

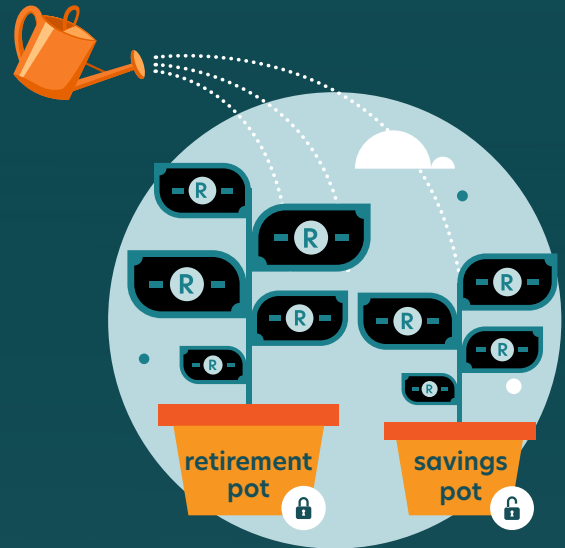
Two-pot system for retirement funds



Effective:
1 SEPTEMBER
2024

Dear member

Starting on 1 September 2024, a new two-pot retirement fund system will be implemented. This will affect all members, but if you were 55 or older on 1 March 2021, and have stayed in the same provident fund since then, you have special options.



Your Options:

> Opting into the Two-Pot System:

- You must opt-in between 1 September 2024, and 31 August 2025, if you wish to join.
- If you opt-in, future contributions will be split between a savings pot and a retirement pot.
- Your current funds remain in the vested portion.

> Option 1: Don't Opt-In (Stay the Same)

- If you don't opt-in, nothing changes.
- No separate savings and retirement pots.
- Current rules for contributions and withdrawals remain.
- You cannot access your funds while working.
- No action is needed if you choose this option.

> Option 2: Opt-In (Two-Pot System Applies)

- A portion of your vested funds (seed capital) will move to the savings pot.
- **Seed capital** is 10% of your fund credit (max R30 000), calculated on 31 August 2024.
- You can withdraw from your savings pot once every tax year (minimum R2,000). Taxes and fees apply, and withdrawals affect your retirement funds.

Ongoing Future Contribution if you opt-in to the Two-Pot System

All new retirement savings will be split into two pots:

Retirement Pot

Two-thirds (67%) of new savings go here. These funds must be used for retirement income, with no lump sum withdrawals allowed.

Savings Pot

One-third (33%) of new savings go here. You can withdraw from this pot once a year while still working, with a minimum withdrawal of R2 000.

What do you need to do?

You will need to confirm if you want to opt in to the two-pot system. What should you do? It is extremely important to get advice to help guide you based on your personal needs.

YES, I want to opt in to the two-pot system

Please complete the two-pot system opt in form included herewith and send the completed form to:
2PotOver55Optin@alexforbes.com

NO, I don't want to opt in to the two-pot system

No action required. Everything stays the same.

If we receive your completed form **on/before 29 August 2024**, your seed capital will be 10% of your fund credit on 31 August 2024, subject to a maximum of R30 000. Seeding will take place from **1 September 2024**.

If we received your completed form **after 29 August 2024**, your seed capital will be 10% of your fund credit, subject to a maximum of R30 000, calculated on the value of your fund credit on 31 August 2024.

Seeding will take place from the 1st business day of the month **following** receipt of your opt in form.

We know these choices can feel overwhelming, especially as you near retirement. We're here to help.

>>> Save your savings pot for your future self!



Scan this QR code to read more about the two-pot system.

<https://mymoneymatters.alexforbes.com/twopot.html>

If you have a query or need assistance with any of the information here, contact our Call Centre on 0860 896 768 or email twopotqueries@alexforbes.com.

Please speak to a financial adviser before you make any financial decisions.

Alexander Forbes Financial Services (Pty) Ltd is an authorised financial services provider (FSP 1177 and registration number 1969/018487/07), an approved retirement fund administrator (24/472) and an accredited Council for Medical Schemes organisation (ORG468).