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PEO's YEAR-END MESSAGE



Thank you to all the members and pensioners, and all other stakeholders who have supported GEPF and I during this year. As we reflect on 2016 it is important to note that we celebrated a momentous occasion as GEPF turned 20 years old this year.

GEPF was established in 1996 when various public sector pension funds were consolidated. The 20-year anniversary marks an important milestone for GEPF as we look back on our legacy and accomplishments.

On inception, GEPF's funding level was at 72% and the Fund is currently on a funding level of over 100% as per the recent actuarial valuation. This is a great accomplishment which demonstrates the growth in the financial soundness of the Fund.

The Fund recently released its annual report for the 2015-2016 financial year. This annual report reflected steady growth and a sustainable investment strategy coupled with continued dedication and service to members and pensioners.

In the 2015-2016 financial year, the Fund's assets grew to over R1.6 trillion. GEPF achieved an overall investment performance return of 4% during this time. This enabled the Board to grant a pension increase of 5.3%, which was above 100% of the Consumer Price Index (CPI) of 4.8% as at November 2015. This is higher than the 75% increase recommended by the Fund's rules.

It is also important to highlight that in 1996 GEPF started out with R127 billion in assets under management, which has since increased to more than R1.6 trillion. We are currently the single largest investor in Johannesburg Stock Exchange (JSE) listed companies, with significant holdings in government bonds, listed equity, money markets, as well as investments in unlisted equity and property.

We are proud of our achievements in the past two decades as we are one of a very few large defined benefit pension funds in the world that is still 100% funded after the 2008 / 2009 financial crisis. This reflects the Fund's robust investment strategy and its ability to adapt to dynamic and turbulent market forces.

Looking back at the achievements of the last 20 years, the Fund will continue to ensure the financial security of its members, pensioners and beneficiaries, while striving for superior levels of service to its pensioners and members. GEPF will be a catalyst for change in terms of securing investment opportunities locally, regionally, and globally to meet its pension liabilities.

While there is much work that still needs to be completed and while there may be further challenges ahead, we end this year stronger and better to be able to serve you, our members and pensioners. Our promise to you is securing and paying benefits when due.

As we approach the festive season many of us will take to the roads en route to a particular destination to enjoy our well-earned rest, please drive carefully and get to where you are going safely.



IS TAX DEDUCTED FROM ALL GEPF BENEFITS?



GEPF has been inundated by queries from both pensioners and members who would like to know how tax works. Some have even suggested that they want to stop the monthly pension that they are receiving as a result of the death of the main member. It has come to our attention that this matter is particularly problematic in instances where the beneficiary is receiving two incomes at the same time. In essence, this pushes up their monthly tax bracket. We would like to advise members to contact SARS immediately to sort out tax issues and to ensure the correct tax is deducted.

Before any exit benefit is paid out to a member, GEPF has the responsibility to ensure that the member complies with SARS' requirements by sending the amount that is due to be paid to SARS for a tax directive.

A tax directive is an instruction from SARS to GEPF to either continue with payment to the member or not to issue

payment to the member if he or she does not comply with the tax requirements. A tax directive is electronically requested from SARS and letters are sent to pensioners / members if tax directive requests are declined by SARS.

The following exit benefits paid by GEPF are taxable:

- Funeral benefits,**
- Retirement fund lump sum withdrawal benefits,**
- Monthly pension benefit payments, and**
- Death benefits.**

Current financial year tax tables for lump sum benefits are as follows:

Taxable income (R)	Rate of tax (R)
	0% of taxable income
25 001 - 660 000	18% of taxable income above 25 000
660 001 - 990 000	114 300 + 27% of taxable income above 660 000
990 001 and above	203 400 + 36% of taxable income above 990 000

Retirement fund lump sum benefits / death benefits

Taxable income (R)	Rate of tax (R)
	0% of taxable income
500 001 - 700 000	18% of taxable income above 500 000
700 001 – 1 050 000	36 000 + 27% of taxable income above 700 000
1 050 001 and above	130 500 + 36% of taxable income above 1 050 000

Taxation on monthly pension benefit payments

In terms of the Income Tax Act, 1989 (Act no. 70, 1989), the responsibility for the correct calculation and determination of income tax rests on SARS for each pensioner. SARS is obliged to immediately recover any outstanding income tax amount or to refund any amount which is in excess of the tax liability.

