

fundnews

The quarterly newsletter for pensioners of the Government Employees Pension Fund

2nd Edition 2022



WHO CAN APPLY FOR THE FUNERAL BENEFIT WHEN I PASS ON?



YOU CAN LODGE A COMPLAINT IF YOU ARE NOT HAPPY WITH GEPF SERVICES



GEPF increases its footprint in clean energy

GEPF PENSIONERS DO NOT RECEIVE BONUSES



0800 117 669

@GEPF_SA

enquiries@gepf.co.za

gepf.co.za

GEPF APP:



For more information contact us at:



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your investment, your future

According to the rules and regulations of the Government Employees Pension (GEP) Law, which is the law that governs the Government Employees Pension Fund (GEPPF), its pensioners do not qualify to receive bonuses.

During your time in active public service, you qualify for a service bonus, commonly referred to as a 13th cheque, on your birthday month, however, this ceases the moment you become a pensioner. As a pensioner, you are guaranteed to receive life-long pension benefits in monthly annuities. To further assist you in keeping up with the cost of living and inflation, you also receive an annual increase on your monthly annuity.

According to the rules, the Fund can only approve an increase that it can afford based on several considerations such as:

- the investment returns earned over the year;
- the level of inflation over the same period;

- how the investment returns and inflation relate to the assumptions adopted in the statutory valuations; and
- how the increase will impact the financial position of the Fund.

An annual pension increase of 5.5% was granted as of 1 April 2022. The increase was based on the 5.5% inflation rate for the year ending 30 November 2021. Letters which notified the pensioners of the increase were issued to pensioners in March 2022.

If you retired on or before 1 April 2021 you qualify for a full increase of 5.5% as of 1 April 2022 but if your retirement date was after 1 April 2021, you will get a proportionate increase based on the number of months that you have received the monthly annuity as of 31 March 2022.

These increases are based on the affordability of the Fund at the given time. An affordable increase can be granted without placing a strain on the sustainability of the Fund current needs and the future financial health of the Fund to continue paying benefits that are promised to our members.

As a pensioner, you are guaranteed to receive **life-long pension benefits** in monthly annuities.



HOW SECURE ARE MY PENSION BENEFITS?

You can take our word that your well-deserved retirement benefits are safe and secure with the GEPF. This is because the GEPF operates as a defined benefit fund which means that you are guaranteed to receive no less than what you deserve. Your benefits are not dependent on the performance of the Fund's investment portfolio and the rising cost of living and/or inflation will not have an impact on your retirement benefits.

It is the responsibility of the GEPF, through the Board of Trustees, to safeguard your financial interests by seeing to the proper administration and management of the Fund as well as prudent investments. The Fund has been in a healthy financial situation for the longest period and has consistently been in a position to increase pension annuities on an annual basis without fail.

The latest valuation report for the financial year ending 31 March 2021, reflects a healthy financial position. A healthy financial position is when the fund's assets and investments are worth more than its obligations. As of 31 March 2021, the Fund's net assets were approximately **R2.041 trillion** compared to total liabilities of **R1.854 trillion**

reflecting a surplus of around **R187 million**. This reflects a minimum funding level of 110.1% which is an improvement from the previous funding level of 108.3%. The funding level of 110.1% means that the Fund has **R110.10%** set aside as assets for every R100 that it owes to members.

The valuation is based on an increased membership of **1 270 444** active members and **485 633** pensioners and beneficiaries. The pensionable salaries of members who contributed to the Fund throughout the valuation period increased by an average of **6.2% per annum**. Annual pensions increased by an average of **4.0% per annum** during the valuation period. The employer contributions were at **16% and 13% of pensionable salaries** for services and other members respectively.

Based on this positive valuation, you can be certain that your financial investment in the form of pension benefits is in safe hands under the GEPF. The Fund is committed to paying out correct amounts, to the correct beneficiaries, at a reasonable turnaround time provided that all the requirements are met.

I GOT MARRIED AFTER GOING ON RETIREMENT.

