

Two Pot FAQ

1. When will the two-pot system be implemented?

1 September 2024.

2. What is seed capital?

The seed capital provides a starting balance in the Savings Pot. This starting balance will be calculated as 10% of your Accumulated Retirement Savings as at 31 August 2024 but is limited to a maximum of R30 000. It will be a once-off amount.

3. I want to make a Savings Pot claim. What is the process?

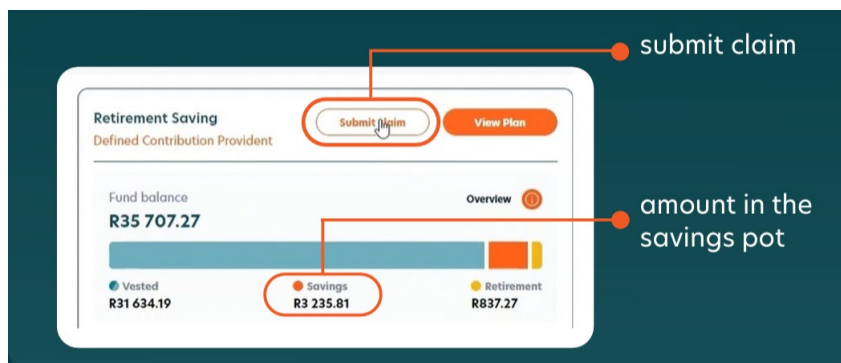
Claim submission

You should be registered on AF Connect to claim. Click [here](#) for instructions on how to register.

Demo video - how to claim for a Two-Pot withdrawal - [CLICK HERE TO WATCH](#)

Once you are registered on AF Connect you will be able to submit a claim online.

Log in to AF Connect any time from 3 September, to see how much is in your savings pot in the Retirement Saving section on the portal:



If you have more than **R2 000 in your Savings Pot**, click the **submit claim** button to start the claims process. You can only make one withdrawal in a tax year (1 March to 28 February).

You may need these documents if the validation fails during the claim submission. You will be asked to upload the required document to submit your claim:

- ID or passport document
- Proof of tax (e.g. tax certificate)
- Proof of bank (e.g. 3 months bank statements or bank confirmation letter)

Follow the prompts to submit the claim. You can track your claim status until your Savings Pot withdrawal benefit is paid out.

Your checklist if you withdraw from your Savings Pot

Before you submit a savings pot claim, you should request a Statement of Account (SOA), from SARS to check if you have any outstanding tax debt, as this may be deducted from your savings pot withdrawal amount.

To get an SOA, you can:

1. Log on to your eFiling profile - <https://secure.sarsefiling.co.za/app/login>.
2. Use the SARS Online Query System (SOQS). - under 'SARS notices' on this [link](#).
3. Request via SARS WhatsApp number 0800 11 7277.

Things that can delay or stop you from claiming savings from your savings pot

- You are not registered on AF Connect.
- You don't pass the verification process. Further checks and documents will be required to validate your transaction.
- The bank account details provided are not verified as your own.
- You are not registered for tax.
- Your tax directive is rejected because:
 - Your ID number does not match the ID with SARS
 - Your tax number is not active
 - Outstanding tax matters with SARS.
You must contact SARS directly to resolve these issues.
 - You don't have enough money in your savings pot.
 - Matters such as employer judgment, divorce consent, maintenance orders and housing loans (see question 5 below).

4. Is UCT HR involved in the process?

No. Your Savings Pot withdrawal claim should be submitted via AF Connect and there is no need to advise UCT or this claim. You would only need to contact HR to assist if you are not able to submit your claim via AF Connect.

The Savings Pot withdrawal is handled by AF, completely separate from UCT's payroll or your salary. This means that AF will pay the amount to you directly and the UCT Payroll and HR Administration teams are not responsible for the processing of these withdrawals.

Please take note of the following:

- Withdrawals from your UCTRF Savings Pot will be subject to tax (PAYE).
- Upon withdrawal, AF will apply for a tax directive from SARS to determine the amount of tax (PAYE) that will be deducted from the amount you have requested.
- The Tax Directive and Savings Pot withdrawal will not impact the salary you receive from UCT.
- If, at the end of the tax year, SARS calculates that you were under taxed on the total income you received in that tax year, you may be liable for additional tax and SARS will advise you accordingly.

