

25
YEARS
of GROWTH
1996 - 2021

fundnews

3rd Edition 2021

The quarterly newsletter for pensioners of the Government Employees Pension Fund



Have you updated your personal details?



What is a Five Year Balance and who qualifies?



Can pensioners get dividends on GEPF investments?

GEPF investment portfolio registers a 27.5% growth and a market value of R2.09 trillion



The Government Employees Pension Fund (GEPF) is pleased to announce its financial results for the year ended 31 March 2021. Key Performance Indicators:

- Market value of **R2.09 trillion** increasing by **R451 billion** from the previous financial year
- The Fund reached the significant milestone of **R2 trillion** in its 25th year anniversary of its founding
- Investment market value increased by 27.5%
- Return on Investment of 23.1%
- Accumulated funds and reserves grew at an average annual rate of 8.90% for the 10 year period 2012-2021
- Net investment income of **R 483.8 billion** following benefit payments of **R 110.6 billion**
- Member contributions of **R82 billion**

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gepf.co.za

For more information contact us at:


GEPFTM
your investment. your future

Despite the turbulent and unpredictable market conditions during the financial year, the GEPF recorded a market value of **R2.09 trillion** at the close of its financial year on 31 March 2021. This was an increase of **27.5%** resulting in a return on investment of **23.1%**. Over the 10-year period, 2012-2021, the GEPF's accumulated funds and reserves grew at an average annual rate of **8.90%**.

The growth in the value of assets under management (AuM) confirms that the GEPF's investment strategy aimed at achieving long-term growth is successfully contributing to the financial soundness of the Fund. This positive performance is as a result of a recovery of **R451 billion** in the Fund's market value following a decline of **11.4 % (R260 billion)** in the previous financial year where the Fund's market value was **R1.6 trillion**.

The increase in the investment value is mainly attributable to the recovery in financial markets, particularly equities and bonds, from the market contraction in the first quarter of 2020. The Fund's performance however was negatively impacted by its unlisted and property portfolios declining which bore the brunt of market conditions as a result of the

impact of the Covid-19 pandemic on the economy.

In this regard, impairment provisions had to be made to reflect the business reality of an asset at a particular point in time. As a result, the GEPF implemented a very conservative valuation of its unlisted and property assets. Such a valuation approach was done fully aware that improved market conditions could see assets subsequently recover or even exceed the value of the original investment.

We have seen a reversal of R2.1 billion in some of our assets impaired in previous years. A further encouraging sign has been the decrease in the value of impairments from **R11.9 billion** as at 31 March 2020 to **R7.4 billion** at 31 March 2021. Despite the tough Covid-19 operating environment, the total benefits paid by the Fund amounted to **R 110.6 billion**.

Our pension administrator, the GPAA received **27 960** pension claims in 2020/21 compared with **34 134** in 2019/20, reflecting a decrease of 18% in claims. The retirement claims amounted to **R76 billion** compared to **R69,1 billion** in the previous year. The Fund's active members decreased from 1 269 161 in 2019/20 to 1 265 406 in 2020/21. The number of pensioners in the

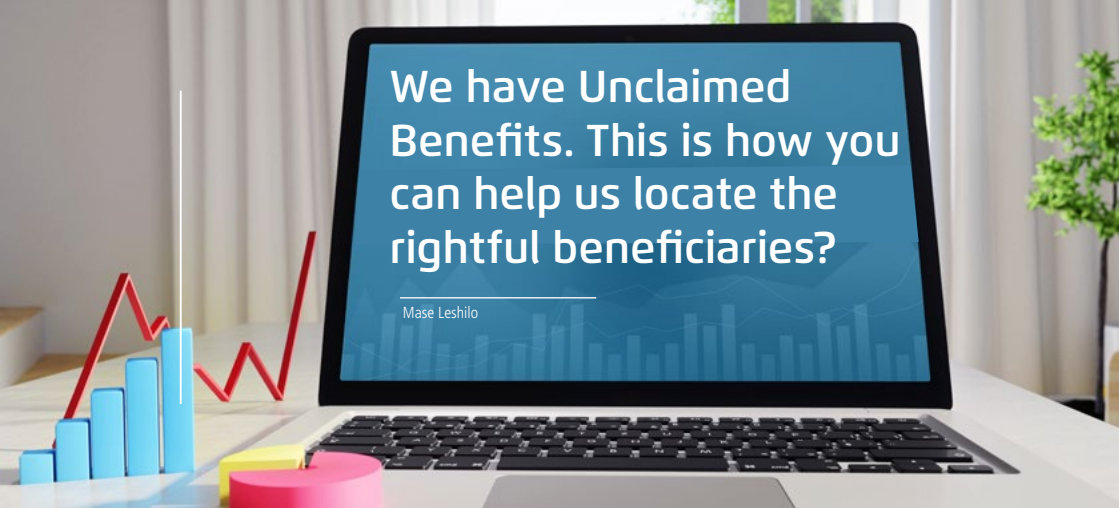
Fund also declined from 313 173 in 2019/20 to 312 647 in 2020/21.

