

memberalert

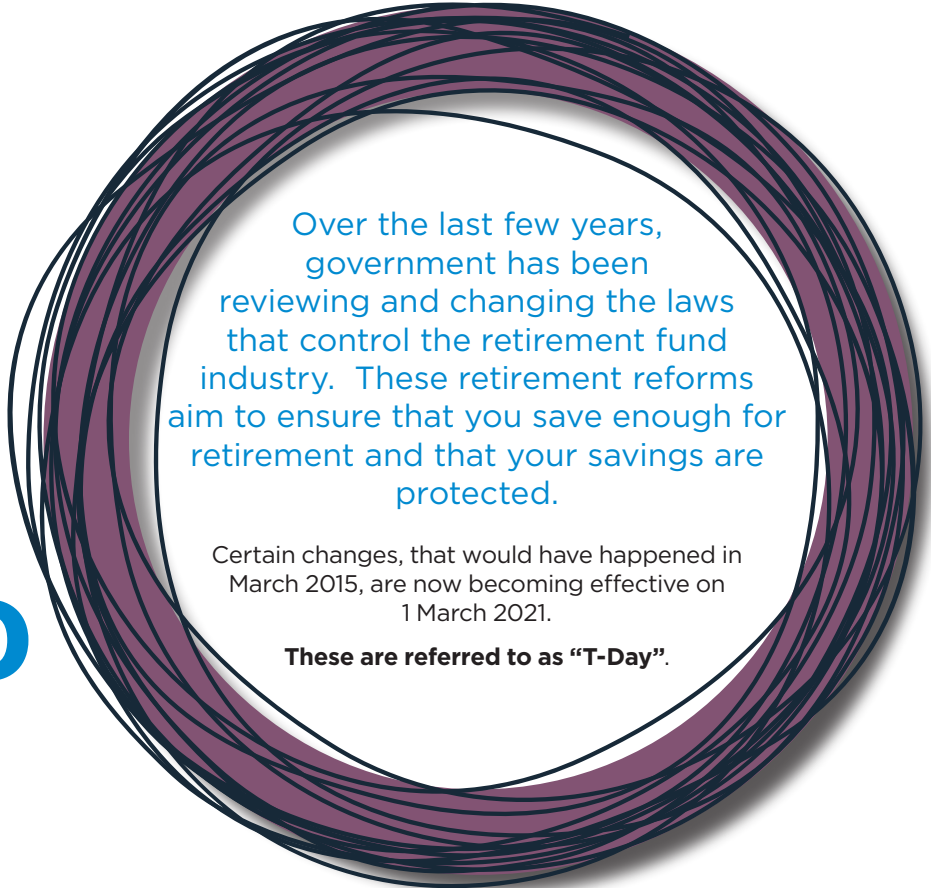
Sanlam Corporate

RETIREMENT REFORM CHANGES

January 2021

Retirement Reform Changes

What you need to know



Over the last few years, government has been reviewing and changing the laws that control the retirement fund industry. These retirement reforms aim to ensure that you save enough for retirement and that your savings are protected.

Certain changes, that would have happened in March 2015, are now becoming effective on 1 March 2021.

These are referred to as “T-Day”.



How does it affect you?

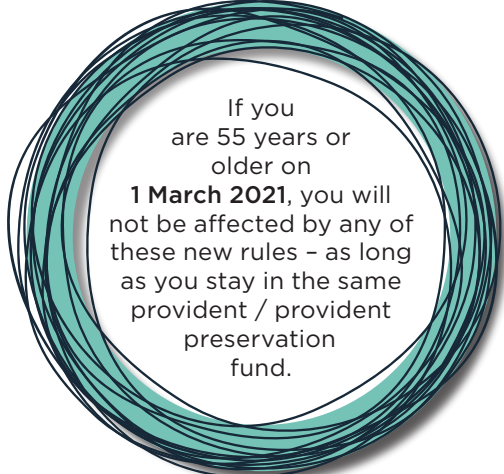
- T-day rules only apply to how your retirement benefits under provident funds or provident preservation funds are paid.
- Nothing changes when you withdraw before retirement – you can still take all your savings in cash.
- From 1 March 2021, retirement benefits from provident funds / provident preservation funds will have the same rules as pension funds.
- Your member share will consist of two portions:



Vested Member Share



Non-vested Member Share



If you are 55 years or older on **1 March 2021**, you will not be affected by any of these new rules – as long as you stay in the same provident / provident preservation fund.

How will T-Day affect your retirement benefit from 1 March 2021?

Decide which of the circles apply to you and read only that section

You are **younger than 55 years on 1 March 2021**, and
You are saving in a **provident or provident preservation fund**

You'll have a **"Vested" Member Share** (vested rights)



- All your savings as at 28 February 2021 (plus interest thereon) will be in this portion.
- You may take this portion in cash when you retire.



A **"Non-vested" Member Share** (non-vested rights)



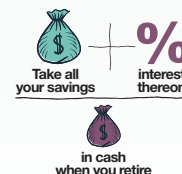
- All your savings from 1 March 2021 (and interest thereon) will be in this portion.
- If this portion is R247 500 or less, you may take this portion in cash when you retire.
- If this portion is more than R247 500, you may only take one-third of this in cash and you must use the other two-thirds to buy a pension when you retire.

You are **55 years or older on 1 March 2021**, and
You are saving in a **provident or provident preservation fund**, and
You **stay** in the **same fund** until you retire

You'll have a **"Vested" Member Share** (vested rights)



- All your savings as at 28 February 2021 (plus interest thereon), and all your savings from 1 March 2021 (and interest thereon) will be in this portion.



- You may take all your savings in this portion, plus interest thereon, in cash when you retire.

You are **55 years or older on 1 March 2021**, and
You are saving in a **provident or provident preservation fund**, and
You **transfer** to a new fund **after 1 March 2021**

You'll have a **"Vested" Member Share** (vested rights)



- All your savings as at date of transfer/saved in the old fund (plus interest thereon) will be in this portion.
- You may take this portion in cash when you retire.



A **"Non-vested" Member Share** (non-vested rights)



- All your savings (plus interest thereon) in the new fund will be in this portion.
- If this portion is R247 500 or less, you may take this portion in cash when you retire.
- If this portion is more than R247 500, you may only take one-third of this in cash and you must use the other two-thirds to buy a pension when you retire.