

fundnews

The quarterly newsletter for pensioners of the Government Employees Pension Fund 2nd Edition 2024/2025



WHEN DO THE BOARD OF TRUSTEES REVIEW BENEFITS, AND DO MEMBERS GET AN OPPORTUNITY TO PARTICIPATE IN THE REVIEW PROCESS?



UNCLAIMED BENEFITS ARE MONEY THAT BELONGS TO SOMEONE. PLEASE HELP GEFP FIND THEM.



I AM ALREADY ON PENSION AND PLANNING TO MARRY A SECOND SPOUSE. WILL THEY ALSO QUALIFY FOR A SPOUSE PENSION IF I PASS AWAY?

WHY DO PENSIONERS NOT RECEIVE AN ANNUAL BONUS?

We often receive enquiries based on the expectation that the Government Employees Pension Fund (GEFP) should grant loans or bonuses to members and pensioners. The GEFP does not have the option to offer loans or bonuses to its members and pensioners. This is because the Fund operates as a defined benefit Fund.

While the GEFP fully understands and respects the views of its clients, it is unlawful for the GEFP to offer loans and bonuses. The GEFP is governed by its rules. These rules are contained in the Government Employees Pension (GEP) Law, Proclamation 21 of 1996. The sole aim of the rules is to protect and grow members and pensioners benefits to ensure that we continue to be a sustainable Fund that honours its obligations.



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WHEN DOES THE BOARD OF TRUSTEES REVIEW BENEFITS, AND DO MEMBERS GET AN OPPORTUNITY TO PARTICIPATE IN THE REVIEW PROCESS?

The GEPF has a board of trustees and each member has a legal responsibility to consider the best interests of members with every decision they make, from making sure that the Fund remains financially sound, to what benefits should be introduced or enhanced, and determining how the benefits should be paid out.

The participation of members and pensioners is ensured through eight representative members, i.e.:

- One Trustee who is elected by pensioners via a postal vote.
- One Trustee who is elected by members of the South African National Defence Force, the National Intelligence Agency and the South African Secret Service.
- Six Trustees who are elected by labour representatives in the Public Service Coordinating Bargaining Council.

In addition, over and above the many benefits offered by the Fund, the fund offers additional benefits known as non-contributory benefits. The primary purpose of the additional benefits is to assist in sustaining the livelihoods of members and pensioners.

UNCLAIMED BENEFITS IS MONEY THAT BELONGS TO SOMEONE. PLEASE HELP GEPF FIND THEM.

Unclaimed benefits refer to entitlements from a pension or provident fund that have not been claimed or paid to the rightful recipient within a specified timeframe, following a member's departure from the fund.



This scenario often arises due to a variety of administrative or personal issues, and unclaimed benefits often arise in the following common circumstances:

1. Documentation errors: If the member's exit documentation (such as the Z102 form that is completed when a member departs from the fund) is incomplete, filled out incorrectly, or not submitted, it can lead to benefits becoming unclaimed. This form is crucial for processing the departure and subsequent benefits of the member.

2. Tax compliance issues: The inability of the GEPF to obtain a tax directive from the South African Revenue Service (SARS) can also result in unclaimed benefits. This typically occurs if the

member or their beneficiaries have unresolved tax matters, such as not being registered for tax, failing to file a tax return, or other related issues.

3. Discrepancies with banking details: Benefits may be paid to the bank account details on file, but then returned to the GEPF due to issues with the banking details provided. This can happen if the account details are incorrect, the account is frozen or dormant, or if there is an error with the designated pay points.

4. Insufficient information on the beneficiary: If a member is deceased, the GEPF might not have sufficient information to process a claim for a spouse or beneficiary, or the existing information may not be sufficient to allow these beneficiaries to claim their entitlements.

ARE PENSIONERS ALLOWED TO CHANGE



AFTER THEY RETIRE FROM GOVERNMENT?

Retirement happens when an employee leaves their employer when reaching the age of retirement stipulated in an employee's conditions of service.

It is important for members to know that being a member of the Fund does not mean that the medical benefit is automatically provided.

Retirement, including early retirement, death or dismissal on account of incapacity due to ill health on injury qualifies you for this benefit. The requirements for members to qualify for a post-retirement medical benefit are:

- they must have been a member of a medical scheme for at least 12 months before date of retirement;
- they must at least be 50 years of age, unless they are dismissed on account of incapacity due to ill-health or injury;
- they must have 15 years of service, with the 10 years being for dismissal on account of incapacity or ill-health;
- they must have been the main member of a medical scheme in the last 12 months before exiting the public service.

Members may not qualify for a monthly medical subsidy if they have been in service for less than 15 years. A once-off gratuity amounting to 36 times your monthly medical subsidy is paid if you have worked between 10 - 15 years. If you were in service for less than 10 years, a once-off gratuity amounting to 12 times your monthly medical subsidy is payable. The GEPF pays you a once-off gratuity if you were in service for less than 10 years and you retired due to ill-health. If you were in service for 5 - 10 years, 24 times your monthly medical benefit is paid. If you worked for less than 5 years, then a once-off amount is paid, which includes 12 times your monthly medical subsidy. All these once-off gratuity payments are calculated at 75% of your total contribution to a maximum of R1380.

Members who have been in civil service for more than 15 years qualify for a monthly medical benefit. They enjoy this benefit for the rest of their lives given that they remain a member of a medical scheme. Unlike other benefits, this benefit can be transferred to your registered partner should you pass on.

HOW IMPORTANT

**IS IT FOR ME TO REGULARLY
UPDATE MY NOMINATION OF
BENEFICIARY FORM?**

One of the questions the GEPF is often asked by members is what happens to their retirement benefits if they die before retirement.

Who has a claim to those benefits? As a member of the GEPF one of the most important documents you need to keep up to date is your Nomination of Beneficiaries form.

This will inform the trustees on who your legal and financial dependents are, and how the Fund can contact them. It is important to note that while your Nomination form can assist the trustees in identifying and contacting possible beneficiaries, the trustees are still obliged to identify all legal or financial dependents and ensure that the benefits are distributed equitably amongst the dependents.

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AND PLANNING TO MARRY A SECOND SPOUSE.

WILL THEY ALSO QUALIFY FOR A SPOUSE PENSION IF I PASS AWAY?

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 spouse pension is a monthly pension that is only paid to the lawful spouse(s) or approved life partner of a member or pensioner who has died. The spouse pension remains valid for as long as the recipient is still alive and does not cease, even if the spouse marries again. If the member is survived by more than one customary spouse, then the spouse pension will be divided equally .