



GEPF pensioners get
3.6 per cent increase

PAGE 2



Blow the whistle on fraud

PAGE 4



Update your personal details

PAGE 6



In these times of uncertainty we want to reassure all members, pensioners and beneficiaries that the GEPF is financially sound despite the decline in the global equity markets.

Do not be tempted to withdraw your benefits through resignation fearing investment losses that the fund might incur. Your retirement pension is safe and guaranteed.

The GEPF is a Defined Benefit Fund. The benefits provided by the GEPF are not dependent on the performance of the fund's investments. Your benefit is determined by the number of pensionable service years and your average salary in the last 24 months of your pensionable salary.

When you retire, your benefits depend on whether you have less than 10 years of pensionable service or more than 10 years. If you retire with less than 10 years

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of pensionable service, you will receive a once-off lump sum called a gratuity. However, if you retire with more than 10 years your benefits will consist of a once-off lump and a monthly pension until you die based on the value accrued to you in the Fund.

In addition, when you retire with the GEPF you will be entitled to the following;

- A funeral benefit for the main member and his / her spouse is R15 000 and for dependent children is R6 000
- A spousal benefit, in a case of death of a main member, equal to 50% or 75% of the main member's pension
- A Child Pension for the deceased member's children under the age of 22 years

Too stress again, do not be tempted to withdraw your benefits through resignation fearing investment losses that the fund might incur. Your retirement pension is safe.



2 GEPF pensioners get 3.6 per cent increase

GEPF pensioners have received an increase of 3.6 percent on their monthly pensions from 1 April 2020. In making its decision on the 2020 increases, the Board of Trustees took various factors into account including the rules of the Fund and increases in the cost of living. **The Board also considered the investment performance of the Fund.**

Pensioners who retired on or before 1 April 2019 have received a total increase equal to 100% of CPI, which is 3.6% over the year to the previous 30 November with effect from 1 April 2020.

Pensioners who retired after 1 April 2019 will have their pensions increased proportionally for each month of retirement between the date of retirement and 31 March 2020, with effect from 1 April 2020.

This pension increase is based on the 3.6% inflation rate for the 12 months ending 30 November 2019 thus

making the increase equal to 100% of Consumer Price Index (CPI) and higher than the 75% of Consumer Price Index (CPI) provided in terms of GEP Law and rules.

What do the Fund rules say about increases?

According to the Fund rules, the annual pension increase must be at least 75 percent of the average increase in the Consumer Price Index (CPI) during the previous year.

This pension increase is based on the 3.6% inflation rate for the 12 months

ended 30 November 2019, thus making the increase equal to 100% of Consumer Price Index (CPI) and higher than the 75% of Consumer Price Index (CPI) provided in terms of GEP Law and rules.

The increase paid from 1 April 2020 meets the requirements of the Fund rules. From 1 December 2008 to 30 November 2009, the average increase in CPI was 7.4 percent. The 2010 pension increase of 5.6 percent amounts to 75 percent of the average increase in the CPI for the stipulated period.

GEPF FUNERAL BENEFIT

GEPF provides a funeral benefit for the funeral of an active member or a pensioner, as well as for the funeral of a spouse or eligible child of a member or pensioner.

The funeral benefit payable upon death of such a member or pensioner is R15 000, spouse R15 000 and eligible child R6 000.

For more information contact us at:  0800 117 669  @GEPF_SA  enquiries@gepf.co.za  gepf.co.za



Check if you qualify for the old age grant

GEPF pensioners are allowed to check with SASSA if they qualify for the social old age grant. All you need to do is to visit any nearby SASSA office to ask them to conduct the affordability means test that will indicate if you either qualify or not.

In the event that you qualify, you will have to apply for the grant and you will then receive both the GEPF monthly pension and the social old age grant.



4 Blow the whistle on fraud



The term fraud can be defined as a wrongful act or criminal deception intended to result in unmerited financial or personal gain. It refers to an illegal act or series of acts that are committed by non-physical means through concealment (hiding of information) or forgery (changing of information) in order to obtain a particular gain or benefit, which is more often than not money.

This means that fraud is fundamentally a non-violent financial crime that can be committed against a business, government or even against other individuals.

What are the types of fraud that may occur?

The following are some of the fraudulent activities taking place within the GEPF environment; they are however not the only fraudulent activities taking place:

- (a) Fraudulent exits (using form Z102): exiting of employees whilst the employees are still in service
- (b) Fraudulent Z894 form submissions: interception of the Z894 form (banking particulars form) and changing the banking details on the form to incorrect accounts
- (c) Fraudulent Beneficiaries: diversion of pension fund pay-outs to unauthorised beneficiaries; and
- (d) Fraudulent Payments: Unclaimed Benefits payments and Death Claim payments.

Calls to the GEPF Fraud Hotline

Members as well as the public are encouraged to use the GEPF independent fraud hotline (0800 203 900) to report such fraudulent activities. All calls are treated as strictly confidential and objective. Callers may remain anonymous if they chose. The hotline is run from a secure location and the hotline operators

have been trained to ensure that the identity of callers is protected.

