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Message from the Principal Executive Officer – Abel Sithole



As the year draws to a close, I want to take this opportunity to thank you for your continued faith and trust in the GEPF. It is also a good time to look back, reflect on our achievements and challenges, and to look forward to what we still need to accomplish.

With this in mind I thought it would be appropriate to refer to the release in October of our annual results for the 2017/18 financial year. I am glad to report that the GEPF has performed exceptionally well in the 2017/18 financial year. Our results show that the GEPF investment portfolio grew by 8,36% from R1,67 Trillion to R1,82 trillion despite the South African economy growing around 0,08% during the same period.

I believe the growth of the Fund clearly demonstrates that it seeks to generate the best financial returns possible for its members and

pensioners while also generating social returns that have a positive impact on the economy of South Africa.

As the largest pension fund in Africa we are committed to impactful investments such as job creation, education, healthcare, housing, environmental sustainability, food security, transformation of companies and sectors, as well as the empowerment of previously disempowered peoples. I encourage you to read our latest Annual Report which explains in more detail the impact of our investments in the country.

I am indeed pleased with our performance as we achieved an overall investment performance return of 8,54%, outperforming the GEPF strategic benchmark return of 3,7%. The impact of such a performance enabled the GEPF granting pensioners a pension increase of 5,5% which was slightly above the Consumer Price Index (CPI) at 31st December 2017, and higher than 75% increase recommended by the Rules of the Fund.

I am also happy to report that the growth in the Fund is not a once-off achievement. The GEPF has increased its accumulated funds and reserve at an average of 9,8% over the past 10 years.

We have also received an overall rating of 94% for service satisfaction, which includes services rendered at regional satellite offices, call centres, emails, mobile offices and outreach activities.

We do not take these achievements for granted and are committed to continuously improve so that we can meet your expectations. Our priority remains you, our clients who we believe is the basis of our existence as an organisation.

The year also had its "downs", such as the impact of the Steinhoff scandal had on our investment portfolio. We have used such incidents to review our systems and processes so that we can be better prepared in the future. While there is much work to be done and there may be further challenges ahead, we end 2018 stronger and better able to serve you. The New Year will bring its own mix of successes and challenges, but our direction is clear and we know what must be done.

Finally as we approach the festive season, I am pleased to convey my best wishes. Please enjoy some well-deserved rest with family and friends during this holiday season.

Warm regards,
Abel Sithole



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WILL I GET PENALISED FOR GOING ON EARLY RETIREMENT?

Depending on your conditions of service and approval by your employer, you can be allowed to go on early retirement. Early retirement is two-fold; you can initiate the process or the employer can request you to retire early, subject to reasons they might advance.

It is important to note the following:

Self-initiated early retirement: The employer has no obligation to financially cover the difference in outstanding period leading to the normal retirement age of 60 years.

In this case, you will not receive full retirement benefits as per your full pensionable service period as the remaining years to retirement will be deducted from your benefit.

Employer initiated early retirement: The employer is obliged to financially cover the difference in outstanding period leading to the normal retirement age of 60 years.

This means you will receive full retirement benefits as per your full pensionable service period as the remaining years to retirement will be covered by the employer.

Also important to note is that if you take early retirement, you will qualify for a lump sum and monthly pension only if you have continuous ten or more years of pensionable service.

In the event that you have less than ten years of service, you will only receive a lump sum and no monthly pension.

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If a member has 5 or more dependents, will the GEPF pay all of them when the member dies?



It is important for all main members to fill in a Nomination Form to ensure that when they die, their beneficiaries are paid on time. Yes, the GEPF will pay all the beneficiaries irrespective of the number, as long as they are mentioned on the Nomination Form.

However, in a case where a beneficiary is not mentioned or included on the Nomination Form, payment to other listed beneficiaries will be delayed. This is due to the forensic investigation that will need to be conducted by the GEPF first. Therefore, main members are advised to ensure that all their beneficiaries are included on their Nomination Form.