In an effort to enhance and strengthen our oversight and monitoring of the Government Pensions Administration Agency (GPAA) and the Public Investment Corporation (PIC), the GEPF has taken several steps during the financial year. These include:

- A comprehensive review of the Fund's investment policy, investment mandate and management agreements with the PIC. These include a more stringent consequence management, a review of the fee models and improved investment and reporting guidelines.
- A review of the Fund's operating model and quality of service provided by the GPAA. This review includes the benchmarking of administrative systems to meet the needs of the GEPF and its clients.

The GEPF continues to remain optimistic of the future growth of the Fund and we will continue to play our part in growing the South African economy.

The Audited Financial statement can be reviewed on the GEPF website on www.gepf.co.za



We have Unclaimed Benefits. This is how you can help us locate the rightful beneficiaries?

Mase Leshilo

Unclaimed Benefits are benefits that the reason for the member leaving GEPF and their last day of service are both known, but the benefit is not paid to the member or beneficiary within 24 months of the last day of service.

What causes Unclaimed Benefits?

The main reasons benefits are categorised as Unclaimed Benefits are:

- The employer department did not submit the relevant exit documents (Z102 forms etc.) to the GEPF or the documents submitted contain errors that have not been rectified;
- The GEPF is not able to get a tax directive from SARS because the member or beneficiary has either not registered for tax or they have not filed tax returns, for example.
- The benefit payouts are returned to the GEPF due to incorrect banking details, a frozen or closed bank account, or incorrect pay points etc.
- The GEPF has insufficient information about the spouse or beneficiary of the deceased member, which results in delays and the GEPF not being able to pay benefits to the rightful beneficiaries.

Who can claim Unclaimed Benefits?

The following people may be eligible / potential beneficiaries of Unclaimed Benefits:

- Retired GEPF members

- Beneficiaries of GEPF members who are no longer in service or who are deceased; and
- The guardians of GEPF members' beneficiaries.

Requirements to successfully claim Unclaimed Benefits?

1. If the applicant is a member or spouse, the following documents are needed to successfully claim Unclaimed Benefits:
 - A fully completed Z894 form (Banking Details);
 - A certified copy of the applicant's ID (not older than six months);
2. If the applicant is a beneficiary, the following documents are needed to claim Unclaimed Benefits:
 - The member's death certificate;
 - A certified copy of the beneficiary's ID (not older than six months);
 - A completed Z894 form (Banking Details);
 - A guardian letter in the case of a minor beneficiary; and
 - A certified copy of the guardian's ID (not older than six months).

If you know of someone who may be having an unclaimed benefit as defined in this article, please do not hesitate to advise them to contact us at the following details:

Toll Free Call Centre:	0800 117 669
Fax Number:	012 326 2507
Email Address:	enquiries@gepf.co.za

Have you updated your personal details?

Zamokwakhe Mtshali



Updating your personal details as a member or pensioner helps GEPF to process your benefits efficiently when you exit the Fund (resignation, retirement, death). If you pass away and your personal details are not updated, your beneficiaries may have to wait a little bit longer before they receive their benefits.

