

Retirement

When employment is unstable, retirement savings have to be built differently

South Africa's labour market is forcing a rethink of retirement saving. With the official unemployment rate at 32.7% in the first quarter of 2026, the idea of a stable, uninterrupted career is becoming harder to defend as the foundation of long-term financial planning.

That matters because most retirement systems still assume the opposite. They are built on the logic of steady contributions over long periods of employment.

But for many South Africans, working life is no longer linear. It moves between jobs, income levels and, at times, out of employment altogether. Retirement savings have to be able to continue through these changes, not fall apart because of them.



A system built for a different reality

The pressure is visible in the data. Alexforbes analysis shows that more than one million savings component withdrawal claims have been processed since September 2024, with over R14.3 billion paid out by the end of March 2026. This points to more than short-term cash needs. It reflects sustained financial pressure, repeated disruption and a shrinking margin for error in long-term retirement saving.

The two-pot retirement system has introduced an important balance between access and preservation. It recognises that people may need limited access to savings in times of pressure, while protecting the retirement component for the future. But the level of repeat claims suggests that many households are still using retirement savings to manage immediate financial stress.

This is the deeper retirement risk in South Africa today. It is not only that people save too little. It is that their savings journeys are repeatedly interrupted. Contributions stop during unemployment. Job changes often lead to withdrawals instead of preservation. Short-term financial pressure pushes long-term goals aside. Over time, these breaks can make a meaningful difference to retirement outcomes because members lose both the money withdrawn and the future growth that money could have generated.

That is why the conversation needs to move beyond access alone. The more important question is how to help people make better decisions before they withdraw, resign, preserve or retire, especially when those decisions are being made under financial pressure.





Reframing the role of the workplace

The workplace still plays an important role in long-term saving, because for many people it is where retirement contributions begin. Employers create access, structure and momentum. But the workplace should not be the only place where retirement planning lives. In a labour market where careers are less predictable, people need ways to stay connected to their long-term savings even when their employment circumstances change.

For employers and trustees, this changes the role of the retirement fund. It needs to do more than collect contributions and administer benefits. It needs to

support members through the moments that shape long-term outcomes: joining a fund, changing jobs, facing financial pressure, considering a savings component withdrawal, preserving, retiring or needing guidance.

This also means financial wellbeing cannot be treated as separate from retirement saving. Debt, emergency savings, everyday expenses and income uncertainty all influence whether people preserve or withdraw. If these pressures are ignored, retirement communication can feel disconnected from real life.



From fragmented savings to connected savings

The more useful question now is not only whether people have access to retirement savings through work, but whether they can stay connected to those savings through change. In a labour market defined by transition, continuity matters more than ever.

This is where a more connected approach becomes valuable. The aim is not simply to keep savings in one place, but to help people stay linked to their money, their decisions and their long-term goals over time. Connected saving is about continuity: making sure that members are supported before, during and after the points where retirement decisions are most vulnerable.

In practice, that means making preservation easier, improving access to understandable guidance and financial education, using digital tools to make information more accessible, and supporting better decisions when money is tight. It also means communicating in plain language so that members understand the trade-offs between short-term access and long-term retirement security.

It also requires solutions that are portable and simple to engage with. A worker's financial life does not reset when they change jobs. Their savings, decisions and goals need to carry forward too.





Designing for the labour market we have

Retirement systems cannot continue to depend on a version of working life that is becoming less common. In South Africa, better outcomes will depend on designing for volatility, not stability alone. That requires a more integrated approach, one that recognises how employment, financial resilience and access to guidance intersect in real life.

The opportunity is to move from fragmented saving to connected saving, and from simply offering benefits to helping people build better long-term outcomes through every stage of working life. This is not only a

retirement issue. It is a resilience issue, a workplace issue and a household financial wellbeing issue.

If employment is no longer predictable, retirement saving needs to be built to carry on through change. The goal should be to help people stay connected to their savings, make informed choices during financial pressure and preserve progress across work, unemployment and life transitions.

