



# TWO POTS

## WHAT'S NEXT AND WHERE TO FROM HERE?

***Taking money out of your savings pot might seem like an easy way to solve short-term problems, but it's better to leave the money where it is.***

**There is no rush to claim.** If you want to make a withdrawal from your savings pot, there is no cut-off date. You do not lose the chance to withdraw your money in the future.

However, you can only take one withdrawal per tax year (1 March to 28 February) and it must be at least R2 000.

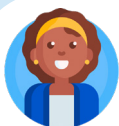
Remember that all your savings, in all your pots, are invested in order to grow. This means that your balance can go up and down every day, depending on how the investment market is doing.

The money in your savings pot from 1 September 2024 is also invested in the market, which means that if you had R10 000 seed capital, this amount could grow and be more; or even become a little smaller, depending on how the markets are doing.

### **WHY YOU REALLY SHOULD ONLY ACCESS YOUR SAVINGS POT FOR EMERGENCIES**

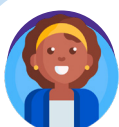
## LET'S LOOK AT TWO SCENARIOS

### Scenario 1: Using the Savings Pot



Thembi, who is **40 years** old, has **R30 000** in her savings pot. If she decides to withdraw this amount now, she will have immediate access to **R30 000 less tax and fees**, but this money will no longer be invested, meaning it won't grow over time.

### Scenario 2: Not Using the Savings Pot



If Thembi chooses not to withdraw the **R30 000** and leaves it invested instead, earning on average **10%** per year, by the time she reaches her retirement age of 65\*:

**That R30 000 can grow to almost R325 000!**

This big growth shows how powerful compound interest is and why it's important to keep your savings for the long term.

The difference between the two situations is clear—by not touching her savings pot, Thembi ends up with a much bigger retirement fund, giving her more financial security in the future. ***Simply put, unless you DESPERATELY need access to your savings – unless it is a matter of life or death – rather leave them alone!***

*\* This is just an example, as the final amount will depend on markets and fees and all sorts of other things.*