Steps to report fraud in GEPF:

- (a) Dial the 0800 203 900 toll free number from any Telkom telephone.
- (b) You may remain anonymous but please give the hotline operator full details of the fraudulent, corrupt or unethical practice that you are reporting. Details may include:
 - Who is involved and what they are doing;
 - What has happened;
 - How was it done and how often;
 - Where is it done;
 - When was the incident observed;
 - Values involved – monetary value;
 - Proof available; and
 - List of witnesses, if there are any.

The Protected Disclosures Act protects everyone who reports unlawful or corrupt conduct.

FAQ

5

Frequently Asked Questions

Q. How does GEPF decide on the annual pension increase?

A The GEPF Board of Trustees decide on the annual increase, as provided for by the GEP Law. This decision is based on many aspects, including the performance of the Fund and actuarial factors (assumptions based on various elements to forecast future performance of the Fund) and the provisions of the GEP Law, which provides that the annual pension increase must be at least 75 percent of the average increase in the Consumer Price Index (CPI) during the previous year etc.

Q. Why are we being taxed while working (salaries) and even when we withdraw our pension benefits?

A The South African Revenue Services (SARS) taxes all forms of income including pension benefits. The Income Tax Act 58 of 1962, prescribes the basis on which pension benefits must be taxed. The taxation for pension benefits on the mode of exit from the pension fund, namely;

- Withdrawal,
- Retirement , Death or Severance Benefits

Depending on the mode of exit the applicable tax tables as prescribed by SARS is applicable.

Q. What happens to medical dependents when a pensioner dies?

A If a pensioner passes away and their spouse was a dependant on the medical aid at date of death, the spouse will qualify for the same subsidy percentage that the pensioner received if they become a principal member of the medical aid.

Q. Are pensioners' monthly pension affected by divorce?

A No, unless we are instructed by a court of law to do so.

Q. Does the new rule change in terms of divorce recognise divorce in cases of a customary marriage?

A While the GEPF recognises all marriages including customary marriages, it is not an authority on the legality or otherwise of marriages. The GEPF pays a claim against a member's benefit upon receiving a divorce decree ordering the Fund to pay an ex-spouse. The legality for spouses to claim against each other is presided by the courts of law. The courts decide if an ex-spouse has a right to claim.

Q. Is spouse pension transferable to beneficiaries when the recipient dies?

A No, it is not transferrable to any other beneficiary because it is a non-contributory benefit.

Q. What happens when a member divorces and a spouse claims against their pension?

A GEPF rules have been amended to allow for a service reduction approach instead of the previous debt approach, with effect from 23 May 2019. The GEPF no longer treats divorce claims as a notional loan but instead uses the service reduction approach to offset the benefit paid to an ex-spouse. In terms of the service reduction approach, a member's pensionable service will be reduced to take into account the amount paid to the ex-spouse. The amount paid to the ex-spouse as per the divorce order will be converted to the member's number of pensionable service years that are equivalent to it. The member's pensionable service years will be accordingly reduced.

When the divorced member exits the Fund, their benefit will be calculated on the reduced pensionable service years. It is however important to note that the Fund will still recognise the actual pensionable service years of the member (before the reduction) and the member will remain entitled to the nature of the pension benefits based on their actual pensionable service years. This means if the member is entitled to a gratuity and an annuity based on actual service years, they will still be entitled to a gratuity and annuity but it will be calculated on basis of the reduced pensionable service.

The GEPF has been developing the GEPF rules that will govern the implementation, following the law change. It was expected that this process will be finalised in July 2019 and the implementation of the new service reduction rules will then come into effect as of 01 August 2019. This means that as of 1 August 2019 the service reduction model will be used for all divorce orders granted after 01 August 2019.

Update your personal 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 to communicate with you more effectively and will ensure that you receive your **GEPF newsletter regularly**.



UPDATE YOUR GEPF INFORMATION TODAY

NOMINATE YOUR BENEFICIARIES TODAY.

A nomination form is an official document that decides who should receive your GEPF pension benefits pay out when you pass on.

NB: A Will does not serve as a nomination form.

Update your beneficiaries details and **spare your family the pain of delayed GEPF pension benefits payment.**

For more information contact us at:  0800 117 669  @GEPF_SA  enquiries@gepf.co.za  gepf.co.za



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. **FreeState:** Brandwag Centre, 20 Stapelberg Street, Brandwag, Bloemfontein. **KwaZulu-Natal:** 3rd Floor, Brasfort House, 262 Langalibalele Street, Pietermaritzburg. **Limpopo:** 87 (a) BokStreet, 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, 78-74 Marshall Street, Marshalltown.

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

Mthatha: Ground floor, Madeira Plaza, Cnr Sutherland & Madeira Street. **Durban:** 12th Floor, Salmon Grove Chambers, 407 Anton Lembede Street. **Phuthaditjhaba:** 712 Public Road, Mandela Park Shopping Centre

Thohoyandou: 2010 Centre, next to Phalaphala FM (SABC)

Rustenburg: 149 Leyds Street, Rustenburg

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