momentum
corporate

5 August 2026

Mr. Attie Lamprecht

Principal Officer

MEU Retirement Fund

By email: attiel@netactive.co.za

Dear Attie

Two-Pot Withdrawal Fees for Funds administered by Momentum Retirement Administrators

As we approach the second anniversary of the implementation of the two-pot retirement system, we would like to provide an update regarding the withdrawal fees applicable to Savings Component withdrawals.

Since the introduction of the two-pot system, Momentum Retirement Administrators has continued to provide members with a simple, secure, and efficient withdrawal experience through various digital servicing channels. The majority of withdrawal requests are successfully submitted and processed through these digital channels, resulting in a faster and more convenient experience for members.

To recap:

- Members pay a fixed fee for each Savings Component withdrawal, irrespective of the amount withdrawn.
- The fee is only charged if a member elects to make a withdrawal and is deducted directly from the withdrawal benefit.
- Members who successfully submit their claims through a digital channel benefit from a lower fee than those who make use of a paper-based process.

Following our annual review of the costs associated with providing this service, the Savings Component withdrawal fees will increase with effect from 1 September 2026.

The revised fees will be:

Withdrawal Method	Current Fee (Incl. VAT)	New Fee (Incl. VAT)
Digital submission channels	R260	R275
Paper-based submissions	R364	R380

The increase is primarily driven by:

1. **Initial set-up costs**
   Preparation for two-pot legislation and implementation resulted in significant IT and business-related expenses that we did not charge retirement funds and all members for upfront, irrespective of usage, but rather decided to recoup some of these expenses in future years only from members who actually withdraw their Savings Components.

2. **Inflationary cost increases**
   The cost of providing withdrawal administration services continues to increase in line with inflation. This includes technology infrastructure, operational support, compliance requirements, and specialist resources required to administer Savings Component withdrawals efficiently and securely.

3. **Ongoing investment in digital claims processing**
   To maintain a seamless member experience, we continue to invest in the enhancement, security, stability, and resilience of our digital withdrawal capabilities. These investments support secure member authentication, integration with banking and payment systems, fraud prevention controls, and the continuous improvement of member self-service functionality. Legislative changes due to the Taxation Laws Amendment Bill necessitate further development to accommodate the requirements.

4. **Increased transaction volumes and processing requirements**
   The continued utilisation of the Savings Component withdrawal option has resulted in significantly higher transaction volumes. Withdrawal transactions processed in March 2026 were 44.3% higher than in March 2025. Despite this increase, average claim turnaround times remained stable at 4.75 days, demonstrating the effectiveness and scalability of our administration processes. In addition, digital adoption continued to improve, with the proportion of withdrawal claims submitted through digital channels increasing from 93.3% to 97%. These trends highlight the importance of continued investment in technology, operational capacity, and support resources to maintain service standards and member experience.

The annual review of the withdrawal fee ensures that the cost of administering Savings Component withdrawals remains appropriately aligned to the actual cost of providing the service while ensuring that members who do not make withdrawals are not required to subsidise those who do.

Please note that the applicable withdrawal fee is displayed to members during the withdrawal process before the transaction is submitted. We remain committed to encouraging members to utilise our digital channels, which continue to offer the most cost-effective and efficient withdrawal option available.

We continue to thank you for your support and look forward to partnering with the Fund and its members with the aim of achieving adequate retirement provision.

Should you require any further information regarding the fee adjustment, please feel free to contact me.

Yours sincerely

Matebatso Setladi
Fund Consultant: Client Engagement
Momentum Retirement Administrators
C: +27 72 961 1522
E: Matebatso.Setladi@momentum.co.za