WHAT BENEFITS WILL MY SPOUSE QUALIFY FOR SHOULD I PASS ON BEFORE THEM?



If you have more than ten (10) years of pensionable service in the public service and got married after going on pension, your spouse will automatically qualify for certain benefits. As a retired member of the GEPPF, you will receive a monthly pension or annuity.

In an instance where you pass on, your spouse will receive the Spouse Pension. The Spouse Pension will either be 50% or 75% of the monthly pension you were receiving at the time of death. This will depend on whether you opt for a normal or the Enhanced Spouse Pension for your spouse. Your spouse will receive this benefit for the rest of their life. The Spouse Pension benefit increases every year. It is, however, not transferrable. This means that when your spouse passes on, the benefit will cease to exist. No one else can receive it.

For your spouse to receive this benefit, they will have to complete the Application for Spouse Pension (Z143) and the Bank Particulars form (Z894) to lodge a claim. They will also have to attach a certified copy of their Identity Document or card as well as their marriage certificate. In the case that the marriage is a customary one, the surviving spouse should attach the Lobola letter and affidavits from both families.

Your spouse will further qualify for the Funeral Benefit. This benefit comes as a taxable amount of R15000 and is a non-contributory benefit meant to assist members with the funeral costs of a family member. This benefit only covers the member, their spouse and their eligible children. Qualifying children are allocated R6000 individually. To claim this benefit, your spouse will have to complete the Funeral Benefit Claim Form (Z300) and the Bank Form (Z894). To assist GEPPF to pay these benefits on time, your spouse will have to attach a tax certificate for every claim.



WHO CAN APPLY FOR THE FUNERAL BENEFIT **WHEN I PASS ON?**

One of the most common concerns that pensioners of the GEPF grapple with is the qualifying criteria and claiming process for the Funeral Benefit.

As a pensioner who receives a monthly annuity from the GEPF, you qualify for the Funeral Benefit upon the death of your spouse or life partner or an eligible child. The Fund will pay a taxable amount of R15000 upon your death or the death of your spouse or life partner towards the funeral costs and will pay a cash lump sum amounting to R6000 upon the death of an eligible child.

In cases where your spouse or life partner is also a GEPF pensioner, you both equally qualify to apply for this benefit should your eligible child pass away. Furthermore, in an event that you and your spouse or life partner are members of the Fund, the surviving spouse or life partner is allowed to claim the funeral benefits amounting to R30000 – R15000 for being a spouse or lawful partner to the deceased and the other R15000 because the deceased was a contributing member of the Fund.

In the case of your death, your immediate family member can apply for the benefit. An immediate family member in this case refers to either your spouse or your eligible child (natural or legally adopted).

There are strict provisions regarding the payment of the Funeral Benefit. The benefit shall not be paid to a funeral undertaker and only the following can make a claim:

- A member;
- A pensioner;
- The spouse of a pensioner;
- A major child of a pensioner;
- The guardian of a minor child of a pensioner. (A minor is a child that cannot administer their affairs and has a legal guardian acting on their behalf);
- The parent or parent-in-law of a pensioner;
- A sibling or sibling-in-law of a pensioner;
- The executor of the estate of the deceased.

How to apply for the Funeral Benefit?

To apply for this benefit, applicants are required to complete the following GEPF forms that are obtainable from the GEPF offices and on the website:

- The Funeral Benefit Claim form (Z300),
- Banking Details form (Z894),
- A certified copy of the Identity Document or valid passport of the applicant and the deceased,
- A certified copy of the death certificate,
- Proof of marriage (where required),
- Bank statements if documents are faxed or emailed.

For more information on the Funeral Benefit, please visit your nearest GEPF office or visit the GEPF website at www.gepf.gov.za

GEPF DOES NOT OFFER PERSONAL LOANS

The Fund is governed by the Government Employees Pension (GEP) Law, which was proclaimed and published in 1996. As a result of the (GEP) Law, the GEPF is not allowed to offer loans to its members and pensioners from their pension benefits.

