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GEPF ANNUAL RESULTS AS AT FINANCIAL YEAR-END MARCH 2020

GEPF NAVIGATES STRONG HEADWINDS



Main Points

· GEPF asset market value declined by 11.4% from R1.8 trillion in 2019 to R1.64 trillion in 2020. This decrease in the investment value is mainly attributable to the losses incurred in March 2020 as a result of the impact of Covid-19, the downgrade in credit ratings and a persisting low growth environment.

· Income received during the financial year included:

Dividend income – R34.1 billion

Interest income – R52.3 billion

Property income – R1.8 billion

Contributions received – R 80,2 billion

· Benefits paid upon member's resignation, retirement, or death was R111 billion which was an increase of

R 8.4 billion against 2018/19 financial year payments. This was mainly due to an increase in pension payments which accounted for 62% of the total benefits paid which was driven by the 5.2% monthly increase granted to pensions and a 3.1% increase in the number of pensioners.

As at 31 March 2020, the end of the financial year 2019/2020, the Government Employees Pension Fund, Africa's largest



pension fund reported a decline in its investment portfolio of R243 billion largely impacted by the turmoil in the South African and global economy in the last quarter of the 2019/2020 financial year. However, due to the resilience of the GEPF investment strategy, the Fund has recovered the losses incurred and its unaudited value is currently R1.9 trillion. This recouping of losses clearly indicates that the GEPF remains financially sound despite the tough economic conditions that the Fund operated in, in the 2019/2020 financial year.

The financial results however continue to highlight that the performance of the Fund is not isolated from the country's economic and development constraints. The poor state of the South African economy had a significant impact on the Fund, as the economic climate in the three months leading to 31 March was extremely turbulent and coincided with the end of the Funds 2019/2020 financial year.

Much of the decline in the Funds market value was due to the performance of local equities, capital markets and listed property. The decline in international asset classes was offset by a significant decline in the value of the rand against the dollar. The value of the assets reflects depressed market values as at 31 March 2020.

In the context of a uniquely challenging economic environment, the GEPF did sustain an acceptable overall investment

performance with income of R168, 4 billion as a result of investment income of R88, 2 billion and contributions of R80, 2 billion. The fund outperformed its benchmark by 0.22%.

The adverse economic climate in South Africa led to the sharp rise in the bond yields in March 2020 resulting in the value of the Fund's liabilities reducing considerably as at 31 March 2020. This reduction in liabilities would have resulted in the funding level of the GEPF increasing but the unintended consequence would have been a marked decrease in member exit benefit values (calculated using the Actuarial Interest Factors derived from the actuarial valuation) for the upcoming years, until the results of the next statutory valuation is approved.

Given the abnormal economic shocks and the impact on member benefits, the Board of Trustees resolved to carry out an interim valuation as at 31 March 2020 that will be followed by a statutory valuation as at 31 March 2021. The postponement of the statutory valuation to March 2021 is still within the timeframe prescribed for actuarial valuations by the Government Employees Pension Law.

Benefit payments to members will continue to be made in accordance with the approved Actuarial Interest Factors, which came into effect on 1 July 2019, until the statutory valuation as at 31 March 2021 is completed.

These safeguards members from the adverse effect that would have resulted from adopting the Actuarial Interest Factors based on abnormal circumstances as at 31 March 2020.

In line with the Fund's commitment to ensure all benefits due are paid, the total benefits paid during the year under review increased by R8.4 billion, mainly due to the increase in pension payments, which accounted for 49% of the total increase. The increase in the pension payments were driven by the 5.2% monthly increase granted to pensioners from 1 April 2019 and a 3.1% increase in the number of pensioners.

Whilst the number of pensioners increased, the Fund also experienced a slight increase in active members by 0.3% to 1 269 161 members (2019: 1 265 421).

The GEPF expects the difficult economic climate in South Africa to persist as the economy continues to contract. Following the conclusion of its consultation with the Minister of Finance on its asset-liability modelling the GEPF over a period, will begin to align its strategic asset allocation to match its liability profile. The strategic asset allocation determines how the GEPF allocates funds to asset classes locally and offshore.

