

The quarterly newsletter for members of the Government Employees Pension Fund



If I am in a polygamous marriage, will all my spouses receive a Spouse Pension when I pass away?



How can you ensure that your loved ones will be taken care of when you die?



Cybercrime more than just a risk

## GEPF investment portfolio registers a 27.5% growth and a market value of R2.09 trillion

R2.09  
trillion



The Government Employees Pension Fund (GEPF) is pleased to announce its financial results for the year ended 31 March 2021. Key Performance Indicators:

- Market value of **R2.09 trillion** increasing by **R451 billion** from the previous financial year
- The Fund reached the significant milestone of **R2 trillion** in its 25th year anniversary of its founding

- Investment market value increased by 27.5%
- Return on Investment of 23.1%
- Accumulated funds and reserves grew at an average annual rate of 8.90% for the 10 year period 2012-2021
- Net investment income of **R 483.8 billion** following benefit payments of **R 110.6 billion**
- Member contributions of **R82 billion**

For more information contact us at:

Government Employees Pension Fund



0800 117 669



enquiries@gepf.co.za



gepf.co.za



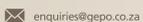
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**GEPF**<sup>TM</sup>  
your investment, your future

Despite the turbulent and unpredictable market conditions during the financial year, the GEPF recorded a market value of **R2.09 trillion** at the close of its financial year on 31 March 2021. This was an increase of **27.5%** resulting in a return on investment of **23.1%**. Over the 10-year period, 2012-2021, the GEPF's accumulated funds and reserves grew at an average annual rate of **8.90%**.

The growth in the value of assets under management (AuM) confirms that the GEPF's investment strategy aimed at achieving long-term growth is successfully contributing to the financial soundness of the Fund.

This positive performance is as a result of a recovery of **R451 billion** in the Fund's market value following a decline of **11.4 % (R260 billion)** in the previous financial year where the Fund's market value was **R1.6 trillion**.

The increase in the investment value is mainly attributable to the recovery in financial markets, particularly equities and bonds, from the market contraction in the first quarter of 2020. The Fund's performance however was negatively impacted by its unlisted and property portfolios declining which bore the brunt of market conditions as a result of the impact of the Covid-19 pandemic on the economy.

In this regard, impairment provisions had to be made to reflect the business reality of an asset at a particular point in time. As a result, the GEPF implemented a very conservative valuation of its unlisted and property assets. Such a valuation approach was done fully aware that improved market conditions could see assets subsequently recover or even exceed the value of the original investment.

We have seen a reversal of R2.1 billion in some of our assets impaired in previous years. A further encouraging sign has been the decrease in the value of impairments from **R11.9 billion** as at 31 March 2020 to **R7.4 billion** at 31 March 2021.

Despite the tough Covid-19 operating environment, the total benefits paid by the Fund amounted to **R 110.6 billion**. Our pension administrator, the GPAA received **27 960** pension claims in 2020/21 compared with **34 134** in 2019/20, reflecting a decrease of 18% in claims. The retirement claims amounted to **R76 billion** compared to **R69,1 billion** in the previous year. The Fund's active members decreased from 1 269 161 in 2019/20 to 1 265 406 in 2020/21. The number of pensioners in the Fund also declined from 313 173 in 2019/20 to 312 647 in 2020/21.

In an effort to enhance and strengthen our oversight and monitoring of the Government

Pensions Administration Agency (GPAA) and the Public Investment Corporation (PIC), the GEPF has taken several steps during the financial year. These include:

- A comprehensive review of the Fund's investment policy, investment mandate and management agreements with the PIC. These include a more stringent consequence management, a review of the fee models and improved investment and reporting guidelines.
- A review of the Fund's operating model and quality of service provided by the GPAA. This review includes the benchmarking of administrative systems to meet the needs of the GEPF and its clients.

The GEPF continues to remain optimistic of the future growth of the Fund and we will continue to play our part in growing the South African economy.

The Audited Financial statement can be reviewed on the GEPF website on [www.gepf.co.za](http://www.gepf.co.za)



# We have Unclaimed Benefits. This is how you can help us locate the rightful beneficiaries?

Mase Leshilo

Unclaimed Benefits are benefits that the reason for the member leaving GEPF and their last day of service are both known, but the benefit is not paid to the member or beneficiary within 24 months of the last day of service.

