

Standing Committee on Finance: Public Hearings

13 September 2022



DRAFT RLAB 2022

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POLICY MATTERS

TWO pot retirement system

Two pot retirement system



CONCERNS:

1. Date of implementation – 1 Mar 2023
(Defined Benefit Funds?)
2. Unclear how investments are allocated?
3. Growth (returns) allocation?
4. Housing loans/divorce policy treatment?
5. Pre-retirement withdrawals – how will tax be collected?
6. Unclear if there will be cost increases?

RECOMMENDATION



1. Effective date to be agreed with retirement industry/SARS – *the sooner the better!*

2. Clarity on how investment should allocated.

3. Growth – clarify to which “pot” returns will be allocated.

4. Policy on housings/divorce needed – spouses tax treatment?

5. Employees’ tax – amend legislation to cater for new retirement pots

4. SCOF & NT to monitor admin costs of funds

TECHNICAL CHANGES

Section 11F deductions

Transfer within same or other funds

Determination of 12-month period

Fees and growth treatment

R165 000 threshold

Thank you