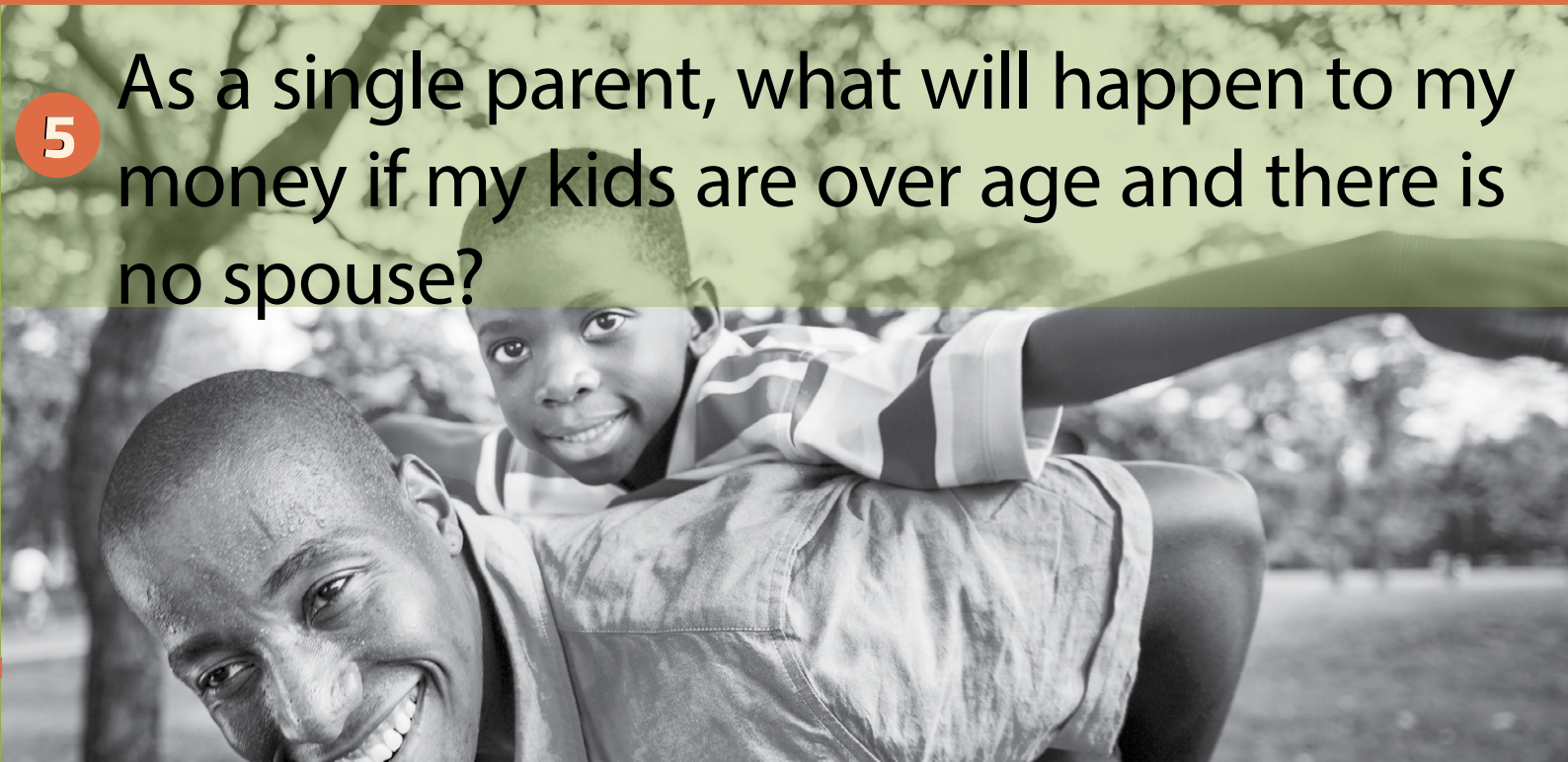


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What will happen if I die and my Nomination Form is still with the employer?

