Discovery
Corporate and
Employee Benefits

Planning to emigrate? Here's how the two-pot system will affect you

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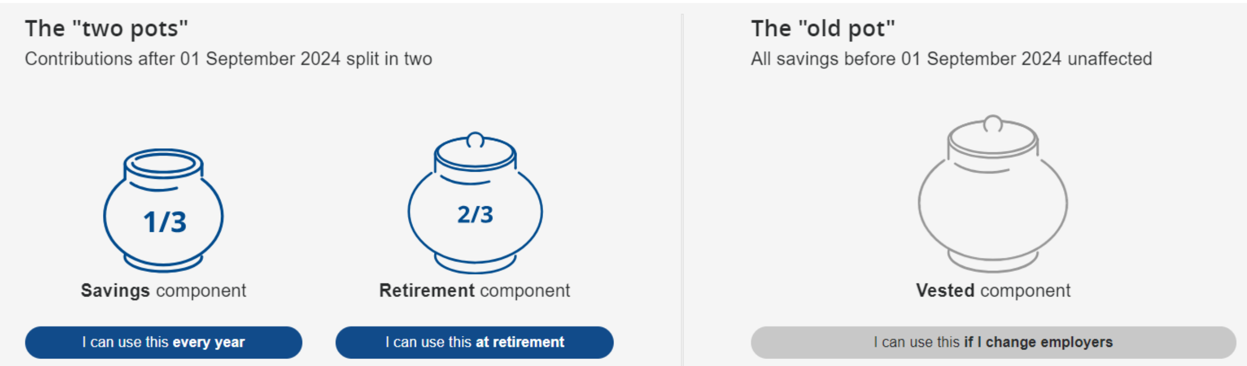
IF YOU'RE PLANNING TO RELOCATE OVERSEAS, SOUTH AFRICA'S TWO-POT RETIREMENT SYSTEM MAY BE A SNAG IN YOUR PLANS TO ACCESS YOUR FULL RETIREMENT SAVINGS.

You will have to wait three years after relocating before you can access everything in your retirement accounts.

How two-pot works

Under the two-pot system, retirement contributions are split into two 'pots': a savings component and a retirement component. Savings accumulated up to 31 August 2024 have been transferred into a vested component.



What happens when you emigrate

In the past, you could withdraw all your retirement savings when moving abroad. Now, you can only withdraw from the savings component of your retirement savings, depending on withdrawal limits. If you have funds available, you can also withdraw everything in your vested component. These withdrawals will be taxed.

To access the funds in your retirement component, you will have to prove that you have been a non-South African tax resident for at least three years. For this, you will need a notice of non-resident tax status letter that is issued by SARS. You will also need an Approval International Transfer (AIT) PIN to move funds. For more information, visit SARS.