Furthermore, according to the Financial Advisory and Intermediary Services Act (FAIS) of 2002, the GEPF cannot offer financial advice or financial intermediary services because it is NOT a registered Financial Service Provider (FSP).

This is to emphasise that the rules of the Fund do not make a provision for granting personal loans to its members and pensioners. The Fund is therefore

prohibited from rendering services concerning financial products and financial intermediary services. Without the FSP license, it is improper for the Fund to offer personal loans to its members and pensioners.

The Fund is NOT allowed to offer such services and it cannot go against its governing regulations and rules.

The purpose of these rules, among others, is to protect the GEPF, grow members' and pensioners' benefits and ensure that it is sustainable and able to honor its obligations to its members.



BE THE
CHANGE

YOU CAN LODGE A COMPLAINT IF YOU ARE NOT HAPPY WITH GEPF SERVICES

Do you have a complaint that you wish to lodge against the GEPF? The Fund has established the Government Employees Pension Ombud (GEPO) Office. This is an independent internal structure whose function is to provide GEPF members, pensioners and beneficiaries with a remedy if they are not satisfied with the services offered by the Fund and/or its administrator, the Government Pensions Administration Agency (GPAA).

The main purpose of the Office is to facilitate, investigate, determine and resolve complaints lodged by GEPF members, pensioners and beneficiaries in a fair, impartial and timely manner. If you believe the GEPF or the GPAA has not performed their duties accordingly, you can send a letter to complain.

How to complain?

Before you lodge a complaint with the office of the Ombud, you must send a letter to your employer, GEPF or GPAA and raise your concerns with them. The period that is given to the parties to address a complaint is 30 days, counting from the day

the complaint is lodged. If after 30 days your complaint remains unresolved, you can escalate it to the Ombud Office in writing for further attention.

Some of the matters that can be referred to the GEPO Office are:

- That the GEPF trustees have decided beyond their powers;
- That the complainant has been prejudiced due to the wrongful actions or inactions (maladministration) of GEPF or its administrator, GPAA;
- That a dispute of a fact or law has arisen concerning the administration of the Fund between the Fund or any person and the complainant;
- That an employer who participates in the Fund has not fulfilled its duties in terms of the rules of the Fund.

The requirements to be met if you want to complain:

- You must be a GEPF member, pensioner or beneficiary of a former member.
- Your complaint must have happened within the last three (3) years.
- Complaints must be in writing. Submission of complaints verbally is NOT allowed.
- Complaints can ONLY be lodged through the post, email, GEPO website, fax or by visiting the GEPO Offices.

NB. Exceptions about the three (3) year timeframe will be considered as per guidelines outlined in the Prescription Act No. 68 of 1969. If a member, pensioner or beneficiary wants to submit a complaint that happened more than three years ago, they will be required to specify the exception applicable to their complaint as stipulated in the Prescription Act No. 68 of 1969.

More information about GEPO and the guidelines on how to lodge a complaint can be found on the GEPO website i.e. www.gepo.co.za. Alternatively, members, pensioners and beneficiaries can contact the Office of the Ombudsman through these channels:

GEPO Offices, Iparioli Office Park
1166 Park St, Hatfield, Pretoria,
0028

PO Box 11005, Hatfield, Pretoria
0028

Email: enquiries@gepo.co.za
Telephone: 012 110 4950

HOW DOES THE FIVE-YEAR

BALANCE WORK?



Members of the GEPF may be entitled to receive a monthly pension after they have retired. The conditions of this retirement benefit depend on the number of pensionable years of service a member has accumulated while in the public service.

If a member has ten (10) years or more of pensionable service when they retire from the public service, they will receive a once-off payment called a gratuity and a monthly pension called an annuity for as long as they live.

It is important to emphasise that retirement or discharge annuities are guaranteed for ONLY five (5) years after a GEPF member goes on retirement. Should the pensioner die within the first five (5) years of their retirement period, the remaining annuities, excluding the annual supplement, will be paid to their nominated beneficiaries as a once-off cash lump sum.