All completed Nomination Forms are submitted to the Human Resources section at your department for safe keeping. If you

die while on duty, all the necessary documents, including your latest Nomination Form will be submitted to the GEPP.



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As a single parent, what will happen to my money if my kids are over age and there is no spouse?

If you die as a single parent, your money will be paid to all your listed beneficiaries, including your adult children. As such, there is no need to worry as a single parent that your adult children will not be paid. Payment is determined by your Nomination Form, not the age of your beneficiaries.

The only benefit that "excludes" children is spouse pension. Spouse pension is paid only to surviving spouses or life partners after the death of the main member. It is not paid to other dependants or surviving children, including any beneficiaries who may have been named on the Nomination form. If the member dies in service,

the surviving spouse will receive 50% of the annuity/monthly pension amount the member would have received had the member retired on date of death. It is important to keep in mind that spouse pension is an added value, and members, single or not, do not contribute towards it. Thus it is incorrect to regard this as if the GEPP is withholding a member's or pensioner's money when we don't pay in cases where there is no spouse or life partner.

All benefits that are due to the member or pensioner will always be paid but spouse is a special benefit to which the member or pensioner did not contribute or invest.

If you have children, remember that it is important to register them with the GEPP as beneficiaries on the Nomination Form. The Nomination Form makes it possible for the GEPP to pay your children and/or any other beneficiary in the event that you die.

If your child is 18 or older but is still financially dependent on you, you must also supply a copy of their identity document or passport. Furthermore, you need to provide proof that the child is financially dependent on you. This could be an affidavit stating that your child is unemployed and still living with you, or proof that they are still studying.

How to claim Injury on Duty (IOD) benefits



The GEPF is not responsible for receiving and approving claims for Injury on Duty benefits. It is only responsible for paying Injury on Duty claims after they have been approved by the Compensation Commissioner.

Injury on Duty benefits are paid to government employees who are injured while on duty or in the case of a fatal injury, the benefit is paid to their dependants. The benefits payable depend on the extent of the injury or disability. A lump sum is paid if the disability is determined to be between 1% and 30%. A monthly pension is payable if the disability exceeds 30%. All of these are determined by the Compensation Commissioner.

Once you are injured while on duty, the employer must complete an Employer Accident Report (the WCL2 form) and submit it to the Compensation Commissioner. The report must be accompanied by the employee's first medical report and a copy of their identity document. Remember that these documents must be submitted within seven days of the accident.

As soon as the Compensation Commissioner has accepted the employee's injury, four award documents are printed. Of these, two are forwarded to the employer, one copy goes to the employee and the other goes to the GEPF.

The employer must then make sure that the reverse side of the original award is properly completed and submitted to the Government Pensions Administration Agency (GPAA). The agency processes Injury on Duty claims and requires the following documents to process payment:

- Personal Particulars form (Z864)
- Banking Details form (Z894)
- A certified copy of the employee's identity document.

Options available for your gratuity and annuity.

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Gratuity – A lump sum paid when the member exits employment.

Annuity – This is the income you receive every month from the GEPF when you retire. It is paid in equal monthly instalments on or before the last or first day of each month.

If you are still in service and you are married or have a life partner, you can choose from two options when deciding on the amount of your gratuity and annuity. Therefore, it is important to understand these options before going on retirement because your choice will determine the amount of monthly pension your spouse or a life partner will receive upon your death.

Generally, when a GEPF main member dies, the surviving spouse is entitled to receive 50% of the monthly pension that the member would have received. However, a member has the option to increase the amount from 50% to 75%, if they so wish. It must be noted that the effect of increasing your spouse's pension to 75% is that it will either reduce the gratuity or the annuity that you will get when you leave the Fund.

