



How is GEPF different from other Funds?



Are your tax matters in order with SARS?



Do I retire or do I cash out?

1 Easy way to get your Estimation of Benefits Statement

If you have not yet received your estimation of benefits statement why not register on the GEPF Self – Service or GEPF App platforms. Once registered you can have access to your estimation of benefits any time.

The estimation of benefits, known as the Benefit Statement is a members summary of the estimated pension benefits earned at a certain date. It contains your personal and employment details as well as pension benefits in case of you

exiting the fund as a result of:

- Normal retirement;
- Resignation;
- Ill health retirement and discharge; or
- Death

It is important to remember that these estimates are calculated based on the information available on GEPF's systems and are therefore provisional estimates based solely on the information at our disposal. All information will be verified when the member exits the fund.

Members must note that fluctuations on the Estimation of Benefit statement do not mean that they have lost money. The estimations reflect the value of the member's benefit based on all

available variables and future assumptions.

More importantly, the statement provides members with an opportunity to check the current state of their information that the GEPF has, thereby allowing them to amend incorrect information to their Human Resources departments.



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For more information contact us at:

2 Going on retirement soon? Make sure it is easy and stress free

Are you approaching your retirement date?

Do yourself a favour and advise your employer of your intended exit date six months prior so you can go on retirement stress free. All you need to do is to complete and submit the required documents and forms to your Human Resource (HR) Department six months before your exit date. This gives your employer and us (GEPF) enough time to process your documents and consequently helps us pay your retirement benefits on time.

We can pay your retirement benefits within a sixty-day turnaround time

Our promise of timely retirement benefits payments is in line with a turnaround time of sixty days after you exit the public service. To help us help you have a stress-free retirement, we need to start processing your documents

before you even exit the public service. This will ensure that you receive your benefits before you even finish a month being a retiree.

For your retirement process to be easy and efficient, you need to submit the following documents to your HR Department:

- A less than six months old certified copy of bar-coded ID or passport,
- Certified copy of marriage certificate if you are married,
- Last salary advice/ pay slip,
- Proof of service termination / Persal print out (your records are with your HR Department), and
- Proof of admission date (this appears on your salary advice).

When we receive your documents on time, you are able to receive your benefits within sixty days.

GEPF forms to complete

The following are retirement forms you need to correctly complete and submit to us:

- Z102 Withdrawal from Fund Application form
- Z894 Banking Details form
- Retirement Choice form (if you have been contributing to GEPF for more

than 10 years and are married)

- Z864 Updating of Personal Details form (if you have been contributing GEPF for more than 10 years)
- Z583 Medical Subsidy form (if you have been a main member of a medical aid scheme for the last 12 months before your probable retirement date)
- WP1002 Nomination of Beneficiaries form (it is better to nominate your beneficiaries before you exit the public service)

When the abovementioned documents and forms are submitted within the requested time, we are able to pick up errors or missing information and revert to you through your HR Department to allow you to correct errors and provide missing information.

This helps eliminate any delay of payments after your retirement date. Yes, retirement can be easy with GEPF. You can ensure it by submitting your exit documents six months before you say your goodbyes to your desk and colleagues.

The advantage of belonging to a defined benefit fund is that your benefits are guaranteed.

This means:

• Benefits are protected against inflation. We have a solid track record in safeguarding the value of members' retirement wealth and in protecting our pensioners against inflation.

2 According to the Fund rules, the annual pension increase paid to our pensioners must be at least 75% of the average increase in consumer inflation (CPI) during 1 December - 30 November of the previous year.

• Where pensions fall behind inflation, we also pay catch-up pension increases.

Members are guaranteed their benefits irrespective of how the investment portfolio is performing.

It is important for members to note that the GEPF is not a private sector fund and that means it is not governed by the Pension Funds Act (PFA). Consequently, there are differences in terms of the benefits and offerings that the GEPF administers and what may be

offered by funds that fall under the Pension Funds Act. As such, any announcements or changes relating to the Pension Funds Act has no bearing on the members of the GEPF.

If you are uncertain about the benefits you are entitled to or would like to enquire about the offerings of the GEPF, check out our website at www.gepf.co.za, contact the GEPF Contact Centre on **0800 117 669** or visit your

nearest Regional Office for more information.

Non-contributory benefits differ from contributory benefits in that they are not based on member and employer contributions. For GEPF members and pensioners these are **funeral, spouse and child pension benefits**. GEPF members can also qualify for post-retirement medical benefit provided for by the employer if they meet the qualification criteria.

