

# Two-Pot system Learning Area

	<b>Learning Outcomes</b> <b>By the end of the workshop, delegates will be able to:</b>
<b>Background</b>	<ul style="list-style-type: none"> <li>• Explain the dilemma and challenges of SA's low savings behaviour.</li> <li>• Reasons behind SA's poor saving for retirement and how this affects all SA taxpayers.</li> <li>• Assess the implications of failing to halt members' withdrawals from their funds before retirement.</li> <li>• Describe National Treasury's reasoning and purpose behind the Two Pot system</li> </ul>
<b>Retirement reforms</b>	<ul style="list-style-type: none"> <li>• Understand the history of Retirement reform in SA.</li> </ul>
<b>Preservation and Access</b>	<ul style="list-style-type: none"> <li>• Explain the principle and importance of preservation of retirement savings as well as participation.</li> <li>• Describe how access to lumpsum withdrawals only at retirement does not address the needs to manage financial hardship or emergencies during working lives.</li> </ul>
<b>Two Pots (or Three Components)</b>	<ul style="list-style-type: none"> <li>• Describe the design of the three components and the intended purpose and use of each.</li> <li>• Describe the rules of the two pots system.</li> <li>• Explain how contributions are split between savings and retirement pots.</li> <li>• Explain what happens with the vested pot.</li> </ul>
<b>Savings Pot withdrawal limits and tax implications</b>	<ul style="list-style-type: none"> <li>• Explain savings pot withdrawal limits.</li> <li>• Understand the tax implications and withdrawal conditions for the savings pot.</li> </ul>