The GEPF is keenly aware of the important role it plays in the South African economy, and that its members, pensioners and beneficiaries are impacted by economic, social and environmental challenges, in recognition of which the GEPF continues to direct funds towards the development of the country, inclusive of infrastructure, transformation, sustainability, priority sectors and small –medium enterprises. Such investments however must ensure beneficial returns to the GEPF.

The GEPF expresses its appreciation to its implementing agencies, the Public Investment Corporation (PIC) and Government Pension Administration Agency (GPAA) for the work they do to ensure that the GEPF fulfils its mandate.

Make these your New Year's Resolutions to enable us to serve you well



Update my personal details with GEPF

You are encouraged to update your details on a regular basis, particularly when there is a change in the following:

- **Address**
- **Contact number**
- **Bank details**
- **Employment**

Having the correct contact details allows us to communicate with you whenever necessary. It ensures that the GEPF newsletters and other correspondence are sent to the correct address and assists us in processing your pension benefits so that we pay the right person in a timely manner.

Contact GEPF to update your contact details

Provide GEPF with your updated cell phone number and a secure e-mail address, to enable them to keep you updated on all matters related to your pension fund.

Please remember to send the Fund your latest e-mail address, postal address,

as well as your cell phone number so that we can stay in touch with you. This will assist us to communicate with you effectively and ensure that you receive GEPF newsletters regularly.

Complete or update your Nomination Form

There can be no doubt that you want your loved ones to continue being taken care of even when you're no longer around. It is therefore vital that you complete the Nomination of Beneficiaries form, listing the details of all your financial dependents and anyone else you want to nominate to share in your benefit, and at what percentage.

A Nomination of Beneficiaries form (WP1002) is an official document that indicates who should receive your GEPF pension benefits pay out when you pass on.

It is very important that you let us know if your circumstances change due to birth, marriage, divorce, etc. GEPF has the right to overrule a Nomination form, or to include excluded beneficiaries in instances where they meet the requirements of a dependent, as

determined by the rules. This includes children born out of wedlock. As such, you are strongly advised to list all your financial dependents first, then you can add any other nominees to whom you would like to leave a share of your benefits.

Please note that a will is not a Nomination form and cannot be used to choose your beneficiaries.

Register to access the GEPF Self-Service portal

What is Self-Service?

Self-Service is a digital platform that displays benefit statements, payment advice and tax certificates on a web portal. This information is available to all GEPF members. It is designed to be viewable on computers, cell phones and tablets from anywhere and at any time. Any corrections to the information displayed can be sent back via email to an agent who will follow approved methods and procedures to update the information.

NB: You can read more on this in this newsletter

Festive Season Tips

SAFETY FIRST

ROAD SAFETY TIPS



The festive season is a merry time when most of us return to our hometowns. The hustle and bustle of big cities can become too much and we may want to escape from it. One of the popular ways that people reach their destinations during the festive season is by road. For most people it is convenient to pack up, get in to your car and drive off. However, driving on our roads during the festive season can be dangerous because the roads are more congested. Moreover, the scorching heat can exacerbate matters for drivers with health conditions or who do not have proper air-conditioning. The carnage on our roads is something that most of us are familiar with unfortunately. We count ourselves as lucky when we are able to reach our destinations safely and return to our homes at the end of the festive season. There are safety precautions that we can take to ensure that we arrive at our destinations safely and can relay tales of our holidays to our colleagues at the end of the festivities. It is important to be mindful of the following when driving for lengthy periods: Wear your seatbelt at all times.

01

Plan the route to your holiday destination and give yourself enough time to reach the destination.

02

Ensure that your vehicle is roadworthy before embarking on your journey. Examine all lights, indicators, windscreen wipers, brakes, steering, exhaust system and tyres for faults. Alternatively, you can consult an expert.

03

Be alert at all times.

04

If it is possible, avoid driving after dark.

05

Do not exceed the loading capacity of your vehicle.

