



Newsletter for pensioners of the Government Employees Pension Fund

JANUARY 2011

MESSAGE FROM THE CHAIRPERSON

The Festive Season has come and gone once again. Everyone is taking down their Christmas decorations and cleaning up after holidays spent with family and friends as business is starting to pick up again for the New Year. At this time it is only important to look forward into 2011, it is also important for everyone to look back on the year that has passed and contemplate achievements and setbacks. 2010 has been a great year both for our country and for us at the Government Employees Pension Fund (GEPF).

During 2010 two considerable changes took place within the GEPF. The first of these was, notably, the ending of the term of the first Board of Trustees and the election and induction of a new Board. The new Board of Trustees has expressed sincere appreciation to the first Board for their management of the Fund and the strides taken in their four-year term. Their hard work has firmly placed the GEPF on a path towards becoming a role model for pension funds worldwide.

The second of the notable changes for 2010 is that the GEPF officially separated into two separate entities: the administration and the Fund. In March this year, the President signed a Proclamation officially creating the Government Pensions Administration Agency (GPAA). This proclamation was very important to the GEPF because it formally introduced the new way that the GEPF will conduct its business – with the Fund (GEPF) being separate from its administration (GPAA). This separation is something that the GEPF has been working towards for quite some time and will be in the best interests of all members.

As we move into the New Year, I would like to assure you all of two important things. Firstly, that we – as the GEPF and GPAA – are working together to make sure that we are improving our levels of service delivery to all



members, pensioners and beneficiaries, and secondly, that the financial position of the GEPF is sound.

It is also important to make you aware that the Board is committed to act in the best interest of members, pensioners and beneficiaries in everything that we do now and into the future. Our aim is to serve quickly, efficiently and accurately at all times, as well as to make sure that the pension savings of South Africa's public servants are well-managed.

We hope that you had a very happy Festive Season and wish you and your family a prosperous New Year!

THE GEFP'S PERFORMANCE AND HIGHLIGHTS FOR 2010

The GEFP has completed its Annual Report and Financial Statements for the 2009/2010 financial year. We would like to present to you the highlights for this period.

Financial Performance

It was a good year for the GEFP on the whole, even though the markets were still not stable at the end of the global economic crisis. In this regard, we are happy to report that there was a 19, 72% return on investments, with the GEFP's investments totaling R798, 3 billion for the financial year ended 31 March 2010 – as compared to R641, 8 billion in the 2008/2009 financial year.

Along with the above returns, we would also like to highlight that the GEFP is one of the largest investors in the South African economy, with more than R790 billion invested in different types of investment throughout the country. Along with this investment, the GEFP has dedicated US\$250 million towards investment in the Pan African Infrastructure Development Fund (PAIDF), a fund that is aimed at contributing towards the improvement of Africa's infrastructure (such as development of the Main One Cable and other important developments for Africa). In this way, the GEFP works towards building South Africa and the African continent by providing funding where it is needed, while at the same time receiving good returns on its investments.

Although performance of our investments is satisfactory, there are some investments which did not perform well. The notable underperforming investment is with the unlisted investments where the values of the investment were reduced because of the reduction in the amount, quality or value of some of the investment's assets and this is known in finance as an impairment. This type of issue is not unusual and is, in fact, dealt with under the Generally Accepted Accounting Principles (GAAP) that the GEFP uses when putting together its accounts and financial statements. This type of "down" has been outweighed by the "ups" of other investments and so it is still clear that the GEFP's investments grew during the 2009/2010 financial year.

Operational Achievements

The GEFP's administration strives to constantly improve the quality of the services provided to clients by paying exit benefits correctly and on time. The GEFP has therefore put a great deal of effort into increasing administrative capacity that will promote the payments of benefits with speed and ease. During the period under review 61 615 exit benefits were paid compared to 54 386 in 2008/2009. Reducing backlogs in benefit payments remains a focus area, the GEFP reduced backlogs by 37% against a

target of 30 %. During 2008/09 the GEFP's accessibility was increased with Regional Offices in all provinces.

In order to improve service delivery, the GEFP has formed mutually beneficial relationships with Employer Departments. This strategic partnership educates Employer Departments on how to submit duly completed exit documents on time. Departments also receive timely feedback on cases and are coached on potential administrative pitfalls that may lead to delays in paying benefits. Through the deployment of the Client Liaison Officers' (CLO) programme, the GEFP has contributed greatly to ensuring that the officials responsible for pension affairs are well-versed with the Government Employees Pension (GEP) Law.

The GEFP has commenced with the administration modernisation project in partnership with SARS to enhance the administrative capacity and serve its members well.

