



FURNITURE BARGAINING COUNCIL

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CIRCULAR 07/24

TO ALL EMPLOYERS AND EMPLOYEES

TWO-POT RETIREMENT SYSTEM

What is the Two Pot Retirement System:

Government has promulgated changes to the Retirement Fund Legislation which has created what is commonly known as the Two-Pot system. This means that from 1 September 2024, all contributions paid to retirement funds (pension funds, provident funds, or retirement annuity funds) must, in terms of the proposed amendments, be allocated to three distinct components, being the vested component, a retirement component and a savings component. These components are referred to as “Pots”. This change means that effective 1 September 2024, a member will be able to withdraw an amount from their savings component without resigning from their employer.

The legislative process to introduce the new retirement system is underway and awaiting finalisation from South African Revenue Services (SARS) and the Financial Sector Conduct Authority (FSCA).

A detailed Circular will be sent out to the Industry in August 2024, which will outline the application of the Two-Pot Retirement System, the process and procedure to be followed in respect of any withdrawal claims under the Two-Pot Retirement System, as well as some frequently asked questions and answers.

Do not hesitate to contact the Agents of the Council should you require any additional information.

A COPY OF THIS CIRCULAR MUST BE DISPLAYED ON YOUR ESTABLISHMENT’S NOTICE BOARD

3 July 2024