

**HEADLINE
NEWS**

- 📌 Two Pot information and how to request a Savings Pot payment are provided in the attached handout – please attend a member presentation to find out more
- 📌 Savings Pot payments will only be allowed if your employer has given your cellphone number to the Fund
- 📌 Savings Pot payments may take some time to process into your salary bank account

DITABAKGOLO

- 📌 Tshedimošo ka ga Mehuta ye Mebedi ya phenšene (Pitša tše Pedi) le ka moo o ka kgopelago tšhelete ka go Pitša ya Polokelo e filwe ka go difiwa tšeo di mamareditšwego – o kgopelwa go tsenela ditlhagišo tša maloko go hwetša tshedimošo ye nngwe
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**IZINDABA
EZINOHlonze**

- 📌 Imininingwane yeziMbiza Ezimbili nendlela yokucela inkokhelo yeMbiza Yokulondoloza kunikezwa ku-handout enamathiselwe - sicela wethamele isethulo samalungu ukuze uthole okwengeziwe
- 📌 Izinkokhelo zeMbiza Yokulondoloza zizovunyelwa kuphela uma umqashi wakho enikeze inombolo yakho kamakhalekhukhwini esiKhwameni
- 📌 Izinkokhelo zeMbiza Yokulondoloza zingase zithathe isikhathi ukucubungula zibe ku-akhawunti yakho yasebhangwe yomholo

MAHUNGUKULU

- 📌 Mahungu ya Mapoto Mambirhi na ya makombelelo ya hakelo eka Poto ra Vuvekisi ya kumeka eka xiphakeriwa lexi khomanisiweke laha – hi kombela u nghenela tidyondzo leti nyikiwaka leswaku u ta kuma man’wana mahungu
- 📌 Tihakelo ta Poto ra Vuvekisi ti ta pfumeleriwa ntsena loko muthori wa wena a nyikile nomboro ya wena ya riqinghofambanaro eka Nkwama
- 📌 Tihakelo ta Poto ra Vuvekisi ti nga ha teka nkarhinyana ku lulamisiwa na ku nghenisiwa eka akhawunti ya wena ya muholo

TWO POT INFORMATION AND SAVINGS POT PAYMENTS

The attached handout contains an explanation of the Two Pot system and how members may request a payment from their Savings Pot after 1 September 2024.

SAVINGS POT PAYMENTS CAN BE REQUESTED VIA WHATSAPP MESSAGING OR VIA THE MEMBER WEBSITE

Savings Pot payments can be requested by either sending a WhatsApp message to the Fund on **071 909 6789** or by logging onto the member website at www.ejoburgretirementfund.co.za. Note that the option to request a payment will only be available from 1 September 2024. Up to 31 August 2024, the WhatsApp messaging and member website will allow you to obtain benefit information, such as the amount of your benefits in the Fund, so you can estimate your initial Two Pot seeding capital, being 10% of your Fund Credit on 31 August 2024 subject to a maximum of R30 000.

You are encouraged to register on the member website if you have not already done so.

IF THE FUND DOES NOT HAVE YOUR CELLPHONE NUMBER YOU WILL NOT BE ABLE TO REQUEST A PAYMENT FROM YOUR SAVINGS POT

When you request a Savings Pot payment, the Fund needs to check that it is actually you requesting the payment and not someone else trying to fraudulently take your money. The cellphone number you use to send a WhatsApp message to the Fund must be the same as the number held for you by the Fund. If it is not, the Fund cannot be sure it is actually you and will not process a Savings Pot payment (or provide benefit information, as appropriate).

If you have not provided your cellphone number to your HR Department or if your cellphone number has changed, you need to urgently provide your cellphone number to your HR Department, so that they can verify it is your cellphone number and notify the Fund of your cellphone number. Please note that to prevent fraud (such as someone pretending to be you) you cannot provide your cellphone number directly to the Fund – it has to be provided to the Fund by your HR Department.

To protect you and your benefits, the Fund cannot allow any exceptions to the above requirements.

TAX AND AN ADMINISTRATION FEE WILL BE DEDUCTED FROM SAVINGS POT PAYMENTS

If you request a Savings Pot payment, it will be taxed as part of your annual income. This means SARS will treat it as “extra salary” and tell the Fund how much tax to deduct from the payment. The tax rate and therefore the amount of tax that will be deducted will be different for every member depending on their annual taxable income. To give you a feel for the tax that may be deducted, the marginal tax rates for the tax year ending on 28 February 2025 are as follows:

Annual taxable income	Tax rate	Annual taxable income	Tax rate
Up to R95 750	0%	R512 801 to R673 000	36%
R95 751 to R237 100	18%	R673 001 to R857 900	39%
R237 101 to R370 500	26%	R857 901 to R1 817 000	41%
R370 501 to R512 800	31%	R1 817 001 or more	45%

At the end of the tax year SARS will reassess whether the tax estimate notified to the Fund was correct and you may receive a rebate from SARS or be required to pay further tax directly to SARS.

