

The quarterly newsletter for members of the Government Employees Pension Fund



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

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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

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.

16

Respect other road users.



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 severe 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.

Benefits you are entitled to should you pass away in service

When are death benefits paid?

Death benefits are paid when a member dies while still working or within five years of retiring. In this regard gratuity, spouse's pension, and funeral benefits are applicable. If you pass away in service and your spouse was a dependent on your medical aid, your spouse is also entitled to a medical benefit. If you pass away before your 50th birthday and had more than 15 years of government service, your spouse will qualify for a monthly subsidy when continuing as a main member of the medical scheme, as from the month that follows your 50th birthday. However, if you had less than 15 years' service, a gratuity will be paid to your surviving spouse.

Benefits differ depending on whether you have more or less than 10 years' pensionable service.

What happens when you die with LESS than 10 years of service?

We pay a once-off lump sum to your beneficiaries or, if you have no beneficiaries, to your estate. The amount of the gratuity will be equal to whichever of the following is greater:

- Your final salary; or
- Your actuarial interest in the Fund (this is the value of your accrued benefits in the Fund, based on a formula).

We also pay a monthly pension to your spouse if your pensionable service and unexpired period of service is at least 10 years.

What happens when you die with MORE than 10 years' service?

This benefit consists of two parts:

- A once-off lump sum (death-in-service gratuity) that we pay to your beneficiaries or to your estate, if you have no beneficiaries. The gratuity is distributed to your beneficiaries in terms of your Nomination form, or on the basis of dependency.
- A monthly pension that is paid to your spouse.

FAQs

Q. Is there a deadline to claim Unclaimed Benefits?

No. There is no deadline on unclaimed benefits. As long as the benefits were never paid out, they remain with GEPF until the right person comes forward to claim them.

Q. Does a life partner qualify for a Funeral Benefit?

Yes, a life partner qualifies for the Funeral Benefit as long as he/she is registered as the members' life partner with GEPF. The benefit for the funeral of a life partner is the same amount as of the funeral of a member. It consists of R15 000.00

Q. Can one forfeit a Funeral Benefit?

No, you cannot forfeit the Funeral Benefit. As long as you had never claimed for it before and you provide GEPF with the correct required documentation, you can still claim for the benefit.

Increase your retirement benefits (Purchase of Service)



There are GEPF members who joined the public service late in their lives. As a result, they started contributing to the Fund later than members who have been with the government since their early ages. This, then, means the benefits they will receive when they retire will be equivalent to the contributions they made to the Fund during the few years (when compared to their colleagues with more years) they worked for the government.

For such members, GEPF offers the option of increasing retirement benefits, termed 'Purchase of Service'. Through this option, members can increase their service period, consequently increasing their pension payout when retiring. When taking the option of Purchase of Service, members enter into an agreement with GEPF to contribute an extra amount towards buying additional years of pensionable service.

GEPF considers three different periods for Purchase of Service. Members falling under these three categorized periods can apply for this option. The periods are:

• Leave without Pay

This is a period when a member was placed on leave without pay (for more than 120 days), suspended from employment or seconded under specific circumstances, and therefore was not able to contribute to GEPF.

It is important to note that the employer should continue to pay both employee and employer contributions for the first 120 days of the 'leave without pay' period. After 120 days, the employee and employer stop contributing and the member must arrange with his/ her Human Resource department to complete the application form (Z215) for the recognition of any period exceeding the 120 days.

• Previous service

This is a period of pensionable service during which a member belonged to GEPF and received a benefit, except a benefit for discharge and retirement. The member may purchase this period of pensionable service. However, certain conditions must be met before this period can be considered.

If you were previously a member of GEPF and you want to purchase service for that period, you must have been re-admitted to GEPF within 3 years and your application form (Z215) must have been received by GEPF within 12 months after being re-admitted to the Fund.

