



TWO-POT RETIREMENT SYSTEM



LIBERTY
In it with you



**Vested
Component**



**Savings
Component**



**Retirement
Component**

You may have up to **3 pots** (known as components) in total from 1 September 2024.

Retirement Annuity

**member with current age 50,
retiring at the age of 60 under the
new Two-Pot Retirement System**

On 31 August 2024 the RA fund value is R1 million. "Seed Capital" of R25,000 is deducted and transferred to the Savings Component. The member withdraws the "seed capital" of R25,000 from the Savings Component on the 1 September 2024 and makes no further withdrawals.

After 1 September 2024, the member contributes R3 000 a month to the RA until the age of 60 (ten years). R1 000 of the member's monthly contributions are allocated to the Savings Component and R2 000 allocated to the Retirement Component.

At retirement based on a 10% per annum return.



Vested Component

One-third can be taken as a cash lump sum at retirement (R866 666)
Two-thirds must be used to purchase an annuity income (R1 733 333)

**R2.6
million**



Savings Component

Can take the full amount as a cash lump sum

R204 000



Retirement Component

Full amount must be used to purchase an annuity income

R409 000