

TWO-POT RETIREMENT SYSTEM

55+ MEMBERS

EFFECT CHANGE UP TO 31 AUGUST 2025



Please note that from 1 September 2024 on the introduction of the Two-Pot Retirement System, “provident fund” members 55 and older on 1 March 2021 will not automatically participate. However, you have the option to opt into the Two-pot Retirement System and can do so within 12 months ending 31 August 2025 as per the draft Taxation Amendments Bill. This is a once-off choice that cannot be reversed once you have made it. If you don't make a choice, you will automatically NOT be part of the Two-Pot Retirement System, and your fund credit will stay as is.

Currently, your contributions are allocated solely to the Vested component. When you reach retirement, you will still have the option to take a cash lump sum (retirement tax tables will be applicable).



OPTIONS AS OF 1 SEPTEMBER 2024

Option 1: You can continue in the Vested Component without making a written choice. By default, you will remain outside the Two-Pot Retirement System.

Option 2: Opt into the Two-Pot Retirement System by making a written choice. Your Seed Capital will be 10% of your fund credit (up to a maximum of R30,000), calculated based on the value of your fund credit on the last day of the month in which you opt in. If you choose to opt into the Two-Pot Retirement System, your contributions will be allocated differently from the date that you opt in. The Three components that will be created for you in the fund are:



VESTED COMPONENT

All your retirement savings and investment growth up to the last day of the month in which you opt in will be allocated to this component.



SAVINGS COMPONENT

One-third of ongoing net contributions (after the first day of the month you opt in) and investment growth will go into this component. Additionally, your savings component will receive a starting balance equal to 10% of your existing savings (up to R30,000), transferred from your vested component. This is a one-time transfer.



RETIREMENT COMPONENT

Two-thirds of ongoing net contributions (after opting in) and investment growth will be allocated to this component.

If you choose to participate in the Two-Pot Retirement System, please complete the Opt in Form and submit it to us by 31 August 2025. Request the Opt in Form from your HR or rfs@gib.co.za,