The GEPF has to verify the information they have on the system before processing any payment. This is done to ensure that payments are made to the rightful beneficiaries. In case of changes to your personal information please update the file accordingly. To do this you will need to complete the Z864 form (Personal Particulars form) that is available on the GEPF website (www.gepf.co.za), at any of the

GEPF Regional Offices or from your Human Resource business unit or directorate. If you have downloaded the GEPF Self – Service app, you can update your personal information and beneficiaries list thereon.

Personal information that is outdated is in most instances the cause of delays in processing benefits to the rightful beneficiaries.

What is a Five Year Balance and who qualifies?

Zamokwakhe Mtshali



GEPF members may be entitled to receive a monthly pension after they have retired. This benefit is informed by the number of pensionable service years a member has accumulated in the public service.

If the member has more than 10 years pensionable service and retires from the public service, they will receive a once-

off payment or gratuity and a monthly pension or annuity for the rest of their lives. These benefits are informed by a formula in the rules of the Fund. Should a member pass on within five years of retirement, the GEPF will pay the balance of annuities up to five years after retirement to the eligible spouse and/or beneficiaries of the deceased pensioner. For example, if a member retires and within a year they pass on, GEPF will pay the remaining pension

which is equivalent to four years' worth of pension to the deceased's eligible spouse and/or beneficiaries. If a member, for instance, passes on after five years of retirement, there will be no five year balance payable. The member must complete a Nomination Form (WP102) whilst in service to indicate who should get the benefits.

What will happen to my Spouse Pension if I pass away and my children are still minors?


Edwell Mokgalaka

The Spouse Pension is a monthly pension or annuity that is paid to the lawful spouse or approved life partner of a deceased member or pensioner of GEPF. If you die while in service or after you retired, as a member or pensioner of GEPF, your spouse (wife, husband or life partner) may be eligible to receive 50% or 75% (dependent

on the choice of the member in retirement) of your monthly pension or retirement annuity for the rest of their lives.

A member can choose to increase the Spouse Pension to 75% of his/her retirement annuity by accepting a reduced gratuity and/or annuity on retirement. When your spouse dies, the Spouse Pension benefit ceases to exist. Spouse Pension cannot be transferred to any other person, including your

children (biological or adopted) or converted into any other benefit. This benefit is meant for spouse/s only. However, when you die as a GEPF member or pensioner, your child/children may qualify for the Child's Pension as determined by the GEP law. Your children must be under the age of 22 years to qualify for this benefit. Disabled children qualify for the Child's Pension benefit for the rest of their lives as determined by the GEP Law.



My retirement benefit **payout did not match** my years of service

Mashao Mohale

The calculation of your pension benefit may sometimes not coincide with the start date of your service. This is the case when there is a difference between years of service (employment) and your pensionable service years (member of the GEPF).

There is a difference between the service period and the pensionable service. The pensionable service period refers to the period that you were a contributing member of the GEPF and may start on a date later than the date you assumed duty. GEPF pension benefits are calculated and based on your pensionable service period as this is the period that you were a member of the GEPF and contributed to the GEPF. It sometimes happens that there is a difference between the service period and pensionable service period. These concepts are fully explained below.

What is a service period?

This is the term used to describe a period when an employee started working in the public service until the day they exited. It is not always the case that an employee, who joins the public service starts to contribute into GEPF on the same day they assume duty. There are instances and service conditions that could result in the employee only being admitted to the GEPF as a contributing member at a different date. Reasons for this vary and depends on the particular circumstances of the employee.

What is a pensionable service period?

This term defines a period when an employee was a contributing member of the GEPF, which means both a member and their employer paid monthly pension contributions into the fund. This will include any additional service that the member could have purchased to increase years of pensionable services. However, this excludes any time you took leave without pay in excess of 120 days (unless you purchase these periods back). This is the period which is used to calculate your pension benefits as this is the period that you were a member and contributed to the GEPF.

