

Launch date of two-pot retirement system accelerated

Parliament has overridden Treasury's recommendations, advancing the launch of the two-pot retirement system to March 2024.



Source: [Fixabay](#)

The Treasury and the industry preferred the implementation of the system in 2025, emphasising the need for the South African Revenue Service (Sars) and the industry to establish necessary systems.

They argue that this process can only commence once the Draft Revenue Administration and Pension Laws Amendment Bill has been signed into law.

They said implementing the two-pot retirement system by March next year would give the industry very little time to comply.

"We are surprised by the vote [in Parliament] in favour of bringing the two-pot implementation to less than four months from now," Richard Carter, head of assurance at Allan Gray, said.

"This is a tough ask as most retirement funds and their administrators will simply not be ready in time. Given that consultations on the detail are still in progress and that regulation is still being finalised, we believe that moving it forward is premature."

But retirement-fund members who are facing dire financial challenges, have been disappointed with the delay in the implementation of the two-pot retirement system, as is the The Public Servants Association, which represents more than 240,000 public-sector employees.

For them, the news that the two-pot retirement system will kick off in March next year, has been welcomed with open arms.

For more, visit: <https://www.bizcommunity.com>