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Two Pots at the End of the Rainbow

It is perhaps fitting that the new retirement savings rules kicked in on 1st September, considered to be the beginning of spring and heralding fresh beginnings of growth. For some, it may also be the mythical pot of gold at the end of the rainbow. The change means that South Africans will immediately be able to access a portion of their retirement savings for emergencies. The following articles explain what this all means for these individuals and for the economy.

South Africa is changing its retirement rules to help boost savings
"A study of 160 countries, spanning 60 years of economic history, establishes that there is no country that has been able to transition from 'poor to prosperous' without a high savings rate. And that households – in other words you and me – are one of the most important contributors to a country's overall level of savings rate." https://tinyurl.com/3994zpv4

Four tips to navigate the new pension rules
"South Africa is changing its pension laws. The new system is designed to give individuals the opportunity to access only a portion of their retirement funds before they retire in the case of dire need – or even in case of desire. To an extent, this makes sense, given the low savings rate in the country." https://tinyurl.com/3ssd9uku

South Africa's new pension rules: Australia, Chile and Singapore show how personal savings can grow the economy
"Every country that has successfully transitioned from poor to prosperous has done this through elevated savings and investment. There is no reason to believe South Africa can defy this economic reality." https://tinyurl.com/4j22a4xh

The two-pot retirement threat
"Retirement fund withdrawals could boost households' disposable income this year and in 2025, but they may also contribute to higher inflation, resulting in repo rate hikes." https://tinyurl.com/53zctuu6

Many won't have enough in their 'savings pot' to access come September
"At least 20% of the country's retirement fund members will not have enough money in their savings pot on 1 September 2024 to make a withdrawal when the two-pot retirement system comes into effect." https://tinyurl.com/m75b235r

Negatively impacting your savings
"The two-pot retirement withdrawal may seem like a lifeline but it could end up costing you a lot more at a vulnerable age." https://tinyurl.com/2rkbrbzh

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Kenny Pasensie
Project Co-ordinator
kenny@cplo.org.za

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