RETIREMENT FUNDS NEWSLETTER

September 2026

TREVETHAN FINANCIAL SERVICES

Our Corporate Partners:

Allan Gray · Liberty Standard Bank Group · momentum corporate · Old Mutual · Sanlam · Sygnia · tsa. administration

EMPLOYEE BENEFITS

We take care of over 35 Pension and Provident Funds, ranging from five to over a thousand members and strive to keep our finger on the pulse of fund administration. Our passion is taking on much of the burden of looking after day-to-day activities as well as monitoring the investment strategies and gains.

Frequent withdrawals from your savings pot could cost you when you retire

The Two-Pot system is designed to reduce early fund withdrawals when people change jobs by providing limited access to a savings component. However, regular savings withdrawals can severely impact your retirement savings.

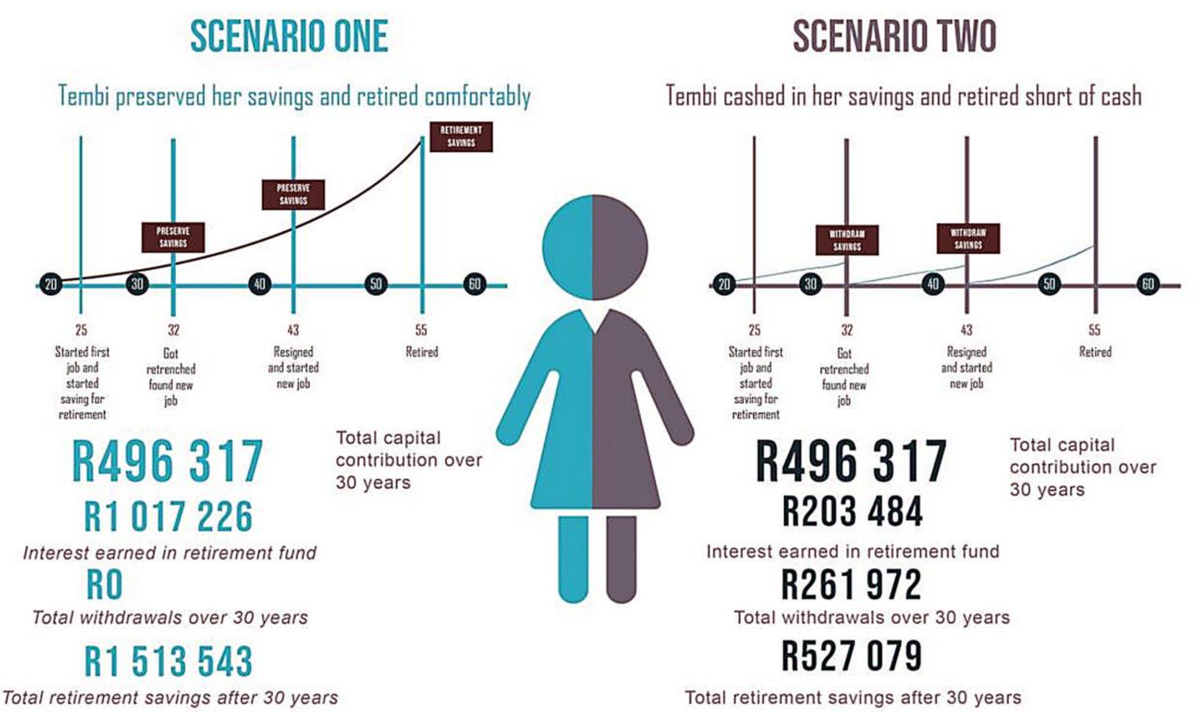
The general financial planning advice is clear: **avoid using the savings pot unless absolutely necessary**.

The tax cost is high and the long-term compounding benefit of leaving it untouched is significant.

Two-Pot points to bear in mind:

- Savings pot withdrawals are expensive. If you're earning R360 000 per annum (the 26% tax bracket), a R6 000 savings pot withdrawal will cost you R1 560 in tax.
- The retirement pot is locked to improve preservation outcomes and force better long-term discipline.
- Vested pot rights are protected. If you had R30 000 in a provident fund prior to 1 September 2024 under the old lump sum rules, those rights still apply to that R30 000.

Just because you can withdraw, doesn't mean you should!



Assumptions: 9% p.a. interest earned on retirement savings. Starting salary of R500 p.m: Salary increases by 7.5% p.a. on average over career; contributes 5% of gross salary to retirement savings.

Source: Sanlam Benchmark Survey