An administration fee of R250 will be deducted from Savings Pot payment requests received via the WhatsApp messaging and member website channels.

SAVINGS POT PAYMENTS WILL BE PAID INTO YOUR SALARY BANK ACCOUNT

To prevent the risk of someone else instructing the Fund to pay your Savings Pot payment into their bank account, if you request a Savings Pot payment it will be the paid into the same bank account that your employer pays your monthly salary into. Your employer will provide your salary bank account details to the Fund, so there is no need for you to do so.

To protect you and your benefits, the Fund cannot allow any exceptions to this requirement.

SAVINGS POT PAYMENTS MAY TAKE SOME TIME TO PROCESS

As discussed above, when you request a Savings Pot payment, the Fund needs to check that it is actually you who has requested the payment. When the check is completed, the Fund needs to disinvest the required amount from the Fund’s asset managers, apply to SARS for a tax directive, verify that your salary bank account is still open and then process the payment.

Given the above process and the large number of payment and tax directive requests that will have to be processed by the Fund’s administrator and by SARS, respectively, it is expected that Savings Pot payments may take up to 3 weeks from the date the request is received. The Fund’s administrator will obviously try to take a shorter period if possible.

EFFECT OF SAVINGS POT PAYMENTS ON YOUR RETIREMENT BENEFITS

It is very important to understand that if you take any payments from your Savings Pot, it will reduce the benefit you will receive on resignation or retirement from the Fund. A Savings Pot withdrawal is simply an advance payment of the cash you could receive on retirement.

The following illustrative example is for a 40 year old member with a Fund Credit of R500 000 as at 31 August 2024 and who retires at age 63, Under each scenario the member is expected to have the following on retirement (where all figures are shown in current value terms):

	Takes no Savings Pot payments	Takes full Savings Pot every year	Takes half of the contributions to the Savings Pot each year
Maximum amount that may be taken in cash on retirement	R1 306 121	R467 443	R862 200
Balance that must be used to buy an annuity on retirement	R2 437 326	R2 437 326	R2 437 326
Maximum portion that may be taken in cash on retirement	34.9%	16.1%	26.1%

Unless Savings Pot payments are reinvested to achieve a similar investment return, you will also lose the investment return on those amounts had they remained in the Fund. For our illustrative member above, the member will receive the following under each scenario (where all figures are shown in current value terms):

	Takes no Savings Pot payments	Takes full Savings Pot every year	Takes half of the contributions to the Savings Pot each year
Savings Pot payments	-	R465 104	R236 579
Cash on retirement	R1 306 121	R467 443	R862 200
Total	R1 306 121	R932 547	R1 098 779
“Lost” investment return	-	R373 574	R207 342

The tax deducted from Savings Pot payments may also be higher than the tax that is paid on cash payments at retirement.

PRESERVATION OF YOUR RETIREMENT POT UP UNTIL RETIREMENT

All your benefits in the Fund as at 31 August 2024, and the future investment returns on those benefits, retain the right to be taken in cash on resignation from employment.

However, two-thirds of your retirement funding contributions after 1 September 2024 will be allocated to your Retirement Pot in the Fund. If you resign (or are retrenched or dismissed) you will not be able to immediately take the amount that is in your Retirement Pot as it must be “preserved” until you eventually retire. It still remains your money and you can choose to do any of the following on exit:

- Transfer it to the retirement fund of your new employer.
- Transfer it to a preservation fund or a retirement annuity of your choice.
- Leave it paid-up in the eJoburg Retirement Fund (with the option to transfer in terms of either of the other two options at any time in the future).

IN-PERSON MEMBER TWO POT PRESENTATIONS

The Fund is currently hosting in-person presentations, on the Two Pot system and how members can request a Two Pot payment, for any members who wish to attend. Please contact your HR Department to find out when the presentations will be held at your employer.

ONLINE MEMBER TWO POT WEBINARS

For members who are unable to attend the in-person presentations or who would prefer to attend an online presentation, Microsoft Teams webinars will be held as follows:

Date	Time	Meeting ID	Passcode	Link
Wednesday 31.7.2024	09h00 to 11h00	340 677 913 482	NAYrSb	Member webinar #1
Monday 5.8.2024	09h00 to 11h00	329 231 783 262	KvDW2n	Member webinar #2
Wednesday 7.8.2024	07h00 to 09h00	379 043 243 077	o3ogpX	Member webinar #3
Monday 12.8.2024	09h00 to 11h00	311 981 879 554	Gfx75z	Member webinar #4
Wednesday 14.8.2024	18h00 to 20h00	324 522 155 823	nEaAaa	Member webinar #5
Thursday 15.8.2024	10h00 to 12h00	345 700 031 40	MMUuzk	Member webinar #6
Tuesday 20.8.2024	07h00 to 09h00	383 343 606 794	His2Q6	Member webinar #7
Thursday 22.8.2024	09h00 to 11h00	381 191 170 803	2Hay6r	Member webinar #8

Connecting via the meeting ID and passcode may not be easy for some members, so the “one-button” links to the online presentations are also available on the Home Page of the Fund’s website at www.eJoburgRetirementFund.co.za.