## What causes Unclaimed Benefits?

The main reasons benefits are categorised as Unclaimed Benefits are:

- The employer department did not submit the relevant exit documents (Z1002 forms etc.) to the GEPF or the documents submitted contain errors that have not been rectified;
- The GEPF is not able to get a tax directive from SARS because the member or beneficiary has either not registered for tax or they have not filed tax returns, for example.
- The benefit payouts are returned to the GEPF due to incorrect banking details, a frozen or closed bank account, or incorrect pay points etc.
- The GEPF has insufficient information about the spouse or beneficiary of the deceased member, which results in delays and the GEPF not being able to pay benefits to the rightful beneficiaries.

## Who can claim Unclaimed Benefits?

The following people may be eligible / potential beneficiaries of Unclaimed Benefits:

- Retired GEPF members
- Beneficiaries of GEPF members who are no longer in

service or who are deceased; and

- The guardians of GEPF members' beneficiaries.

## Requirements to successfully claim Unclaimed Benefits?

1. If the applicant is a member or spouse, the following documents are needed to successfully claim Unclaimed Benefits:
  - A fully completed Z894 form (Banking Details);
  - A certified copy of the applicant's ID (not older than six months);
2. If the applicant is a beneficiary, the following documents are needed to claim Unclaimed Benefits:
  - The member's death certificate;
  - A certified copy of the beneficiary's ID (not be older than six months);
  - A completed Z894 form (Banking Details);
  - A guardian letter in the case of a minor beneficiary; and
  - A certified copy of the guardian's ID (not older than six months).

If you know of someone who may be having an unclaimed benefit as defined in this article, please do not hesitate to advise them to contact us at the following details:

Toll Free Call Centre:	0800 117 669
Fax Number:	012 326 2507
Email Address:	<a href="mailto:enquiries@gepf.co.za">enquiries@gepf.co.za</a>

# What is a Five Year Balance and who qualifies?

Zamokwakhe Mtshali



GEPF members may be entitled to receive a monthly pension after they have retired. This benefit is informed by the number of pensionable service years a member has accumulated in the public service.

If the member has more than 10 years pensionable service and retires from the public service, they will receive a once-

off payment or gratuity and a monthly pension or annuity for the rest of their lives. These benefits are informed by a formula in the rules of the Fund. Should a member pass on within five years of retirement, the GEPF will pay the balance of annuities up to five years after retirement to the eligible spouse and/or beneficiaries of the deceased pensioner. For example, if a member retires and within a year they pass on, GEPF will pay the remaining

pension which is equivalent to four years' worth of pension to the deceased's eligible spouse and/or beneficiaries. If a member, for instance, passes on after five years of retirement, there will be no five year balance payable. The member must complete a Nomination Form (WP102) whilst in service to indicate who should get the benefits.

# Who is entitled to a Spouse Pension?

Mase Leshilo



A qualifying spouse or eligible life partner is entitled to a percentage of the annuity paid to a member at the time of death.

The same applies if the member dies while in service and had a full potential service period of at least 10 years, i.e. pensionable service years plus unexpired years until normal retirement.

## **Who may receive a Spouse Pension?**

The Spouse Pension is a monthly pension which is only paid to the lawful

spouse or approved life partner of a member or pensioner who has died. Dependants or beneficiaries who may have been listed on the Nomination of Beneficiaries form are not eligible for this benefit. In the event that the member dies while in service, the spouse or life partner will receive 50% / 75% of the annuity the member would have received had the member retired on their date of death.

The Spouse Pension remains valid for as long as the recipient is still alive and does not cease even if the spouse marries again. In

the event that the member is survived by more than one customary spouse, then the Spouse Pension will be divided equally among the surviving spouses.

## **How is the spouse annuity calculated?**

If the member dies in service, the spouse annuity will be half of the annuity that the deceased member would have received had they retired on the date of their death.

# What will happen to my Spouse Pension if I pass away and my children are still minors?

Edwell Mokgalaka



The Spouse Pension is a monthly pension or annuity that is paid to the lawful spouse or approved life partner of a deceased member or pensioner of GEPF.

