



Two-pot System Presentation for FBUMA, NUFAWSA, & CEPPWAWU

The Administrator

Management team



Moabi Litseho

Executive Manager:

Funds Administration and
Finance

Fund Officials



- Board of Trustees is constituted as follows:
 - Employer trustees (representatives from the establishments and FBUMA)
 - Employee/Member trustees (elected from officials and members from the trade unions – CEPPWAWU & NUFWASA)
 - Independent trustee
 - Independent PO
- Investment Consultant – Mentenova
- Actuary – Vivian Cohen
- Auditors – HLB Barnett Chown Inc. Auditors
- Fund Consultant – Optimum Employee Benefits (Pty) Ltd
- Tracing Agent – Moodies and Robertson
- Administrator (FBC)



IT SUPPORT

- FBC uses the Everest system for the following:
 - Fund data administration
 - Fund accounting
 - Death and Funeral Scheme (DFS)
 - Investment administration (Unitisation)



TWO-POT SYSTEM EXPLAINED



Two-Pot Project Plan



01
September
2024

- Two-pot system is implemented
- Seeding capital is initiated
- Benefit statements with three components are initiated (Vested component, Savings component and Retirement component)
- These benefit statements with the savings component will only be available from this date
- Claim forms for the Two-pot will be available (FBC website, FBC offices, establishments)
- Depending on the approved rule amendment, processing of the claims will start after this date

Two-pot Project Plan



Legislative Determination

- 10% of a member's fund credit as at 31 August 2024 will be the seeding capital in the savings component
- A member must have a minimum balance of R2 000 in the savings component to qualify for the Two-pot claim based on a total fund credit of R20 000
- The maximum amount that can be seeded on the 01 September is R30 000 based on a balance of R300 000 or more in the vested component as at 31 August 2024
- Effective 01 September 2024, member's contribution will be split 1/3 to savings component and 2/3 to retirement component
- An example has been attached to further explain this

Two-pot Project Plan



Example

- Effective 01 September 2024, member's contribution will be split 1/3 to savings component and 2/3 to retirement component
- A member with a fund credit of R9 000 in the vested component, will seed 10% of the value, which is R900 in the savings component
- From 01 September if the member contributes R942 to the provident fund, then the contribution will be split R314 (1/3) into the savings component and then R628 (2/3) into the retirement component
- It will take this member 4 months ($R314 \times 4 = R1\ 256$) + R900 = R2 156 to qualify for any two-pot withdrawal

Two-pot Project Plan



Claim form availability

- FBC offices
- FBC website
- Establishments
- Supporting documentation required:
 - Certified valid ID/Passport,
 - Proof of residence,
 - Income tax reference number,
 - Confirmed valid bank account
- Payments will NOT be made to any third party bank account and eWallets
- Payments will not be processed without a valid tax reference number belonging to claimant/member

Two-pot Project Plan



Claims Process Part 1

- Claims will be manually processed
- Electronic member portal is in development stage
- Banking details will be verified through our internal verification process for authentication (HYPHEN)
- Tax reference numbers will be verified through SARS
- Tax directives will be applied for by FBC
- Receipt of tax directives will depend on SARS' turnaround times
- Payment will take 4-6 weeks depending on SARS turnaround times
- Claims will be subject to a deduction of the administration fee of R300 and the SARS amount
- The net amount after these deductions will be paid to the member
- If the member has any outstanding SARS debt, then this amount, will affect the net amount due to the member
- FBC offices will be opened on Saturdays from 8am until 11am as per current arrangement unless otherwise specified

Two-pot Project Plan



Claims Process Part 2

- Claims forms and related documents can be emailed to: two-pot@furnbed.co.za
- Claim forms can be delivered to FBC offices in Johannesburg, Pretoria and Free-State
- Claim forms can be completed on site
- Distribution of member benefit statements in the week after 01 September 2024

Two-pot Project Plan



Administrator Readiness

- The next Circular will be sent on 16 August 2024
- Member communication will be made available as we go along
- Opt-in forms for members over 55 years of age

Two-pot Project Plan



Savings Risk for members

- The claimed amount will be taxed
- Withdrawals may also impact the tax bracket of a member as the marginal tax rates will be used for tax directives
- Withdrawals will affect member retirement benefits
- Members will also be charged an administration fee for each withdrawal that is processed
- Members can only claim once during a tax period, a tax year will start on 01 March each year and end on the last day of February of the next year

Thank you

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