06

Get sufficient rest before your departure.

07

Alcohol impairs vision and delays reaction time. It is advised that you do not drink and drive.

08

Take regular driving breaks, ideally every 2 hours.

09

Respect the rules of the road.

10

Increase visibility by switching your lights on when driving after dark.

11

Maintain a safe following distance.

12

Stay within the speed limit.

13

Do not overtake other vehicles when it is not safe to do so.

14

Wear your seatbelt at all times.

15

Reduce speed when driving



HOME SAFETY TIPS

Most of us choose to retreat to beautiful holiday destinations or travel to visit our distant relatives during the festive season. We make our getaway plans months in advance and when the time comes to depart, we are excited and look forward to making memories or simply relaxing. Our minds are only consumed with thoughts of relaxation. We leave our homes and only return to them at the end of the festive season.

Our return is marked by a sense of readiness to tackle the New Year and the last thing we expect to find when we return is our homes damaged or burgled. The walls in our homes cannot speak or alert us when something is amiss. This means we have to put safety measures in place to ensure that our personal belongings are safe even when we are not there to watch over them. The following might help you have a more relaxed holiday knowing that your home is safe:

1. Lock doors and windows.
2. Clear out the mailbox.
3. Check your household insurance.
4. Get your security system ready. Upgrade it on a regular basis.
5. Keep your security codes a secret and change them regularly.

6. Use lights to create the illusion that someone's home
7. Arrange for friends or relatives to drop by every now and again to make it impossible for anyone watching to tell that you have gone on holiday.
8. Fix any leaks to avoid sever damage to your home and belongings.

9. Do not share your location or announce your travelling plans on social media. You never know who may be watching.
10. Don't leave your house looking unoccupied.
11. Keep valuables out of sight and don't leave them where they can be seen through a window.



One of the best things about the festive season is the joy of shopping. Festive season shopping is about rewarding ourselves for our hard work during the course of the year and shopping for gifts for our family and friends. Most of us find ourselves at shopping malls admiring the many different items that are on sale and trying to decide what to buy. Shopping malls in December are also usually crowded with teenagers who are looking for entertainment and adults who want to buy the things they need before Christmas.

Regrettably the mood and charm of the Festive season often makes us think that the world has suddenly become a safer place. We are more relaxed during this period and our guards are usually down. In reality however, we still need to be vigilant. Criminals do not go on vacation or give us a grace period during the festive season.

Following these tips may help you stay safe as you go about your business this festive season:

- Decide what you need to buy before going to the stores.
- **Use credit/debit cards instead of cash to pay for purchases.**
- Be vigilant when you make payments as someone might steal your pin codes.
- Ensure that the cashier hands you back your card before you leave the store.
- **Check your till slip to ensure that everything is in order.**
- Check your balance to ensure it corresponds with the items you have purchased. Some cashiers are known to take advantage of unsuspecting shoppers by withdrawing money without the shopper's knowledge.
- Avoid distractions when making payments.
- **Do not go shopping with children as they might distract you.** If you have to take them with you then get an extra person to assist you.



UPDATE YOUR GEPF INFORMATION TODAY


NOMINATE YOUR BENEFICIARIES TODAY.

A nomination form is an official document that decides who should receive your GEPF pension benefits payout when you pass on.


NB: A Will does not serve as a nomination form.


Update your beneficiaries details and spare your family the pain of delayed GEPF pension benefits payment.

Taking care of today for a secure future.

 0800 117 669

 @GEPF_SA

 enquiries@gepf.co.za

 gepf.co.za

For more information contact us at:


GEPF™
your investment, your future

Benefits you are entitled to should you pass away while in retirement

What happens if you die within five years of your retirement?

If you die within five years after the date of your retirement, your beneficiaries will receive the balance of the annuities payable up to the end of the five-year period as a gratuity (lump sum). This lump sum is payable to your nominees and/or dependents or your estate if there are no beneficiaries.

For example

If you retired two years ago and were receiving a monthly pension of R5 000 when you died, we would then pay the remaining pension payments (i.e. for 36 months) to your beneficiaries.