Here are the most important factors we use when calculating pension benefits upon exit:

- The period of pensionable service;
- Final salary (as defined in the rules of the GEPF); and
- The accrual rate as set out in the GEP Law

If pensioners believe their benefits were calculated incorrectly, despite the explanation provided here, they can visit their nearest GEPF office or contact us on [www.gepf.co.za/0800 117 669](http://www.gepf.co.za/0800_117_669).

Can pensioners get dividends on GEPF investments?

Phefi Mokolobate

The GEPF has the responsibility to look after the fund in order to ensure that the pension promise to current and future members, pensioners and beneficiaries are fulfilled. This is achieved through efficient administration of the fund as well as investments aimed at long-term growth and sustainability.

Members' contributions are used to buy different forms of investments on behalf of members. These investments include shares and bonds which pay dividends and coupons. The dividends that are paid are reinvested and used to buy other investments on behalf of members. The returns earned on the assets are used to pay for all benefits and any pension increase granted. So even though pensioners do not receive a cash dividend from the investments, they receive a "dividend" through the enhanced benefits.

GEPF pensioners enjoy monthly annuities (payment) for the rest of their lives irrespective of how long they live. They may be eligible to receive benefits such as child's pension, funeral benefit, spouse pension and annual pension increase. These benefits are made possible by the investments that the GEPF makes and thus "pay dividends" to pensioners. Without the return on investments, it would not be possible to provide and pay for the benefits the GEPF offers.

“ How to use our mobile App and Self-service Web: ”

Step 1

Download our mobile App on Google play store, Huawei App Gallery, Apple App store or go to our website at www.gepf.co.za to access Self-service Web.

Step 2

Register with your South African ID number, e-mail address and cell phone number, and for non-South Africans citizens you need a passport number, date of birth, Country of origin, email address and cell phone number.

Step 2(b)

If you are South African Citizen with a valid ID number, cell phone number and email address entered does not match the information held by the GEPF, you will be re-directed to a self-registration questionnaire page. You are required to answer a set of questions in order to be authenticated, if all questions are answered correctly, you will be able to update your personal information and register successfully.

If you are a NON South African Citizen with a passport number, date of birth, country of origin, cell phone number and email address entered does not match the information held by the GEPF, you will be re-directed to a self-registration questionnaire page. Self-registration questionnaire requires you to provide your passport number that match information held by the GEPF and upon successful match you will be required to answer a set of questions in order to be authenticated. If all questions are answered correctly, you will be able to update personal information and register successfully.

Step 3

Once you are registered you will receive a temporary password and username via email or SMS, then after you login with the temporary password and username, you will be required to reset your password to your own and the username remains the same.

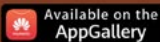
Step 4

Once you have logged in on the mobile App or Self-service Web you will have access to your benefit statements, be able to track your withdrawal claims, nominate beneficiaries and access other services.

**Access your pension information
anytime, anywhere.**

Call: (012) 319 1400

Email: selfservicesupport@gpaa.gov.za



Who is entitled to a Spouse Pension?

Mase Leshilo



A qualifying spouse or eligible life partner is entitled to a percentage of the annuity paid to a member at the time of death.

The same applies if the member dies while in service and had a full potential service period of at least 10 years, i.e. pensionable service years plus unexpired years until normal retirement.

Who may receive a Spouse Pension?

The Spouse Pension is a monthly pension which is only paid to the lawful

spouse or approved life partner of a member or pensioner who has died. Dependants or beneficiaries who may have been listed on the Nomination of Beneficiaries form are not eligible for this benefit. In the event that the member dies while in service, the spouse or life partner will receive 50% / 75% of the annuity the member would have received had the member retired on their date of death.

The Spouse Pension remains valid for as long as the recipient is still alive and does not cease even if the spouse marries again. In

the event that the member is survived by more than one customary spouse, then the Spouse Pension will be divided equally among the surviving spouses.

How is the spouse annuity calculated?

If the member dies in service, the spouse annuity will be half of the annuity that the deceased member would have received had they retired on the date of their death.

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
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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

Gqeberha (formerly Port Elizabeth)

1st Floor, Regus House
Fairview Office Park, 66 Ring Road
Greenacres


Rustenburg

149 Leyds Street

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