



Legal update 2 of 2026:

Allocations to a member's retirement component

- 1** Under the two-pot system, FundsAtWork members may allocate the money in their savings component and/or vested component into their retirement component in the FundsAtWork Fund. No other allocations are allowed. For example, a member cannot allocate money from their retirement component to their savings component and/or vested component. Neither can a member allocate money from their vested component to their savings component and vice versa.
- 2** A FundsAtWork member will be allowed to either allocate the full amount or a portion of the money in their savings and/or vested component into their retirement component and they can do this at any time and at no cost by completing [this form](#).
- 3** Once FundsAtWork has allocated the money as per the member's instruction into their retirement component, it is seen as retirement component money and the relevant rules will apply. This means that the source and withdrawal rules of the money are lost, and it is fully governed by the retirement component rules.
- 4** Once the member allocated the full amount or a portion from their savings component and/or vested component to their retirement component, it cannot be transferred back to the savings component and/or vested component. Reversals are not allowed.

- 5 Once the money is allocated from a member's vested component into their retirement component, they will lose all their pre-two-pot vested/protected rights, meaning they will no longer be able to take the money in cash when they withdraw from the FundsAtWork Fund or on their retirement. They will have to buy a pension with the full value of their retirement component (including the money previously allocated from their vested component) when they retire.



Example

The member has R500 000 in their vested component. They decide to allocate R200 000 to their retirement component.

On resignation: They can take R300 000 in cash from their vested component and no longer R500 000.

On retirement: They must use the full allocated amount of R200 000, together with the balance in their retirement component, to buy a pension.

- 6 Once the money is allocated from a member's savings component into their retirement component, they will no longer be able to make annual withdrawals from the allocated money. They will also not be able to take it in cash on their retirement as they will have to buy a pension with the full value of their retirement component (including the money previously allocated from their savings component) when they retire.



Example

The member has R500 000 in their savings component. They decide to allocate R200 000 to their retirement component.

Annual withdrawal: They can take R300 000 as their annual savings withdrawal benefit and no longer R500 000.

On retirement: They must use the full allocated amount of R200 000, together with the amount in their retirement component, to buy a pension.