3 How is GEPF different from other Funds?

You may have wondered at one point or another how the GEPF is different from other pension funds in the industry, and more importantly, what that means for you.

The Government Employees Pension Fund is a defined benefit fund with over 1.2 million active members and more than 476 000 pensioners and beneficiaries. It is the largest pension fund in Africa. As a defined benefit fund, the benefits you receive from

the GEPF are defined in the rules of the fund and are guaranteed. In the case of GEPF the Fund business is governed by the Government Employees Pension (GEP) Law of (1996).

All GEPF benefits are defined in the GEP Law and rules, which clearly indicate the benefits which members are entitled to; when and how these benefits can be claimed; and who can claim them. These rules are important because they ensure that the right people receive the right payments at the right time. Currently, the GEPF

benefit structure offers members the following benefits, amongst others:

- Resignation benefits;
- Retirement benefits;
- Child pension;
- Death benefits; and
- Funeral benefits
- Spouse pension

4 What happens if your health fails you?

You are allowed to retire due to ill health in the public service. **This type of exit from the Fund is commonly known as Retirement due to ill health.** It is important to note that this may be related to, but it is not the same as Injury on Duty where 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 dependents.

Employees who find themselves facing possible discharge due to ill health or opting to retire due to ill health / injury have the option to apply for a benefit called discharge due to ill-health or injury. This is in cases where an employee is unable to work according to the requirements of his/her job as a result of the ill-health or injury.

When you are discharged due to medical reasons, your benefits will depend on whether you have more, or less than 10 years of pensionable service. Members with less than 10 years of pensionable service will receive a benefit that will be

consistent with, and not less than the resignation benefit. However, they do not qualify for a monthly annuity/pension.

For members with more than 10 years of pensionable service, the rules provide for an increase in their years of pensionable service due to the nature of their no-fault discharge. They also qualify for a monthly annuity/pension. Their spouses will also qualify for a monthly pension in the event that they die after retirement.

The discharge process due to ill health will be facilitated by your Human Resource department. These are the requirements:

- Banking Details form (Z894) to be completed by the bank
- If obtained, a letter of approval for your discharge, signed by your head of department
- If as a principal member you have contributed to a medical aid continuously for the last 12 months of service, a Medical Scheme Membership form (Z583)
- Choice form for spouse's pension
- A certified copy of your bar-coded ID or passport, not older than six months

5 Are your tax matters in order with SARS?



Compliance with the tax regulations is of great importance as it assists in avoiding delays in payment of pension benefits.

GEPF issues out the IRP5 for pensioners and beneficiaries to enable them to submit their income tax returns in line with requirements, whereas active members can obtain these from their employer departments.

Important information to note:

- In order to avoid such, you can request the GEPF in writing to deduct additional tax to make provision for extra deductions paid to SARS. This could prevent you from paying higher arrears to SARS upon tax assessment.
- Additional tax / voluntary tax deductions will be added to the PAYE on the IRP5 certificate at the end of the tax year.
- Garnishee orders (IT88/AA88) from SARS

SARS legally can appoint the employer (GEPF) in terms of Section 179 of the Tax Administration Act, 28 of 2011 to withhold and pay over to SARS monies/tax owed in the form of garnishee orders. These deductions will not be updated or included on the tax certificate issued at the end of the tax year. The request to cancel the garnishee order will only be done upon receipt of a Withdrawal of Third Party Appointment letter from SARS.

GEPF Self-Service and Mobile App is live

The much anticipated GEPF Self-Service web and App is live. Amid the excitement and suspense created by its publicity, GEPF Self-Service web and App went live on **26 February 2021**.

The self-service platform will assist you to access GEPF services from the comfort of your home, office or any place from your mobile phone or any type of PC device, at any given time. The platform is conveniently designed to allow you to access the following, among other services:

- Update your personal details. Please note due to security reasons updating of banking details and personal information like changing of surname and marital status still needs to be updated manually by completing Z894 banking particulars form and Z864 for updating of personal information form. Once the forms are completed, you need to submit them to the nearest GEPF

office with supporting documents so that the details can be updated on GEPF Self-service platforms.

- Access personal documents such as benefits statements, tax certificates, proof of payments etc.
- Trace progress of your resignation and retirement benefit claims.
- Nominate and update your beneficiaries.
- Access personalized communication such as letters and newsletters.
- Request a call back in instances where you need assistance with a query.