• Other periods

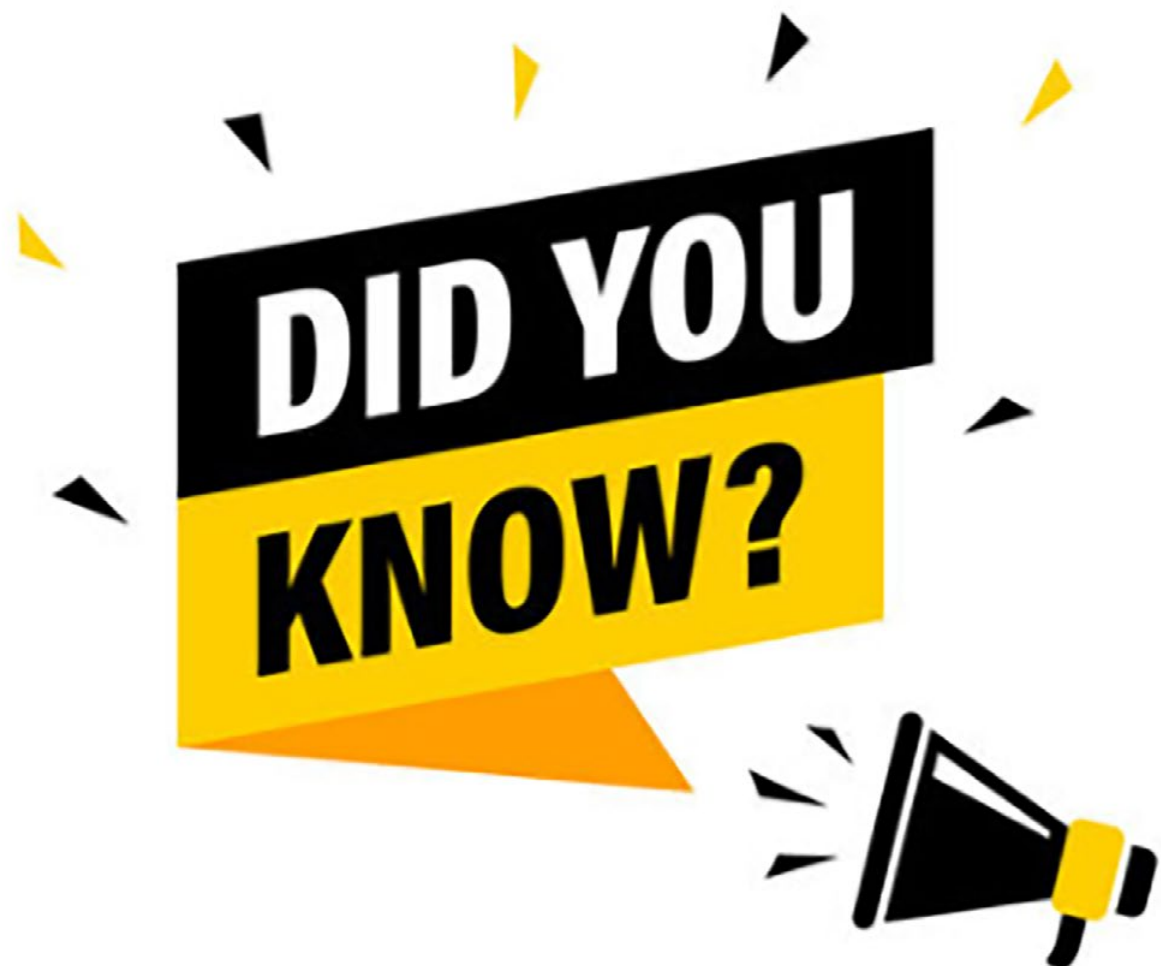
This can be any time after the date on which a member turned 18 years of age until the date the member started contributing to GEPF. In order to purchase service, you must be a contributing member at the time you apply for Purchase of Service.

If you fall under the three above mentioned periods and you want to purchase additional service, you can apply by completing an 'Application for Purchase of Service' (Z215) form and submitting it to your HR department, who will submit it to GEPF.

If you qualify to purchase additional service, GEPF will give you a quote, setting out how much it will cost you to purchase the additional service.

If you accept the quote, there are two available payment options. One is to pay the quoted amount to GEPF as a lump sum; the other is to arrange for your employer to deduct the amount in instalments from your monthly salary. The latter option means you will be making two different contributions to GEPF. It will be one contribution for your current pensionable service period and another contribution for the purchase of service.

A copy of the signed quote must be submitted to your HR department immediately so that the employer can set up the agreed-upon necessary deductions from your salary. It must also be submitted to ensure that your employer completes the purchased periods of service on your exit documentation.



**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.



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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