Tax will therefore be deducted according to the tax tables reflected below:

Tax tables for individuals

TAXABLE INCOME (R)	RATES OF TAX (R)
0 – R188 000	18% of each R1
R188 001 – R293 600	R33 840 + 26% of the amount above R188 000
R293 601 – R406 400	R61 296 + 31% of the amount above R293 600
R406 401 – R550 100	R96 264 + 36% of the amount above R406 400
R550 101 – R701 300	R147 996 + 39% of the amount above R550 100
R701 301 and above	R206 964 + 41% of the amount above R701 300

GEPF DOES NOT DECIDE ON WHO YOUR BENEFICIARIES SHOULD BE



It remains the responsibility of each member to decide on who should receive his or her exit benefit in the event of his or her death.

A member has to inform GEPF, through a nomination form (WP1002), who their beneficiaries are. Based on the nomination form, benefits will be paid subject to all the beneficiaries meeting GEPF's requirements.

It is only when GEPF becomes aware that relevant dependants are not part of the nomination form that the Fund will overrule the member's wishes through a discretionary decision process to include those who qualify but were somehow excluded. However, no beneficiary will be removed from the nomination form by GEPF.



DOES GEPF ISSUE PAYMENT LETTERS TO PENSIONERS?



Pensioner payment statement letters and proof of income are always available and are issued to pensioners on request. These are issued from all GEPF offices nationally and also through GEPF's Call Centre.

GEPF sends out payment confirmation letters to members and beneficiaries to inform them of the actual amount of money that was paid to them after every payment has been completed. GEPF has noted that a number of beneficiaries do not receive this letter as they do not provide the Fund with their addresses when they claim benefits, especially after the death of a member.

Members are therefore encouraged to advise their potential beneficiaries of the importance of providing the correct details to the Fund in the event that the member passes on and their benefits have to be paid to beneficiaries.