If you die while in service or after you retired, as a member or pensioner of GEPF, your spouse (wife, husband or life partner) may be eligible to receive 50% or 75% (dependent on the choice of the member in retirement) of your monthly

pension or retirement annuity for the rest of their lives.

A member can choose to increase the Spouse Pension to 75% of his/her retirement annuity by accepting a reduced gratuity and/or annuity on retirement. When your spouse dies, the Spouse Pension benefit ceases to exist. Spouse Pension cannot be transferred to any other person, including your children (biological or adopted) or converted into any other benefit. This

benefit is meant for spouse/s only. However, when you die as a GEPF member or pensioner, your child/children may qualify for the Child's Pension as determined by the GEP law. Your children must be under the age of 22 years to qualify for this benefit. Disabled children qualify for the Child's Pension benefit for the rest of their lives as determined by the GEP Law.



# How can you ensure that your loved ones will be taken care of when you die?

Reneilwe Modipane

*The Government Employees Pension Fund (GEPF) offers a variety of benefits to care for your loved ones in case that you pass on.*

These include benefits such as the Funeral Benefit, the Spouse Pension for qualifying spouses and approved life partners, and the Child's Pension for qualifying beneficiaries. Upon retirement, the state (employer) continues to provide medical benefit subsidy to those who qualify.

To ensure that loved ones are cared for and able to access the benefits due to them when you pass on you need to complete a Nomination of Beneficiaries form (WP1002), listing the details of all your financial dependents and anyone else you want to nominate to share in your benefit.

The nomination must reflect at what percentage you would like each beneficiary to benefit. You then hand the form in at your Human Resource Department (along with supporting documentation such as certified ID copies and birth certificates) to give

to GEPF. Both the Human Resource Department and GEPF are bound by strict rules of confidentiality and may not tell anyone who your nominees are.

It is important to note that a newly completed Nomination form cancels out any existing one. However, if you do not include all relevant beneficiaries, the GEPF has the right to overrule the Nomination form, or to include excluded beneficiaries if they meet the requirements of a dependent as determined by the rules. This includes children born out of wedlock.

# What you need to know about calculating your pension benefits

Reneilwe Modipane



*Although the most accurate calculation of your pension benefit will only occur when you actually retire or resign, it is possible for you to have an approximate calculation of how much you will get when you exit the GEPF.*

There are very clear rules about what benefits members are entitled to; when and how these benefits can be claimed; and who can claim them. These rules govern the claims process and help to ensure that the correct people receive the right payments at the right time. The value of your benefits is then calculated based on your pensionable years of service, your final salary and the actuarial factors.

## **What is a Pensionable Service?**

This is the time you spent as a contributing member of GEPF. Pensionable service includes any additional service that you might have purchased. However, it excludes any period of leave without pay in excess of 120 days.

## **What is a Final Salary?**

This is the average salary you were earning in the last 24 months of your pensionable service. (If you worked for less than 24 months, say for only 18 months, then your final salary would be the average salary you were earning over 18 months).

## **What is a Pensionable Retirement age?**

Your conditions of service determine your retirement. If you retire after 60, there will be no enhancements in benefits. If the retirement age is before 60, there may be some downscapes depending on the reason of exit.

If you would like help in working out the value of your benefits, contact your Human Resource Unit. Alternatively, you can:

- Use the benefits calculator on GEPF's website at [www.gepf.co.za](http://www.gepf.co.za)
- Call GEPF's Call Centre on 0800 117 669;
- Visit your nearest GEPF Regional Office.

# How to recover from pension blues: Playing Catch Up

Edwell Mokgalaka

*Every GEPF member would like to receive what they consider to be a reasonable retirement and monthly pension when they retire.*

It is important to note that the GEPF monthly pension is determined by the length of service (number of years you have contributed) and the salary you were earning while still employed in the public service. Thus, not every member will receive what they consider to be a reasonable monthly pension. This is mainly because members do not earn the same salary and contribute to GEPF according to the number of service years.

Nonetheless, there is a way of catching up to what you would regard as a reasonable monthly pension. You can catch up by purchasing years of service. Purchasing of years of service increases a member's pensionable services, which will result into an increased value of a monthly pension when they retire. There are several ways through which a member can purchase years of pensionable service.