This would work out to:

$$R5000 - R30 \text{ (supplementary amount)} = R4970$$

$$R4970 \times 36 \text{ months} = R178\,920$$

Likewise, if you were to die 26 months after retiring, the Fund will pay the annuities payable for the remaining 34 months up to the five year period after retirement as a lump sum. In addition, your lawful spouse may

also qualify for a monthly spouse's pension (spouse's annuity) from the first month after your death.

The amount of the spouse's pension would be 50% or 75% of the pension you were receiving when you died. The percentage will depend on the option you chose when you retired.

What happens when you die five or more years after retirement?

Should you die after the five year period, your lawful spouse may still qualify for a monthly pension worth either 50% or 75% of the pension you were receiving at the time of your death. The percentage will depend on which option you chose when you retired. If you are not married at the time of your death, no spouse's pension is payable.

How can your spouse access the spouse pension after your death?

The spouse pension is only paid to the lawful spouse of a member or pensioner who has died. It is not paid to other dependents or beneficiaries who may have been named on

the Nomination of Beneficiaries form. This is a lifelong spouse pension and does not stop if the spouse remarries. If a member dies with more than one surviving customary spouse, then the spouse's pension will be divided equally among the lawful surviving spouses.

Your spouse needs to fill in the Application for Spouse's Pension form (Z143) and submit it to GEPF together with the following documents:

- A certified copy of his or her ID document (certified within the last six months)
- A Banking Details form (Z894)
- A certified copy of the death certificate
- A certified copy of your ID document or passport and confirmation of death by the Department of Home Affairs
- A certified copy of the marriage certificate OR your customary union certificate/lobola letter/civil union certificate; OR a certificate confirming your Hindu or Muslim marriage, or marriage in terms of any other religion.



**DID YOU
KNOW?**

Be Aware – No such benefit as GEPF “surplus amount” benefit!

The GEPF has received reports that there are entities who are charging GEPF pensioners an administration fee to receive a “surplus amount” or a surplus benefit from the Fund. These are thought to be benefits owed as a result of changes in either general legislation or fund rules. It should be noted that there is no surplus amount or benefit that the GEPF pays out as the GEP Law does not make provision for such a benefit.

It should also be noted that GEPF services are free and therefore no third party or service providers facilitate pension payments. GEPF funds and benefits are only administered by the GPAA. Members, pensioners and beneficiaries should be aware that the GEPF does not provide information on clients to other individuals without a written consent, and should thus be vigilant about sharing their details to avoid being defrauded.

If a pensioner, member or beneficiary wants to check if there is money due to them they must contact the GEPF directly on 0800 117 669 or email enquiries@gepf.co.za

It should also be noted that GEPF services **ARE FREE** and therefore no third party or service providers facilitate pension payments.

Coming Soon - **GEPF Self-Service App**



One of the biggest challenges that the GEPF experiences is managing the quality of its data. As it's often said, data is the new currency. Without quality data organisations cannot function and deliver services to their clients. The nature of modern life also compounds the challenge because people move and change personal details much faster than they did a decade ago. And as they do, they often don't update their personal information.

There are many reasons why this can happen. It could be a result of them forgetting or they may be reluctant to travel to offices, stand in long queues or to make calls that take long before they are answered.

The GEPF is not immune to this data problem. Most of our clients have not updated their personal information even after their circumstances such as residential address, telephone/mobile

numbers have changed. This causes huge problems later on when they are supposed to receive benefits - particularly if they die in service.

The GEPF is in the process of developing a Self-Service Application that will enable members to access their profiles easier, faster, and at any time without travelling to our offices. All our members, pensioners and beneficiaries will need to do is to register on Self-Service and subsequently download the App on their mobiles or other devices. It will save time spent on travel, long queues as well as enquiries made to the Call Centre.

Benefits of our Self-Service App will include the ability to access:

- Benefit statements
- Proof of payment
- Tax certificates
- Trace benefit claims

- Update contact information
- Nominate and update beneficiaries
- Personalised communication such as letters and newsletters
- Latest notices about GEPF services, processes and benefits.