THE SEPARATION – GEFP AND GPAA

In line with industry best practice the Board and the Minister of Finance have agreed to separate the administration component of GEFP from the Fund and create a government component which will be the administrator of the GEFP.

The implementation of this decision took place on 1 April 2010 where the administrator has been established in terms of the Public Service Act and will serve GEFP and National Treasury in respect of the post retirement medical subsidies and other programmes previously administered by the GEFP on an agency basis.

This new entity is known as the Government Pensions Administration Agency (GPAA) and the Fund will retain its original name of GEFP. The GEFP will be managed by the Board of Trustees as is currently being done while GPAA will fall under the Ministry of Finance

The offices where members and pensioners can access information and interact with the GEFP have not changed. The Head Office for services remains at 34 Hamilton Street in Pretoria – with the Regional Offices also staying the same. Postal addresses and telephone numbers will also stay the same. The GPAA will continue to provide all pension administration services on behalf of the GEFP, using the familiar channels already in place for that purpose.

The changes that have taken place and that will take place into the future will not affect pension benefits but will improve the service delivery of the pension fund. The change is for the better.

MAKE USE OF GEPF'S REGIONAL OFFICES

The roll out of the GEPF's Regional Offices in all nine provinces has increased the Fund's accessibility to its members and pensioners. These offices serve as a one-stop service centre for all GEPF services and provide members with the same quality of pension services as that offered by the Head Office in Pretoria.

The Regional Offices offer the following services:

- Life Certificates;
- Community building / outreach;
- Query resolution;
- Member tracing and investigation;
- Member education;
- Employer education and training;
- Solicitation of client feedback;
- Customer relationship management; and
- Case assessment and validation.

The Regional Offices are equipped with the following staff complement:

- A Branch Manager;
- Client Liaison Officers; and
- Customer Service Agents.

REDRESS FOR PUBLIC SERVICE EMPLOYEES WHO SUFFERED DISCRIMINATION BY GOVERNMENT PENSION FUNDS UNDER APARTHEID

As part of its contribution to the government's broad objectives on restitution and transformation, the Public Service Co-ordinating Bargaining Council (PSCBC), has embarked on the implementation of the final phase of the process to provide redress to public service employees who suffered various types of discrimination related to admission to pensions funds under apartheid.

The redress takes the form of compensation by recognising the non-contributory service as pensionable service for employees who were subjected to discrimination based, *inter alia*, on race, gender, marital status, employment status, including medical and physical status.

The redress will also recognise breaks in pensionable service for qualifying employees who were dismissed for participating in strikes in the former Transvaal and Natal Provincial Administrations for identified periods between 1987 and 1993. The abovementioned resolutions made provision for the establishment of a special fund by the Government Employees Pension Fund (GEPF) to finance the programme. To qualify for redress eligible employees should have been in service on 2 September 1998, the date on which the first resolution was adopted.

Members are urged to consult with either their Human Resources Department or the relevant provincial PSCBC task team to check if they qualify.

YOUR LIFE CERTIFICATE, THE KEY TO YOUR MONTHLY PENSION

Completing your Life Certificate on time is critical to ensuring that you receive your pension each month. Life Certificates are issued once a year to all pensioners so that the GEPF can confirm that they are still alive and should continue receiving a pension. The Life Certificate process is very important because it protects the GEPF and our members from fraud. It does this by giving us proof that we are paying pensions to the right people – retired government employees who contributed to the GEPF all their working lives. The Life Certificates enable us to keep track of our pensioners and ensure that we only pay pensions to living people.

When completing a Life Certificate, the pensioner must ensure that his or her personal particulars are correct and that a recently certified copy of the green bar-coded identity document is attached. The originally completed certificate and ID copy can be mailed to the GEPF or handed in at a Regional Office where, if the pension payment has been deactivated, it will be reactivated immediately.

It is also advisable for pensioners to provide us with a cell phone number which will be used to automatically notify him or her once the pension payment has been reactivated. Please note that the completed Life Certificate cannot be faxed to the GEPF as processing can only take place upon receipt of the original document.

FREQUENTLY ASKED QUESTIONS

Q: When I retired, I never received the unpaid leave owing to me from the GEPF. How do I go about claiming this benefit?

A: Please contact your employer as they deal with leave gratuities. These are not paid out simultaneously with your pension payout from the GEPF. The GEPF only handles pension-related matters.

Q: For the past few years I have received my pension at the Post Office. I need to change from the Post Office to a bank. How do I get my pension paid into my bank account?