## Scenario 1

You worked in the public sector and contributed to the GEPF for five years and you resigned and joined the private sector. If you rejoin public service within 36 months, you must apply to buy back the service within the first year and pay back the benefit received with interest.

## Scenario 2

You started working for the government as a GEPF contributing employee as an adult. You realise that by the time you retire you will have worked for less pensionable years. Therefore, your pensionable service will be too little. You can apply to purchase your preferred number of pensionable service years dating all the way back to your 18th birthday to enhance your benefits. GEPF will calculate how much you will be required to pay, depending on the number of years you want to purchase.

## Scenario 3

You work for the government and as a GEPF contributing member you

realise that by the time you retire your pensionable service years will fall short of the 10 years required to qualify for retirement monthly pension. You can apply to purchase the outstanding balance of years to make it 10 or more pensionable years in order for you to receive retirement monthly pension.

After deciding on the number of years of service you want to purchase, you can approach your Human Resource unit for an Application for Purchase of Service Years form (Z215), which should be submitted to the nearest GEPF office. The GEPF will respond to your application with a quotation and advise you on how you should pay the required amount. You are allowed to review the number of years you want to purchase after receiving a quotation. You can add or subtract the years of service you want to purchase.

# Benefits of transferring your **pension contribution** when leaving your job

Zingisa Mgxashe

*Most members are faced with the dilemma of whether or not they should cash out their GEPF benefits or transfer them to an approved retirement fund of their choice when they change jobs. Although the choice lies with the member, the situation requires an informed decision to avoid a negative outcome.*

Whether the GEPF pays a member their benefits or transfers the benefits to an approved retirement fund, it will depend on the option the member will choose and the circumstances informing their decision. The latter choice is referred to as a “GEPF transfer”.

The advantage of opting for a GEPF transfer is the guarantee that you pay no tax when you transfer your benefit to the retirement fund of your choice. However, once the choice to transfer has been made, it is irreversible. You will be required to pay tax when you retire from the retirement fund you joined in terms of the rules of that fund. For your transfer option to be approved, you must choose an approved retirement fund.





# Cybercrime more than just a risk

Mase Leshilo

*The rapid development of technology connects human interaction faster than before. The internet touches many aspects of our daily lives and it has become a part of us.*

We therefore need to ensure that our lives are kept safe and secure. With all these developments, we need to ensure that our interaction in the cyber world is safe and secure.

There are several tools and resources available to stay safe online.

The following are some general security guidelines we can use to protect ourselves while online:

- Don't believe everything you read – be cautious about what you receive or read online; if it sounds too good to be true, then it probably is.
- Keep a clean machine – update the software on your internet-connected devices, including personal computers, smartphones, and tablets regularly to reduce the risk of infection from malware.

- Limit what you share – control and limit who can see your information online by checking the privacy and security settings on your accounts and apps.
- When in doubt, throw it out – if you see a suspicious link in an email, social media post or online advertising, it's best to delete it or if appropriate, mark it as junk.
- Set strong passwords – make them long and complex, change them regularly, and don't share them with anyone.
- Treat personal information like money – personal information, such as your purchase history and location has value, so be cautious about how your information is collected by apps and websites.
- Secure your most sensitive accounts – when it is available, use multi-factor authentication to keep your accounts more secure.

# 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](mailto:enquiries@gepf.co.za)  
Website: [www.gepf.co.za](http://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,

Sunnyside, Pretoria

### Kwa-Zulu Natal

Brasfort House, 3rd Floor,  
262 Langalibalele Street,  
Pietermaritzburg

### Limpopo

87 (a) Bok Street,  
Polokwane

### Mpumalanga

Imbizo Place, Shop no 5,  
Samora Machel Street, Mbombela

### North West

Mega City, Entrance 4,  
Ground floor, Office no 4/17,  
Mmabatho, Mahikeng

### Northern Cape

11 Old Main Road, Kimberley

### Western Cape

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

## 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)

### Mthatha

Manpower Building, Ground Floor,  
Corner Elliot & Madeira streets,

### Phuthaditjhaba

Mandela Park Shopping Centre,  
712 Public Road

### Gqeberha (Formerly Port Elizabeth)

1<sup>st</sup> Floor, Regus House  
Fairview Office Park, 66 Ring Road  
Greenacres

### Rustenburg

149 Leyds Street

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