These platforms were designed to

cut costs and save time of accessing GEPF's services. All you need to do is visit GEPF website at www.gepf.co.za to access the Self-Service web or download the App on **Google Play Store and Huawei App Gallery**. To register you need your South African bar-coded identity document and should you experience any challenges while registering please email us at selfservicesupport@gpaa.gov.za or call us on **+27 12 319 1400**.

You will be notified through SMS or email once you are registered. You will need to have a digital device (smart cellphone, tablet, laptop or computer) connected to the internet to access GEPF Self-Service web or App

Departmental Debt Deduction from Pension Benefit

We answer some frequently asked questions about departmental debt deduction to help you gain clarity on this matter:

What is the basis of the GEPF's right to deduct departmental debt?

Section 21 (3) (a) and (c) of the Government Employees Pension Law, Proclamation 21 of 1996 (GEP Law) provides for the deduction of departmental debt from an employee's pension benefit by the GEPF in certain circumstances.

Does the GEPF have a discretion to deduct departmental debt, or is it obliged to deduct the debt if the employer so requests?

Section 21(3) of the GEP Law provides the GEPF with a discretion to deduct the departmental debt.

The GEPF will accordingly not deduct any departmental debt unless the correct documentation is submitted and the processes followed.

Can departmental debt be deducted from an employee who resigns?

Yes, departmental debt may be deducted from an employee who resigns, retires or is discharged, for whatever reason.

What types of debt may be deducted under section 21 (3) (a) of the GEP Law?

- Contractual debt, for example: study, housing and personal loans.
- Amounts inadvertently or erroneously paid to an employee, for example, overpaid salary where the employee resigns without working his or her full notice period
- Any other debt which is suffered by the employer due to the misconduct, intentional criminal conduct or negligent actions of the employee.

What types of debt may be deducted under section 21 (3) (c) of the GEP Law?

- Any amount of loss suffered by the employer through theft, fraud, negligence or any misconduct on the part of the employee may be deducted as departmental debt under section 21(3)(c). However, before such debt can be deducted, this section requires that the employee must have admitted/acknowledged the loss in writing, or alternatively, the loss must have been proven in a court of law.

- This also includes loss suffered due to misconduct committed by the employee. This may relate to either criminal conduct, or conduct which has an element of dishonesty (for example, theft) or negligence (unintentional damage to

the employer's property). The employee should therefore acknowledge and/or admit the loss in writing or it must be proven in a court of law.

Can an employer withhold the submission of the employees' exit documentation to force the employee to provide an acknowledgment of debt for purposes of section 21(3) (c)?

- No, such actions are unlawful and in no way condoned by the GEPF. Exit documentation must be submitted without delay and as soon as reasonably practicable by the employer.

Will the GEPF suspend the payment of pension benefits pending a court case to prove the loss suffered by the employer for purposes of section 21(3)?

- No, the GEPF is obliged to pay pension benefits on the exit of the employee. The employer will have to obtain a court order interdicting the GEPF from making payments, pending the conclusion of the main action to prove the loss and the liability of the employee.

Blow the whistle against fraud and corruption

As part of our continued commitment to zero tolerance towards fraud, corruption and unethical behaviour, the GEPF is urging members to join the fight against fraud today by reporting any fraudulent activities.



What is fraud?

Fraud is when deception is used to gain a dishonest advantage, which is often financial, over another person. There are many words used to describe fraud such as scam, con, swindle, extortion, sham, double-cross, hoax, cheat, ploy, ruse, hoodwink, confidence trick.

Fraud can be committed against individuals or businesses.

Fraud generally represents a non-violent, financial crime perpetrated against a business, Government or other individuals. It is an illegal act or series of illegal acts committed through non-physical means and by concealment or deviousness to obtain money or property, or to obtain personal or business advantage.

What causes fraud?

Fraud is most often a crime of opportunity committed by people who face overwhelming financial pressures. These people are usually not career criminals. While not always within their control, individuals can find themselves in financially stressful situations due to a variety of factors.

What are the types of fraud happening in GEPF?

Fraudulent activities taking place within the GEPF environment include

1. Fraudulent exits;
2. Fraudulent bank forms;
3. Fraudulent Beneficiaries; and
4. Fraudulent Payments.

How does fraud affect the Fund?

When fraud is detected or suspected, it can have a disruptive effect on the Fund's daily activities. Worst case scenario, data could be lost or compromised; we may need new systems in place to combat the threat or recover once it has been detected; and maybe a completely new business approach may be required along with an overhaul of security measures.

This could involve new staff training and lengthy audits by the Auditor-General, possibly causing a loss of productivity. Fraud can have a substantial impact on the Fund, no matter what size it is. Calls to the Fraud Hotline

GEPF has an independent fraud hotline **0800 203 900** where all

calls are treated as strictly confidential and objective, and callers may remain anonymous if they choose.

