

FROM DEBT APPROACH TO SERVICE REDUCTION APPROACH



Following the amendment to the GEP Law, 1996, on the 22nd May 2019, the GEPF has changed its rules regarding divorce settlements. The GEPF has replaced the debt approach with the service reduction approach. On divorce, a member's contributing years of service will be reduced by the number of years equal to the portion of benefit due to a spouse in terms of a divorce order.

The GEPF is currently in the process of writing letters to all GEPF members affected by this law change to provide them with the implications of their debt model when converted into service reduction model

In accordance with the law change, as of 1 August 2019, the GEPF will process divorce claims as per the new service reduction approach and the GEPF is current in the process of writing letters to members affected by this law change to provide them with options and implications of this law change.

Members who had their divorce settlements dealt with in terms of the debt approach and who were divorced prior to 1 August 2019, have until 22 May 2020 to exercise their choice should they wish to remain on the debt approach or move to the service reduction approach. Such members will receive communication to exercise a choice soon.

For more information contact us at:

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