We have dispatched agents across the country to register members on the system. To check where our team will be if you wish to register, visit our website at (www.gepf.co.za) and our social media pages (Twitter and Facebook) to find their schedule. In addition, the GEPF will announce registration visits through employer departments.

To register you only need your South African bar coded ID.

For more information please email us at selfservicesupport@gpaa.gov.za, call us on 012 319 1400 or visit any GEPF Regional Office.

UNCLAIMED PENSION

Do you know of any public servant who did not claim his or her **GEPF pension**?

Are you a dependent of a deceased person who worked for government and contributed to the GEPF and their **GEPF pension was not claimed**?

Are you a former government employee and you have not claimed your **GEPF pension**?

Taking care of you today for a better future.



CHILD'S PENSION.



The **Child's pension** is available to a child whose parent or guardian was a GEPF member or pensioner. The benefit only applies if the parent or guardian or pensioner is deceased from the 1st of June 2018.

BENEFITS

- The **Child's pension** is payable to a child up to the age of 22 years.
- Disabled children are entitled to receive a Child's pension beyond the age of 22 years, subject to approval by the **GEPF**.

WHAT THE APPLICANT MUST SUBMIT

A certified copy of the deceased ID (certified within the last 6 months)

- A banking details form (Z894)
- A certified copy of the death certificate
- A certified copy of your ID and confirmation of death by the Department of Home Affairs.

Securing their future.

GEPF FUNERAL BENEFIT.

GEPF provides a funeral benefit for the funeral of an active member or a pensioner, as well as for the funeral of a spouse or eligible child of a member or pensioner.


The funeral benefit payable upon death of such a member or pensioner is R15 000, spouse R15 000 and eligible child R6 000.

More cover and less worry about tomorrow.



GEPF™
your investment, your future

For more information contact us at:

 0800 117 669

 @GEPF_SA

 enquiries@gepf.co.za

 gepf.co.za

Do you know where to find us?

GEPF has a national toll free Call Centre number, **0800 117 669**.
Calls to this number are free from any Telkom line.
We also have regional Client Service Centres in all nine provinces of South Africa.

Contact Details

Toll free number: **0800 117 669**
Email: enquiries@gepf.co.za
Website: www.gepf.co.za

Postal address:
GEPF Private Bag X63
Pretoria
0001

Twitter: @GEPF_SA

Client Service Centres

Eastern Cape

No. 12 Global Life Centre,
Circular Drive, Bhisho

Free State

Brandwag Centre, 20 Stapelberg Street
Brandwag, Bloemfontein

Gauteng

Trevenna Campus, Building 2A,
Corner Meintjies and Francis Baard
Streets,

Sunnyside, Pretoria

Kwa-Zulu Natal

Brasfort House, 3rd Floor,
262 Langalibalele Street,
Pietermaritzburg

Limpopo

87 (a) Bok Street,
Polokwane

Mpumalanga

Imbizo Place, Shop no 5,
Samora Machel Street, Mbombela

North West

Mega City, Entrance 4,
Ground floor, Office no 4/17,
Mmabatho, Mahikeng

Northern Cape

11 Old Main Road, Kimberley

Western Cape

No 1 Thibault Square,
Standard Bank Building, 21st Floor,
Long Street, Cape Town

Satellite Offices

Durban

Salmon Grove Chambers, 12th Floor,
407 Anton Lembede Street

Johannesburg

UCB House, 2nd Floor,
78 - 74 Marshall Street, Marshalltown

Thohoyandou

2010 Centre,
next to Phalaphala FM (SABC)

Mthatha

Manpower Building, Ground Floor,
Corner Elliot & Madeira streets,

Phuthaditjhaba

Mandela Park Shopping Centre,
712 Public Road

Port Elizabeth

Sivuyile Mini-Square,
Kwantu Towers, Ground
Floor, Next to City Hall

Rustenburg

149 Leyds Street

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