LATE PAYMENT OF CONTRIBUTIONS

The Pension Funds Act requires that:

- The member and employer contributions each month must be paid to the Fund before the 7th of the month following the month to which the contributions relate.
- The contribution schedule detailing the amount of the contribution for each member must be received by the Fund before the 15th of the month following the month to which the contributions relate.
- Members must be notified if an employer fails to meet these requirements.

Members are hereby notified of the following instances of late payment of contributions:

Employer	Month	Amount paid on time	Amount paid late
Joburg Theatre	April 2024	-	R1 332 773
Joburg Theatre	May 2024	R422 752	R898 893

Late payment interest has been charged to the employer and will be allocated to the Fund Credits of affected members.

The contribution schedule for the Johannesburg Development Agency for June 2024 was received after the deadline, although the actual contributions were received before the deadline.

This Newsletter is issued for the general information of the members of the eJoburg Retirement Fund.

It is not intended as a substitute for specific legal, financial or other advice in considering the implications for each member’s particular circumstances.

THE TWO POT SYSTEM

From 1 September 2024 onwards, your benefits in the Fund will be split into **4 Pots**, with different conditions applying to each Pot in terms of when and how they may be paid and the tax applicable on any payment.

- Any portion of your Fund Credit on 31 August 2024 that has the right to be taken fully in cash on retirement (e.g. qualifying amounts transferred into the Fund from a previous provident fund or any amount transferred from the Soweto City Council Pension Fund) will be transferred into your **Vested Lump Sum Pot**.
- The balance of your Fund Credit on 31 August 2024 will be transferred into your **Vested Annuity Pot** and will retain any existing rights to be paid out in cash on resignation or retirement.
- If you resign from employment after 1 September 2024, you will still be able to take your full amount in your Vested Lump Sum Pot and your Vested Annuity Pot in cash, if you choose to do so.
- Initial seeding capital of 10% of your Fund Credit in each of your Vested Lump Sum Pot and your Vested Annuity Pot (subject to a maximum of R30 000) will be transferred to your **Savings Pot** on 1 September 2024.
- One-third of your retirement funding contributions after 1 September 2024 will be allocated to your **Savings Pot** and two-thirds of your retirement funding contributions after 1 September 2024 will be allocated to your **Retirement Pot**.
- You may request payment of part or all of the balance in your Savings Pot at any time, subject to:
 - A minimum amount of R2 000 before tax and fees.
 - Only one payment is allowed in each tax year from 1 March to the end of February the following year.
 - Tax (as determined by SARS based on your income) and an administration fee of R250 will be deducted from the Savings Pot payment (although a further R100 fee will be charged if material manual processing is required).
- Any amount in your Retirement Pot must be preserved until retirement, i.e. it cannot be paid out to you if you leave employment or leave the Fund. It must either be left as a paid-up benefit in the Fund, transferred to the retirement fund of your new employer or transferred to a preservation fund or a retirement annuity fund of your choice.

Savings Pot payments during employment

Any amount you are paid from your Savings Pot will reduce the benefit you will receive when you retire or leave employment in the future.

Savings Pot payments will fail if the Fund cannot verify that your personal information is correct or if SARS is unable to issue a tax directive because your tax number is incorrect or your tax affairs are not up-to-date. Savings Pot payments may also be delayed or refused if there are divorce, maintenance or employer compensation claims against you at the time you request a Savings Pot payment.

Savings Pot payments will be paid to your same bank account as for your monthly salary payments by your employer. To prevent the possibility of fraud, there is no option for these payments to be made into another bank account.

Resignation (or dismissal or retrenchment)

On resignation after 1 September 2024, you may take the full amount in your Vested Lump Sum Pot, your Vested Annuity Pot and your Savings Pot in cash, i.e. your current rights to take the first two amounts in cash remain unchanged. Note that if you have already taken a Savings Pot payment in the same tax year as when you resign, then you will only be permitted to take your Savings Pot in cash if it is less than R2 000. Any portion of your Savings Pot taken in cash will be taxed as income and the balance of any benefit taken in cash will be taxed in terms of the withdrawal benefit tax scale.

Your Retirement Pot must be preserved to retirement, i.e. it cannot be paid out to you if you leave employment or leave the Fund. It must either be left as a paid-up benefit in the Fund, transferred to the retirement fund of your new employer or transferred to a preservation fund or retirement annuity fund of your choice.

