

## 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

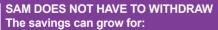


10% of savings = R1 000.

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.



- 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



- R 1800 tax
- R 200 fee

SAVINGS R1000 + New contributions

# 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