If a member, for instance, retires and within a year passes away, GEPF will pay the remaining pension, which is equivalent to four years' worth of pension, to the deceased's eligible spouse and/or beneficiaries. Members are therefore advised to complete and regularly update their Nomination of Beneficiaries form (WP1002) while they are still in service and specify who

should get the benefits in case they pass away while in service or within five (5) years of their retirement.

However, if a member lives past the first five years of retirement, there will be no five (5) year balance payable to the beneficiaries. This is because all the pensioner's annuity would have been fully paid. Many members and pensioners are confused by the fact that the GEPF continues to pay pensioners beyond five years of retirement. This is done through the GEPF's own money, not the pensioner's money. The GEPF is able to do so because of the investments it continually makes. This is GEPF's way of showing gratitude to its members for remaining in their jobs until their retirement age.

The following documents are required for the processing of a five-year balance:

- Certified copy of the green barcoded Identity Document or card
- Certified copy of the death certificate of the pensioner
- Certified copy of a green bar-coded identity document or passport of the pensioner and confirmation of death by the Department of Home Affairs; and
- Certified copy of a marriage certificate, religious, customary union, or civil, as issued by the Department of Home Affairs. All certified copies must not be older than six months.

GEPF increases its footprint in clean energy



21 May 2022 marked another milestone day for the GEPF as the Fund launched one more renewable energy project, the Roggeveld Wind Project on the border of the Western and Northern Cape.

This project comes at an important time in our country's efforts to ensure sustainable electricity noting Eskom's inability to guarantee sufficient power to the grid. More importantly, the world's climate change and its effects have not slowed down with 2021 reporting some alarming numbers. Greenhouse gas concentrations, sea level rises, ocean heat levels, and acidification, floodings all set new records during 2021 while some glaciers reached the point of no return, according to the latest flagship report from the World Meteorological Organisation (WMO).

Addressing the attendees, which include both the Western Cape and Northern Cape provincial governments officials as well as the Department of Minerals and Energy, the Fund's Principal Executive Officer, Musa Mabeza declared that "The Roggeveld Wind Project is a testament of our commitment to a more sustainable future through the utilisation of wind turbines to generate electricity which will be fed into the National Power Grid. Due to the crucial role that reliable power supply plays in our economy, the GEPF has interest in the energy sector, and this is evident in our portfolio which is managed by the PIC."


The GEPF's total investment in the Roggeveld Project is R281 million which includes equity and 15% contingency for currency movements. The GEPF through the PIC holds 23.25% in equity while the balance is held by the developer, other South African institutional investors, a BEE party, and the local community trust.

The direct and indirect benefits that this project has brought to the communities around that area are worth noting. This farm will generate approximately 613 GWh (gigawatt hours) per year. The energy generated will satisfy the energy needs of roughly **49 200 households** every year while avoiding about **502 900 tons of carbon emissions**. Some of the positive socio-economic impacts include the creation of job opportunities, transfer of skills, and contributions to the local, regional and national economies.


Approximately 386 jobs have been created during the construction and **33 jobs** concerning the operation phases. The project has committed a local spend during construction of no less than 48% of project costs, which equates to about **R2.1 billion**.

The local communities also stand to benefit from this project as a result of the dividends that are paid into the Building Energy Opportunity Trust. This will promote community-based projects such as the provision of training, the promotion of micro-enterprises, the building and equipping of educational facilities, the provision of scholarships, and other community-based initiatives.

This investment in Roggeveld as well as most of the GEPF's energy Fund investments are part of the Department of Energy's Renewable Energy Independent Power Producers Procurement program (REIPPP program). The REIPPP program has awarded generation licenses to 91 projects that are located in the rural communities of **Limpopo, Free State, Eastern Cape, Northern Cape and Western Cape**.



GEPF investment in renewable energy has grown to over **R10 billion**; with investments in solar PV; wind energy, and concentrated solar power plants.



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

Buitengracht Centre, 4th Floor
125 Buitengracht 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

Ditiro House, Ground Floor, Corner Motsatsi
and Monareng Streets, Unit 1, Tlhabane
(opposite Tlhabane Square Mall)

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