Consider your decision very carefully because once you have chosen an option for your spouse's annuity, your decision is final, it cannot be changed.

The Government Employees Pension Fund blueprint continues to work

Since its establishment in 1996, the Government Employees Pension Fund (GEPF) has grown its worth from R 127 billion to more than R1. 8 trillion becoming Africa's largest pension fund as well as being amongst the Top 10 pension funds in the world. It is also the largest single investor in the Johannesburg Stock Exchange (JSE), playing a critical role in South Africa's development. Despite this solid and steady performance the organization continues to receive some criticism of its investment strategy, often undeserving, noting its growth and financial position.

The single most important characteristic of anyone wanting to understand the GEPF is that it is a defined benefit Fund, meaning that the GEPF promises benefits in terms of the rules set out in the Government Employees Pension Law (GEP Law) and these benefits are not calculated on the basis of how the Fund is invested. The pensions and the benefits due to members and pensioners are guaranteed in terms of the law. The only factors that matter in how members are paid, is the years of service that the members have in the GEPF and their final salary at the time they exit the Fund as these determine the amount of the pensions or pay-outs.

It is the right of members and pensioners to question how the funds of the GEPF are invested and managed, however, it must be noted that such investments actually do not affect their benefits because their benefits are determined by the rules and they will always be paid, regardless of how the GEPF is managed. This is guaranteed by Government as the employer. If the Fund makes bad investments and does not have the funding to pay members, government will be required to make the funds available to pay members. Remarkably, the Fund is currently 115% funded, meaning the GEPF is able to meet all its liabilities.

The assumption that the Minister of Finance can direct how funds are invested by the GEPF is gravely incorrect. The Board and the Management of the GEPF take their fiduciary responsibilities seriously and act in the best interests of its members, pensioners and beneficiaries at all times. This can be illustrated by the growth in the Fund, which is nearing R2 trillion. Only GEPF, via its Asset Managers, the Public Investment Corporation (PIC) being one of them can decide how funds are invested. This is done by providing Asset Managers with a mandate that outlines which type of investments can be made, the percentage allocations for each asset class,

benchmarks and performance targets, among other guidelines.

The GEPF Board and Management have put in a number of mechanisms to ensure its asset managers such as the PIC act within the mandates provided. How the GEPF invests its funds is a carefully thought out strategy which is aimed at achieving long term growth for the Fund. The strategy is focused on ensuring that we allocate and manage the Fund's assets in a manner that meets or outperforms the Fund's current and future liabilities, which has been done very successfully in its 22 years of existence. The GEPF has also adopted a Responsible Investment policy which integrates Environmental, Social and Governance issues in all its investment decisions.

The GEPF also has a developmental Investment policy which focuses on targeted investments that contribute to positive economic, social and environmental outcomes for South Africa, while earning good returns for members and pensioners. As a long term investor, the GEPF understands that its success cannot be isolated from the development of South Africa. Any constraints on the economic growth of the country will have a similar impact on the Fund.

9 Claim your Funeral Benefit

The GEPF provides a benefit for the funeral of a member or a pensioner, as well as for the funeral of a spouse, life partner or eligible child of a member or pensioner. With effect from 1 October 2017, in the case of a member, a pensioner or spouse, GEPF now pays a taxable amount of R15 000 towards the funeral costs. This is an increase from the previous amount of R7 500.

The GEPF also pays a taxable cash lump sum of R6 000 for the funeral of an eligible child of a member or pensioner. This is an increase from the previous R3000.

The purpose of the Funeral Benefit is to help pay the funeral costs when a member or pensioner passes away.

It is important to note that these amounts are predetermined and are not based on what the family would have spent on the funeral. This means that the bereaved pensioner, member, beneficiary or family cannot claim more than the stipulated amounts even if they might have spent more than those amounts for the funeral of their loved one.

