



NFMW

Helping you
to understand

THE NEW

**TWO-POT
SYSTEM**

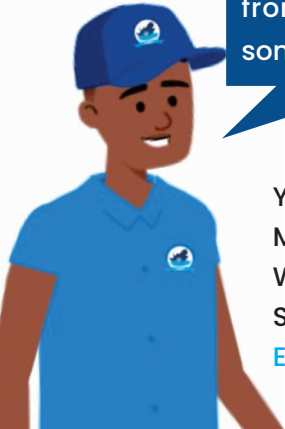
WHEN AND WHY? WILL THE TWO-POT SYSTEM BE IMPLEMENTED?

The two-pot system will come into effect on 1 September 2024. It will allow you to access some of your savings without having to end service and make provision for you to receive an income at retirement through compulsory preservation.

THE NEW TWO-POT SYSTEM WILL APPLY TO ALL FUND MEMBERS

UNLESS YOU WERE 55 YEARS OR OLDER ON 1 MARCH 2021.

If that is the case, you must actively elect to be part of the two-pot system, by opting in.



Early withdrawals from your savings pot can have a negative impact on your total savings at retirement. It's like borrowing from your future self, and it's something to be cautious about.

YOU WILL BE TAXED AT YOUR MARGINAL TAX RATE FOR THE WITHDRAWALS MADE FROM THE SAVINGS POT, **SO USE IT ONLY FOR EMERGENCIES....**

LET US SIMPLIFY HOW THE TWO-POT SYSTEM WILL WORK.

From 1 September 2024, your fund credit (savings) will be divided into three pots (components), each pot serves a different purpose, but together they provide a solid foundation for a secure retirement. **Let's look at what is in each pot.**

YOUR FUND CREDIT



VESTED POT

This pot holds all the savings you will have accumulated up to 31 August 2024.

The current Fund rules, including benefits like a lump sum payment on resignation and the retirement reforms that came into effect from 1 March 2021, will still apply to the money in the vested pot.

NO FURTHER CONTRIBUTIONS will go to the vested pot from 1 September 2024.



SAVINGS POT

On 1 September 2024, 10% of the money you've accumulated will be transferred from your vested pot to the savings pot, with a maximum limit of R30 000. This amount, called seed capital, serves as the opening balance in your savings pot. It's a one-time allocation that you can withdraw if needed. **The seed capital amount will not exceed R30 000.**

You can make withdrawals from your savings pot once every tax year. The minimum withdrawal amount is R2 000.00

You will be taxed at your marginal tax rate when withdrawing any money from this pot, and processing cost will apply. So, while it's accessible, there are tax and cost implications to consider. **ONLY ACCESS THE MONEY IN THIS POT FOR EMERGENCIES.**

Any money that you do not take from the savings pot, will be available as a lump sum when you resign or retire.

ONE-THIRD of the monthly member and employer contributions, after costs, will be allocated to the savings pot.



RETIREMENT POT

This is where the bulk of your savings will go, to make provision for compulsory preservation.

YOU CANNOT ACCESS THE MONEY IN THE RETIREMENT POT UNTIL YOU RETIRE.

It will be used to provide you with income at retirement.

TWO-THIRDS of the monthly member and employer contributions, after costs, will be allocated to the retirement pot.

Members who belong to both Category A (2% Fund) and Category C (Main Fund).

- Your accumulated savings in both categories will be combined as one member share for seeding purposes, entitling you to one seed capital amount of 10% of your combined savings (capped at R30 000) accessible from 1 September 2024.
- You will be able to make withdrawals from the savings pots in both Category A and C, once in every tax year.

Members who belong to Category A only

You will be able to access up to 10%, to a maximum of R30 000 in seed capital available on 1 September 2024 and make annual withdrawals from the savings pot, once every tax year.



REGISTER FOR ONLINE ACCESS!

This will allow for easy automated withdrawals once the two-pot system has come into effect!

Scan the QR code to register



OR

Visit the Fund's website www.nationalfund.co.za and click on the login button.

IMPORTANT TO REMEMBER!

The **SEED CAPITAL AMOUNT** that will be made available on 1 September 2024 **WILL NOT BE MORE THAN R30 000.00.**

You can apply to access the money (seed capital) in your savings pot via the Sanlam online platform from 1 September 2024, but **THE MONEY WILL NOT BE AVAILABLE RIGHT AWAY.** The Fund needs to verify details like your bank information, and there will be deductions for tax and administration costs, before the balance is paid to your bank account.



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Call us toll free on 080 112 2884

Send an e-mail to info@nationalfund.co.za.

Like us on Facebook and follow us on LinkedIn.

WhatsApp on 0662837712.

Remember, we are here to help!



SCAN FOR MORE TWO-POT INFO

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**THE FUND OF CHOICE
IN LOCAL GOVERNMENT!**