



# 2024 Newsletter

## METROPOLITAN

Introducing the Two-pot compliant Metropolitan Retirement Savings Plan and an update on your retirement annuity plan

### *From your Board of Trustees*

Starting 1 September 2024, the government will introduce the “two-pot” retirement system. It is a change that allows retirement fund members to make partial withdrawals from their retirement funds before retirement. It aims to protect retirement money while allowing access to some funds during financial emergencies.

This system will apply to retirement annuity plans from 1 September 2024.

## How will it work?

**Member contributions will be split into two “pots” from 1 September 2024:**

### ***Retirement component:***

***Two-thirds of the contributions are allocated to this component.***

No money can be taken from this component before the age of 55. This money, together with what is left in the savings component, will be used to provide members with a regular income during retirement.

### ***Savings component:***

***A third of the contributions are allocated to this component.***

Qualifying members may take some or all the money in this component. This is allowed once in every tax year (beginning March to end February) if there is at least R2 000 available. It is essential to use the savings component wisely and only withdraw when necessary, in case of a real emergency and no other option is available. It is important to note that tax will be deducted at the member's marginal tax rate and a transaction fee may be levied for each withdrawal.

## Your Current Plan:

The new system will apply to all retirement funds, **with some exceptions**. One exception is certain old generation or so-called legacy retirement annuity plans, which are excluded from the new “two-pot” system.

Your plan is a “legacy retirement annuity,” so under the current law, the new system **will not** apply to your plan. This means that your plan will continue according to current rules, terms and conditions as described in your original contract.

You can still access money from age 55, or earlier if you are permanently disabled, or if the value of your retirement savings in the Metropolitan Life Retirement Annuity Fund is below R15 000. The amount you can withdraw is subject to current legislation and the retirement annuity fund rules. You will however not be able to access any additional portion of your retirement annuity before retirement.

## What does this mean?

The benefits and rules of your current plan remain unchanged.

You may choose to start saving by investing in a new two-pot Metropolitan Retirement Savings Plan from September 2024.

### Important

The information we are sharing is what is currently included in the draft legislation. If legislation or any of the rules change after the date of this letter and any information in the letter is not relevant to your plan any longer, we will let you know what the impact will be on your plan.

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Regards, *The Board of Trustees*