According to the Government Employees Pension Law, an eligible child is:

- a natural or adopted child under the age of 18 years; or
- a natural or adopted child between the ages of

18 and 22 years, who is a full-time student at a recognised educational institution (proof from the relevant institution is required); or

- a natural or adopted child who is disabled and factually dependent on the member or pensioner as defined above (medical proof of disability and confirmation of factual dependency is required); or
- a still-born child – this is a child born after 26 weeks of pregnancy, who shows no signs of life and whose death cannot be classified as a self-inflicted termination as per the Choice on Termination of Pregnancy Act 92 of 1996 (written confirmation of the duration of pregnancy and the death certificate as issued by the attending physician and hospital, is required.)

Important note: Step-children and children of other family members who are in the care of a member or pensioner as defined above, do not qualify for this benefit unless those children have been legally adopted.

The GEPF processes a Funeral Benefit claim within 72 hours of receipt of valid documents. However, payment can be delayed if the claim form or the documentation accompanying a claim is incomplete or incorrect. In order to allow GEPF to process the claim quickly and efficiently, the claimant must ensure that the information provided is complete and correct.

How the Funeral Benefit is paid

The Funeral Benefit can be paid into a bank account or via an online Post Office. In the interest of fast, efficient processing, the following documents must be provided to the GEPF:

- For bank payments: The Z894 (Banking Particulars Form) must reflect the applicant's banking details. If submitted by fax, the application must be accompanied by a certified bank statement showing the bank's e-mail and landline contact details.
- For Post Office payments: The claimant must confirm beforehand with the Postmaster of the Post Office they wish the payment to be processed to that the Post Office is indeed an online Post Office. Details of the Post Office must be recorded on the Z300 application form. (Note: The original application and attachments must be handed in at the Post Office when claiming the benefit. If the original documents are not handed to the Post Office, the benefit payment will not take place. The original ID/passport documents of the applicant must be presented at the Post Office).

Where to find claim forms?

All the required forms are available from:

- GEPF website, http://www.gepf.co.za/index.php/our_benefits/article/funeral-benefits
- GEPF's Call Centre (0800 117 669); or
- Any of GEPF's Regional Offices.

LET GEPF KNOW WHEN YOU CHANGE YOUR CONTACT DETAILS

Please remember to send us your latest address and contact details, including your cell phone number, so that we can stay in touch with you. This will assist us in processing your pension benefits efficiently and effectively, and it will ensure that you receive your GEPF newsletter and other GEPF correspondence accordingly. GEPF relies on you to provide accurate personal details. If you know of any GEPF member who does not receive this newsletter, please urge them to contact GEPF to update their contact details.

DO YOU KNOW WHERE TO FIND US?

CLIENT SERVICE CENTRES

Gauteng: Trevenna Campus, Building 2A, corner of Meintjes and Francis Baard streets, Sunnyside, Pretoria **Eastern Cape:** No. 12 Global Life Centre, Circular Drive, Bhisho **Free State:** Brandwag Centre, 20 Stapelberg Street, Brandwag, Bloemfontein **KwaZulu-Natal:** 3rd Floor, Brasfort House, 262 Langalibalele Street, Pietermaritzburg **Limpopo:** 87 (a) Bok Street, Polokwane **Mpumalanga:** Shop No. 5 Imbizo Place, Samora Machel Street, Mbombela **North West:** Mega City, Office No. 4/17, Ground Floor, Entrance 4, Mmabatho, 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, UCB House, 74-78 Marshall Street, Marshalltown **Port Elizabeth:** Ground Floor, Kwantu Towers, Sivuyile Mini-Square, next to City Hall **Mthatha:** Ground floor, Madeira Plaza, Cnr Sutherland & Maderia Street **Durban:** 12th Floor, Salmon Grove Chambers, 407 Anton Lembede Street **Phuthadijhaba:** 712 Public Road, Mandela Park Shopping Centre **Thohoyandou:** 2010 Centre, next to Phalaphala FM (SABC) **Rustenburg:** 149 Leyds Street

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