



## The two-pot retirement system Important information to take note of

Dear «CLNT\_TITLE» «CLNT\_INITIALS» «CLNT\_SURNAME»

Plan number: «PLAN\_NR»

Share account number: «BDA\_NR»

### Funding your **Savings Component**

As you are a valued member of the **Personal Portfolios Retirement funds**, we recently informed you of the new retirement system, widely known as the **two-pot retirement system** (hereafter referred to as “**the two-pot system**”), and how it will affect you from 1 September 2024. A copy of our recent communication is available at [Retirement-Reform-Two-pots-Client-communication-Eng.pdf \(glacierinsights.co.za\)](#). More information is also available on our **Glacier Retirement Fund Member Information Hub** at [Retirement Fund Member Information – Glacier Insights](#). Please visit this hub regularly, as we will continue to add information as it becomes available.

**This communication is to inform you that you need to sell shares from your investment share portfolio to fund your savings component.**

Please note that the implementation of the two-pot system is subject to the approval of the Personal Portfolios Retirement Funds’ rule amendments by the Financial Sector Conduct Authority.

#### How does the two-pot system affect you?

Your savings component will be equal to 10% of the value in your vested component as on 31 August 2024 (up to a maximum of R30 000). Therefore, the value of your share portfolio will be taken into account when calculating your savings component.

#### How will the selling of shares to fund your savings component work?

The amount allocated from the vested component will first be funded from the **collective investment funds** in your plan. Seeing that the value in your collective investment funds is not enough to cover the amount to be allocated to your savings component, the balance will be funded by **selling shares from your share portfolio**.

The process for the selling of shares will work as follows:

As a member with a **non-discretionary mandate** your stockbroker may only execute instructions

You will be required to instruct the stockbroker or third-party manager via your intermediary by **31 August 2024**, to sell R«BALANCE» from your share portfolio. This amount is equal to the amount required to be allocated to your savings component.

If this is not done by 31 August 2024, Glacier will instruct the stockbroker to sell shares on your behalf.

- The proceeds from the sale of the shares will be placed in a money market fund in your vested component.
- If you do not have a money market fund as part of your vested component, the funds will be placed in the Glacier Money Market fund in your vested component.
- The **savings component** will then be funded from the money market fund in your vested component to make up the **full withdrawal benefit** in your savings component, together with the funding from the collective investment funds.

We recommend that you contact your financial intermediary to help with the process of selling shares to fund your savings component.

Please contact our Communication Centre on 021 917 9002 / 0860 452 364 for any further enquiries.

Kind regards

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