

NATIONAL ASSEMBLY
QUESTION FOR ORAL REPLY
QUESTION NUMBER: 193 [NO2339E]
DEADLINE: 3 September 2021

★193. Dr D T George (DA) to ask the Minister of Finance:

Whether, with reference to the National Treasury's proposed retirement fund reforms, pension fund members will be permitted to withdraw a portion of their investments prior to their retirement; if not, what is the position in this regard; if so, what are the relevant details?

NO2339E

REPLY:

Yes, Government made an announcement in the Budget 2021 that it is considering allowing limited pre-retirement withdrawals from retirement funds under certain conditions, provided that this is accompanied by mandatory preservation at resignation. Consultations are currently underway on the detail around withdrawal options and possible legislative changes.

Government is working on a proposal that will enable limited access to retirement funds while promoting greater preservation, and to have wider coverage through auto-enrolment, of retirement funds. This proposal entails restructuring future contributions for retirement savings into a two-pot system. One pot is to be preserved until retirement, and the second pot will allow for pre-retirement access. Whilst these measures would cover pension and provident funds, a harmonised approach on withdrawals is also being considered for retirement annuities and preservations funds.

Further announcements and the public release of the proposed measures for public comment and consideration will be made shortly, before or at the 2021 MTBPS. It is envisaged that the necessary legislative amendments will be introduced in Parliament thereafter.