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:

1. Dial 0800 203 900 toll free from any Telkom telephone
2. You may remain anonymous but please give the hotline operator

full details of the fraudulent, corrupt or unethical practice that you are reporting. Such details may include:

- Who is involved or doing what?
- What has happened?
- How was it done and how often?
- Where is it done?
- When was the incident observed?
- Values involved – monetary value
- Any proof available?
- Are there any witnesses?

3. You will be given a reference number. Keep this number confidential as you will need it

when you make a follow-up call (call at a later date to request feedback on the original call).

Anonymity is guaranteed, and the facility is managed in compliance with the Protected Disclosures Amendment Act (PDA) (Act No. 5 of 2017).

"Your No to corruption counts, do the right thing blow the whistle"
GEPF Ethics and Fraud hotline number: 0800 203 900
GEPF Ethics and Fraud hotline SMS number: **30916**
GEPF Ethics and Fraud hotline E-mail address: gepf@thehotline.co.za

Who can apply for the GEPF Funeral Benefit?

By just being a GEPF member, you qualify to apply for the Funeral Benefit during the death of your spouse, life partner or eligible child. In the case where your spouse is also a GEPF member, you both equally qualify to apply for this benefit when your eligible child dies. Both you and your spouse can apply for the same Funeral Benefit separately. In the case of your own death (GEPF member), your immediate family member can apply for the benefit. An immediate family member is either your spouse or your eligible child (natural or legally adopted).

The GEPF Funeral Benefit is there to help with paying for the funeral costs during your death. This also includes the death of your life partner or eligible child. For your funeral and that of your spouse or life partner, the benefit is an amount of **R15 000**. For the funeral of an eligible child, the benefit is **R6**

000. This is a taxable benefit that is paid as a cash lump sum into an active bank account or through the South African Post Office (SAPO).

How to apply?

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

- o The Funeral Benefit Claim form (**Z300**).
 - o Banking Details form (**Z894**), if the payment must be made into a bank account
- Make copies of the below mentioned documents:
- o If payment must be made via the SAPO, copies of all documents faxed or emailed to GEPF must be presented to the SAPO.
 - o A certified copy of the ID document or valid passport of the applicant and the deceased
 - o A certified copy of the death certificate

- o Proof of marriage, where required
- o Bank statements, if documents are faxed or emailed

What is an eligible child? As aforementioned, your eligible child qualifies to apply for the Funeral Benefit in the case of your (parent member) death. We consider the following as your eligible children:

- o your natural or legally adopted child under 18 years of age,
- o your natural or legally adopted child between **18 – 22 years** of age who are full time students;
- o your naturally or legally adopted child who is disabled and dependent on parents; and
- o **your still-born child** born beyond the second trimester of your pregnancy.

During the application process for the Funeral Benefit, the child applying for the benefit is required to produce proof of your relation.

Do I retire or do I cash out?

One of the greatest decisions members of GEPF grapple with when they reach retirement age is whether to retire with the Fund or cash out their retirement benefits. Conflicting views from different sources often make this decision even tougher.

Private brokers will advise you to cash out and invest with a financial institution while GEPF officials, by default, will advise you to retire with the Fund to access the various benefits that come with it. To add to this there is always the temptation to cash out pension into your private bank account after seeing your pension benefit amount.

When you retire with GEPF with more than ten years pensionable service, your benefits include a once-off lump sum

called a gratuity, medical aid benefit (if you qualify), funeral benefit (for yourself, spouse and children under the age of 22 years old), monthly pension called annuity (your spouse will get 50% or 75% annuity in case you die). If you die while you have a child or children 22 years old or less, they will be entitled to Child's Pension.

In contrast, when you cash out your pension benefit you terminate any form of relationship you have with GEPF. You forfeit all benefits you would have received had you retired with GEPF. That means you will be entitled to a once-off gratuity lump sum only. This lump sum will be subject to tax.

Similarly, should you choose to transfer your benefits to a financial institution as advised by a broker, you will forfeit

all benefits you would have been entitled to had you retired with GEPF. Your once-off lump sum will be transferred to the financial institution of your choice. Your gratuity will be subjected to tax as determined by the South African Revenue Services (SARS).

It is therefore advised that as a GEPF member, you consider the benefits of retiring with GEPF as opposed to opting to cash out when you reach retirement age. This decision will affect you and your family for the rest of your lives.

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,

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)

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