A: Firstly, you need to open an account with any bank in your region. Then you need to complete a Z894 form (which is available from the GEPF's website, or the GEPF can fax, mail or e-mail it to you) and send the original to us. We will then deposit your pension into your bank account every month.

Q: When I die, what should my spouse or beneficiaries do to claim benefits payable to them?

A: Your family must complete all necessary documents relating to the death of a pensioner. These forms are available on the GEPF website, or they can be requested from the toll-free Call Centre (0800 117 669), and include the Spouse's Pension Application form (Z143).

Q: When does my spouse qualify for an annuity?

A: When you die in service and/or when the sum of your years of pensionable service and unexpired period of service is at least 10 years.

Q: How much will my spouse receive?

A: The spouse's annuity is half of the annuity that you would have received had you retired on the date of death. This annuity is based on the full potential service.

Q: What happens when I die within five years of retirement or discharge?

A: Your full annuity is guaranteed for five years after retirement. Therefore, should you die within this five year period, your beneficiaries or estate (if there is no beneficiary) will receive the balance of the annuity payments up to the end of the five-year period as a

cash lump sum. Please note that, should you remain alive, your monthly pension will be paid to you until you pass away.

Q: what happens when I die five or more years after my retirement?

A: The Fund will provide your spouse with an annuity of either 50% or 75% of the annuity you received before your death. The percentage will depend on the option you chose when you retired. Remember this option is only available to members who retired from 1 December 2002 and who are entitled to an annuity.

KNOW YOUR TERMINOLOGY

- 1. Annuity** – This is the annual income that may be received from the Fund after retirement or discharge. It is also referred to as a monthly pension because it will be paid in equal monthly instalments on or before the last or first day of each month.
- 2. Gratuity** – A lump sum payable when service is terminated
- 3. Defined benefit pension fund** – A defined benefit pension fund is a fund where the benefits are defined in terms of the rules. Benefits are generally guaranteed and are not dependent on the investment returns of the fund or on the level of employer contributions. In such funds the employer generally takes a risk of poor investment returns. The Government Employees Pension Fund is defined benefit fund.
- 4. Defined contribution pension fund** – A defined contribution pension fund is a fund where the benefits are mainly based on the sum of contributions plus investment returns. Benefits are dependent on the level of member and employer contributions as well as on the level of investment return. The member generally bears the risk of poor investment returns.

This section will be continued in the next edition of the *GEPF News* newsletter.

REPORT FRAUD

The GEPF's Fraud Hotline is up and running and we encourage pensioners, members and the community to use it to report any corruption, fraud or unethical conduct relating to pensions and the GEPF. Calls to the Hotline are free and callers do not have to give their names when reporting a matter.

The Fraud Hotline number is 0800 43 43 73 (0800 43 GEPF) and calls are answered 24 hours a day.

CORRUPTION
Your **NO** counts



UPDATE YOUR DETAILS

Please remember to send us your latest postal 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 will ensure that you receive your *GEPF News* newsletter regularly. Please keep in touch with us by calling our toll free number on 0800 117 669, by sending an e-mail to enquiries@gepf.co.za, or by visiting the GEPF Regional Office nearest you.

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From								
From								
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15. Attached documents (i).....
(iii).....

E. PARTICULARS OF DEPENDANTS

16: (a) Particulars of dependants (only in cases of re

Surname	Initials
SHUMANT	
NETHONONDA	S.
NDINI	A
TUWANI	L
PHATUWANI	
TELENI	

telephone number ()...
address of spouse/next of kin

Find a GEPF office near you:

Gauteng

Pretoria (Head Office):

34 Hamilton Street, Arcadia

Johannesburg: 2nd Floor, Lunga House,
124 Marshall Street (Cnr Marshall & Eloff – Gandhi
Square Precinct), Marshalltown

Limpopo

Polokwane: 87(a) Bok Street

Mpumalanga

Nelspruit: 19 Hope Street, Ciliata Building, Block A,
Ground Floor

KwaZulu-Natal

Durban: 8th Floor, Salmon Grove Chambers,
407 Anton Lembede Street

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

North West

Mmabatho: Office 4/17, Ground Floor
Mega City Shopping Complex

Eastern Cape

Bisho: No. 12, Global Life Building,
Circular Drive

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

Mthatha: Office 53, 2nd Floor, PRD Building, Sutherland
Street

Western Cape

Cape Town: 21st floor, No 1 Thibault Square,
Long Street

Northern Cape

Kimberley: 11 Old Main Street

Free State

Bloemfontein: No. 2 President Brand Street

Web address: www.gepf.co.za

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Pretoria, 0001

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