Retirement

On retirement after 1 September 2024, you may take a maximum of your Vested Lump Sum Pot, one-third of your Vested Annuity Pot and your Savings Pot in cash. The full amount taken in cash will be taxed in terms of the retirement benefit tax scale. The balance of your retirement benefit, namely your Retirement Pot and at least two-thirds of your Vested Annuity Pot must be used to purchase an annuity in a format and from an insurance company of your choice, although if this amount is less than R165 000, you may take your full benefit in cash.

Transfers to your Retirement Pot

You are permitted to transfer part or all of the amount in your Vested Lump Sum Pot, your Vested Annuity Pot and your Savings Pot into your Retirement Pot at any time. Any such amount that you elect to transfer must be preserved until retirement as part of your Retirement Pot and used to purchase an annuity on retirement. You cannot transfer any amounts from your Retirement Pot into any of your other Pots.

YOUR DATA MUST BE CORRECT TO RECEIVE A SAVINGS POT PAYMENT

In order to ensure that your Savings Pot in the Fund is not paid to someone else, the following information will be provided to the Fund by your employer and used to verify that any Savings Pot payment has actually been requested by you:

- Name and surname
- ID number
- Date of birth
- Cellphone number
- Tax number

If any of these details are incorrect or missing on your employer's payroll system, **any request for a Savings Pot payment cannot be processed**. If you have any concerns as to whether your employer has your correct details, please urgently contact your HR Department to correct your details accordingly.

SAVINGS POT PAYMENTS: WHATSAPP OPTION

From 1 September 2024, you will be able to request a Savings Pot payment via WhatsApp messaging on your cellphone. The process you will have to follow is as follows:

1. You will have to message "Hi" to **071 909 6789**. Benefit information is currently available via this messaging service, but Savings Pot payment requests will only be allowed from 1 September 2024.
2. You will receive an automated message back asking for various personal information, such as your name and ID number. If the details you provide and the cellphone number you are messaging from don't match the data held by the Fund (see the previous section above), you will not be able to proceed and will be referred to a Two Pot Call Centre at the administrator for assistance.
3. If your information is verified as matching the data held by the Fund, you will receive a message allowing several options, such as (a) whether you wish to know the amount in your Savings Pot or (b) whether you wish to receive a Savings Pot payment.
4. If you select a Savings Pot payment, you will be given the option to select either (a) the full amount in your Savings Pot, (b) a percentage of your Savings Pot or (c) a Rand amount (which must be equal to or less than the amount in your Savings Pot). The amount you request must not be less than R2 000.
5. The Fund's administrator will then process and pay your Savings Pot payment, after deducting tax and fees, into your same bank account as for your monthly salary payments by your employer. Please, however, note the issues set out in the last section below.
6. You will receive an SMS notification once the payment has been made.

SAVINGS POT PAYMENTS: MEMBER PORTAL OPTION

From 1 September 2024, you will be able to request a Savings Pot payment via the Member Portal on the Fund's website.

1. The Fund's website is ejoburgretirementfund.co.za.
2. On the website, you will need to login by selecting the "MEMBER LOGIN" button. If you have not previously registered for access to the Member Portal, you will need to do so by selecting the "REGISTER" button and following the instructions. You are encouraged to register on the website well before 1 September 2024, so that you can login without any issues after that date.
3. Once you have accessed the Member Portal, please select the option to receive a Savings Pot payment and provide the required information.
4. You will be given the option to select either (a) the full amount in your Savings Pot, (b) a percentage of your Savings Pot or (c) a Rand amount (which must obviously be equal to or less than the amount in your Savings Pot).
5. The Fund's administrator will then process and pay your Savings Pot payment into your same bank account as for your monthly salary payments by your employer. Please, however, note the issues set out in the last section below.
6. You will receive an SMS or email notification, as appropriate, once the payment has been made.

IMPORTANT ISSUES REGARDING SAVINGS POT PAYMENTS

The Savings Pot payment will take some time after you request it for the payment to be paid into your salary bank account, as the administrator has to verify that it is in fact you making the request, process the payment, withdraw the money from the Fund's investment managers and request and receive a tax directive from SARS. Payments should be made within 15 working days from when they are requested, although please note there may be additional delays for requests shortly after 1 September 2024 due to the number of expected requests.

Tax (as determined by SARS based on your income and inclusive of any outstanding tax owed by you to SARS) and an administration fee of R250 will be deducted from the Savings Pot payment.

Payments may be refused or delayed for the various reasons set out in this document, e.g. if your personal data does not match the information provided by your employer, your tax affairs are not up-to-date, you request more than one Savings Pot payment in the same tax year, there is less than R2 000 in your Savings Pot or there are divorce, maintenance or employer compensation proceedings against you, etc.

(Effective date: 1 August 2024)