THE GAUTENG GEPF REGIONAL OFFICE HAS MOVED

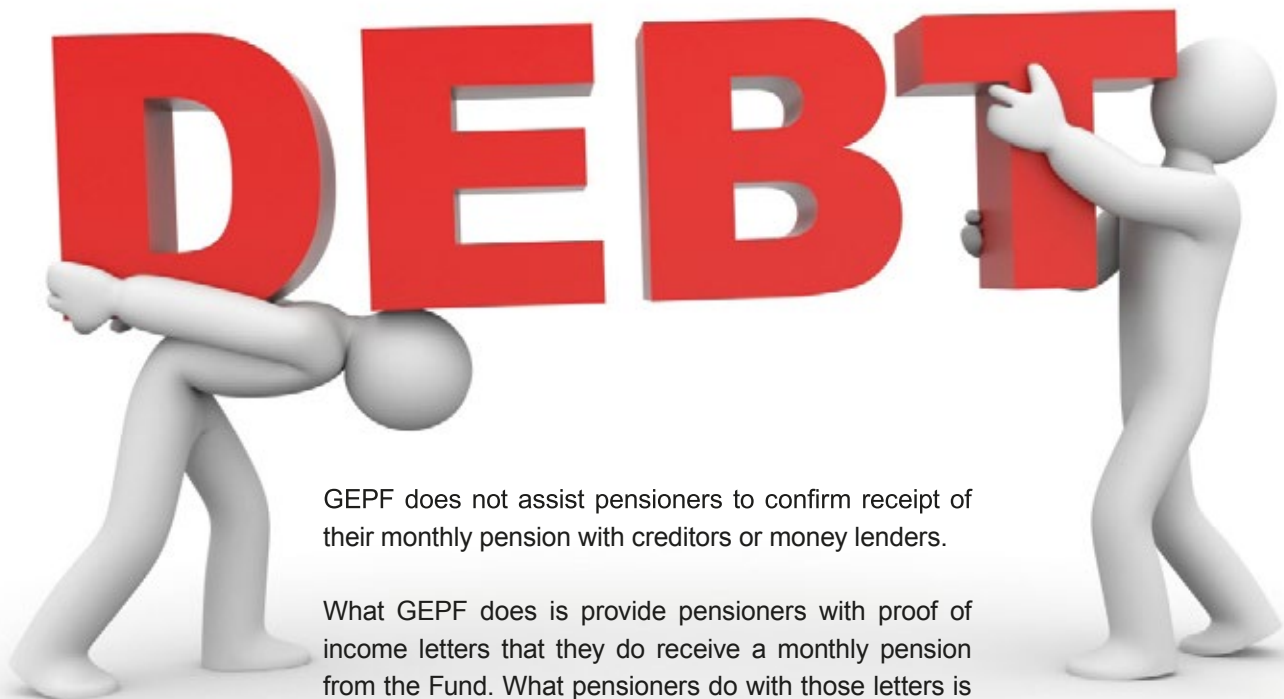


GEPF is committed to ensuring that members and pensioners have easy access to services and that those services are offered in the most comfortable and client-friendly environment.

It is for these reasons that the Gauteng Regional Office has relocated to new premises, furnished with modern security systems and office equipment to ensure a safe environment and quality services to GEPF members and pensioners.

The new offices are located at the Trevenna Campus on the corner of Meintjes and Francis Baard streets in Sunnyside, Pretoria (opposite the dti campus).

CAN GEPF CONFIRM MY MONTHLY PENSION TO CREDITORS / LENDERS?



GEPF does not assist pensioners to confirm receipt of their monthly pension with creditors or money lenders.

What GEPF does is provide pensioners with proof of income letters that they do receive a monthly pension from the Fund. What pensioners do with those letters is at their own discretion.

GEPF does not have the right to stop pensioners from using the letters when applying for credit or loan assistance.



NO CHARGE TO MEMBERS FOR PROCESSING OF GEPF DOCUMENTS

No member is expected to pay in order to have his or her exit claim forms processed by any employer department or GEPF official.

Members who have experienced this are made aware that it was fraud and such cases should be reported to GEPF by calling our fraud line on 0800 43 43 73.

Members can also approach GEPF's offices in their provinces to alert the Fund of such fraudulent activities.

DO THE RIGHT THING. Remember: good ethics prevent fraud!

PLEASE NOTIFY GEPF WHEN CHANGING ADDRESSES



Please notify GEPF of your physical or email address change and make sure that this change has been captured correctly on our systems. If you are relocating overseas, note that we will send your Life Certificate to your overseas address. You must then complete the form and return the original to us. You may also fax a copy of the completed Life Certificate to us before mailing it for your peace of mind.

Contact us on 0800 117 669!

DO YOU KNOW WHERE TO FIND US?

CLIENT SERVICE CENTRES

Gauteng: Trevenna Campus, corner Meintjes and Francis Baard streets, Sunnyside, Pretoria

Eastern Cape: No. 12 Global Life Centre, Circular Drive, Bhisho

Free State: No. 2 President Brand Street, Mangaung

KwaZulu-Natal: 3rd Floor, Brasfort House, 262 Langalibalele Street, Pietermaritzburg

Limpopo: 87 (a) Bok Street, Polokwane

Mpumalanga: 19 Hope Street, Ciliata Building Block A, Ground Floor, Mbombela

North West: Mmabatho Mega City, Office No. 4/17, Ground Floor, Entrance 4, Mahikeng

Northern Cape: 11 Old Main Road, Kimberley

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

SATELLITE OFFICES

Johannesburg: 2nd Floor, Lunga House, 124 Marshall Street (Cnr Marshall & Eloff - Gandhi Square Precinct), Marshalltown

Port Elizabeth: Ground Floor, Kwantu Towers, Sivuyile Mini-Square, (next to City Hall)

Mthatha: 2nd Floor, PRD Building, Sutherland Street

Durban: 8th Floor, Salmon Grove Chambers, 407 Anton Lembede Street

Phuthaditjhaba: 712 Public Road, Mandela Park Shopping Centre

Thohoyandou: 2010 Centre, Next to Phalafala FM (SABC)

Rustenburg: Tlhabane House, Unit A2221, Tlhabane Unit 1

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