5. Are there situations where I may not be able to claim a savings withdrawal benefit?

The payment of your Savings Pot withdrawal benefit may be suspended in certain situations including:

- Where you have a housing loan in place and if you take a Savings Pot withdrawal benefit, your remaining Accumulated Retirement Savings will not be enough to repay the loan.
- Where the employer has obtained a judgment against you for fraud, theft, dishonesty and misconduct and, if you take a Savings Pot withdrawal benefit, your remaining Accumulated Retirement Savings will not be enough to pay the employer.
- Where the employer is in the process of obtaining a judgment against you for fraud, theft, dishonesty and misconduct and if you take a Savings Pot withdrawal benefit, your remaining Accumulated Retirement Savings will not be enough to pay the employer if they get a judgment.
- If the UCTRF is notified that you are in the process of getting divorced. In this case your (non-member) spouse must consent to you claiming a Savings Pot withdrawal benefit.
- Where the UCTRF receives a maintenance order against you and if you take a Savings Pot withdrawal benefit, your remaining Accumulated Retirement Savings will not be enough to pay the maintenance.
- Where the UCTRF receives notification that a maintenance order is pending against you and there is an interdict prohibiting the UCTRF from paying a savings withdrawal claim and, if you take a Savings Pot withdrawal benefit, your remaining Accumulated Retirement Savings will not be enough to pay the maintenance order, if granted.

6. Does the two-pot system apply to deferred pensioners and phased retirees?

Deferred pensioners and phased retirees will be treated the same as active (contributing) members for the seeding allocation. Paid-up members and deferred retirees, however, will not have ongoing contributions going into their Savings Pot.

7. What happens if I transfer to another retirement fund?

If you transfer from one fund to another, the entire retirement interest is transferred. However, due to the different pots (Savings, Retirement and Vested) in the Two-Pot System, the fund you are transferring to (the receiving fund) will be required to copy these Pots as they were in the UCTRF. All the pots that exist in UCTRF must be transferred to the receiving fund (except the portion you took as a lump sum where this applies).

Split transfers are permitted, that is a transfer to 2 or more funds, as long as the same proportion of each Pot is transferred to the same receiving fund.

8. I'm on disability. Will I be taxed if I withdraw from my Savings Pot?

All Savings Pot withdrawals are taxed as income in the hands of a member. You will be taxed at your marginal tax rate.

9. Can I transfer between my Pots?

Savings Pot or Vested Pot to the Retirement Pot

Yes. However, you **will NOT have lump sum access to the money once transferred to the Retirement Pot and you cannot transfer back from the Retirement Pot to the Savings Pot or Vested Pot**. This substantially reduces access to your money in an emergency and a lump sum portion at retirement.

Both these transfers could be a disadvantage at retirement, especially to members who still have the R550 000 taxed at 0% allowance or part thereof available to them. **Why?** The Retirement Pot does not allow for a lump sum to be taken from it at retirement (unless the Retirement Pot plus any balance in the non-Vested Share of the Vested Pot is less than R165 000).

Retirement Pot to the Savings Pot or Vested Pot

No, you cannot transfer out of your Retirement Pot to another Pot.

Vested Pot to Savings Pot or Savings Pot to Vested Pot

No, you cannot transfer between these Pots.

10. Will SARS be able to withdraw outstanding taxes from an amount I withdraw from my Savings Pot?

SARS will require you to pay any additional outstanding taxes (referred to as an IT88). These outstanding taxes include outstanding administrative penalties and arrear assessed tax owing to SARS. Alexforbes is required to act on any instruction from SARS to pay outstanding taxes and/or penalties before paying you the balance.

Before you submit a savings pot claim, you should request a Statement of Account (SOA), from SARS to check if you have any outstanding tax debt.

To get an SOA, you can:

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11. Will the Savings Pot be invested differently from the Vested Pot and the Retirement Pot?

No. All the Pots will be invested in the same way, as this money is intended to be your retirement money.

12. How does the two-pot system apply to a member who was member of the UCTRF who was 55 or older on 1 March 2021?

These members are not part of the Two Pot System unless they choose to opt in before 1 September 2025. For more information click [here](#).