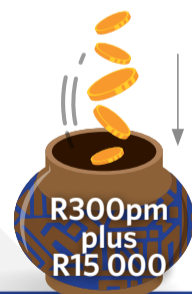
Example

You have **R150 000** in your retirement savings on **31 August 2024** and your monthly net retirement contribution is **R900**.



Vested component

- R15 000 (10% of R150 000) will be transferred to your savings component.
- The remaining retirement savings in your vested component will be **R135 000**.



Savings component

- The opening balance in your savings component will be **R15 000**.
- **R300 of your contribution will go to your savings component every month.**



Retirement component

- **R600 of your contribution will go to your retirement component every month.**

For more information, please contact our retirement benefit counsellors on membersolutions@momentum.co.za or **0860 44 43 40**.

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