

# How your savings pot will be seeded

## ONCE-OFF TRANSFER TO NEW POT



Hi!  
I am SAM and  
this is my Bestie

We are both  
members of a  
retirement fund



31  
AUG  
2024



SAM has R500 000  
in retirement savings.

31  
AUG  
2024



SAM's Bestie has R10 000  
in retirement savings.

THE SAVINGS POT IS KICKSTARTED THROUGH SEEDING

1  
SEP  
2024



10% of savings = R50 000  
but limited to R30 000.

1  
SEP  
2024



10% of savings = R1 000.

WITHDRAWALS CAN BE MADE ONLY IF YOU HAVE MORE THAN  
MINIMUM OF R2 000 IN YOUR SAVINGS POT



SAM can withdraw anything between  
R2 000 and R30 000.

**SAM DOES NOT HAVE TO WITHDRAW**  
The savings can grow for:

- withdrawal later before retirement; or
- in best case scenario, withdrawal at retirement as a cash sum with potential tax benefits.



SAM's Bestie cannot withdraw  
because R1 000 is less than R2 000.

WITHDRAWALS ARE TAXED AND SUBJECT TO AN ADMIN FEE

If SAM decides to withdraw R10 000:

- He will pay tax on this amount at his marginal tax rate  
eg. 18% of R10 000 = R1 800
- He may be charged an admin fee  
eg. R200

R10 000  
- R 1 800 tax  
- R 200 fee  
R 8 000



SAM's Bestie must wait until the  
savings pot grows to at least  
R2 000 from:

- Growth on these savings;
- New contributions to the fund  
eg. once R3 000 in contributions  
are made, R1 000 (one third) will be  
allocated to the savings pot giving  
SAM's Bestie the R2 000 minimum

