



Fund Administrators: Be Two-Pot Tax Savvy!

Guide to Help Fund Members Be Tax Compliant for a Two-Pot Withdrawal

With this guide, SARS empowers public-facing employees of fund administrators to help members with their two-pot withdrawals. This guide answers questions such as:

- Where does a member apply for a two-pot withdrawal?
- Must the member have a tax number?
- What will happen if the member has outstanding returns?
- What will happen if the member has tax debt?

WHERE DOES A MEMBER APPLY FOR A TWO-POT WITHDRAWAL?

Members must apply for a two-pot withdrawal **at their retirement fund** and not at SARS.

ASK MEMBERS TO CHECK IF THEY ARE REGISTERED FOR TAX

To take money from their savings pots, members must have their tax numbers on hand. Members can use SARS's digital channels to check if they are registered for tax:

- SARS MobiApp (members can use the app to register for tax or get their registration numbers)
- SARS WhatsApp: send a "Hi" or "Hello" to 0800 11 7277
- USSD: *134*7277#
- SMS: 47277. For a tax reference number, the SMS sent to 47277 must contain ***TRN <Space> ID number/Passport number/Asylum Seeker number.***

- SARS Online Query System ([SOQS](#))

HOW DOES A MEMBER REGISTER FOR TAX?

If a member is not registered for tax, they can visit www.sarsefiling.co.za to register.

HOW CAN A MEMBER CHECK IF SARS HAS THEIR CORRECT CELL PHONE NUMBER?

The member can use:

- SARS MobiApp
- SARS eFiling

HOW CAN A MEMBER CHANGE THEIR CELL PHONE NUMBER WITH SARS?

The member can use SARS eFiling to change their cell phone number.

ASK MEMBER TO CHECK IF THEY HAVE OUTSTANDING RETURNS

A member can check if they have outstanding returns, via SARS eFiling; [SOQS](#), or dial *134*7277# and select option 3.

HOW DOES A MEMBER SUBMIT OUTSTANDING RETURNS

A member can use SARS eFiling or the SARS MobiApp to submit any outstanding returns.

Members must submit any outstanding Income Tax returns to SARS to remain tax compliant. This is important because a two-pot tax directive could be rejected by SARS if a member is non-compliant.

SARS urges members to submit outstanding returns before applying to their retirement fund for a two-pot withdrawal.

ASK MEMBERS TO CHECK IF THEY OWE SARS MONEY

If a member has tax debt, SARS will tell the retirement fund to deduct this debt from the member's two-pot withdrawal and pay it over to SARS.

To get their balance or statement of account, members can use any of these options:

- Log on to SARS [eFiling](#) and ask for a statement of account.

- Log on to the SARS MobiApp and ask for a statement of account.
- Send an SMS to SARS on 47277 and ask for a balance statement or statement of account. They can use this service without data/airtime.
- Use the SARS USSD channel: dial *134*7277#.

PAYING SARS

A member can pay their tax debt on SARS eFiling (www.sarsefiling.co.za), the SARS MobiApp, or the SARS Online Query System ([SOQS](#)).

WHAT IF A MEMBER HAS A PAYMENT ARRANGEMENT WITH SARS?

If a member has payment arrangements with SARS, then the retirement fund will not deduct this debt from their two-pot withdrawal on behalf of SARS. This deduction will be made before the fund makes the final withdrawal payment to the members bank account.

WHAT HAPPENS IF A MEMBER HAD A PAYMENT ARRANGEMENT WITH SARS BUT THEY DEFAULTED?

The members payment arrangement no longer exists if they have defaulted. The fund will deduct the debt from the members two-pot withdrawal and pay it over to SARS. This deduction will be made before the fund makes the final withdrawal payment to the members bank account.

HOW CAN A MEMBER APPLY FOR A PAYMENT ARRANGEMENT WITH SARS?

Once a member has checked if they have tax debt, they can apply for a payment arrangement with SARS **before** they apply for your two-pot withdrawal. Payment arrangement applications can be made on SARS eFiling or on the SARS MobiApp.

HOW WILL IT WORK IF A MEMBER HAS A GARNISHEE ORDER IN PLACE?

If a member is paying debt with deductions from their salary (a “garnishee order”), SARS will deduct the debt from their two-pot withdrawal. A garnishee order does not automatically constitute a payment arrangement. This means that if there is no formal payment arrangement in place with SARS, the withdrawal will be set off against the remaining outstanding debt.

IF A MEMBER EARNS BELOW THE TAX THRESHOLD, WILL THEY STILL BE ABLE TO WITHDRAW WITHOUT TAX BEING DEDUCTED IF THEIR WITHDRAWAL DOES NOT TAKE THEIR TAXABLE INCOME OVER THE THRESHOLD?

While taxable income can only be determined accurately during the annual filing season, SARS will attempt to determine the amount of tax on the withdrawal as accurately as possible. Depending on the circumstances it is, therefore, possible for a R0 directive to be issued.

CAN A MEMBER CHANGE THEIR MIND ABOUT A TWO-POT WITHDRAWAL AFTER THE FUND HAS REQUESTED A TAX DIRECTIVE FROM SARS?

Once a retirement fund sends a withdrawal tax directive application to SARS, the member cannot change your mind or cancel their withdrawal.