

Road shows

help GEPF reach out to members

GEPF pensioners and members living in and around Soshanguve in Gauteng flocked to the Falala Hall in their hundreds to spend Saturday, 7 March 2009, with senior GEPF managers and other representatives.

The highly successful Soshanguve road show was the first of many GEPF road shows that will be held around the country during 2009/2010. The aim is to take the GEPF's services directly to members and pensioners in the comfort and convenience of their own communities.

Judging by the turnout at the Soshanguve event, the road shows are generating lots of excitement among GEPF members and pensioners. By eight o'clock on the morning of the road show, the spacious Falala Hall was already proving to be too small and was packed with members eagerly waiting for the proceedings to start.

Members and pensioners who attended the Soshanguve event spent a fruitful day interacting and exchanging ideas with GEPF representatives, who were out in force. They also had the opportunity to update their personal details and to fill in beneficiary nomination forms. This one-stop service was provided by the GEPF's Client Liaison Officers, who were on site all day with their laptops and were able to resolve most queries on the spot.

Road shows will be held throughout South Africa in the coming months and pensioners will be informed well in advance about when the GEPF road show will be visiting their area. We look forward to seeing you there!

How to contact us

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NB: Please take note that toll-free numbers, as listed in all Regional Offices, are routed to the GEPF Call Centre at Head Office in Pretoria. Regional offices are Walk-in Centres that Members/pensioners can visit during office hours.

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Increases help protect pensioners against inflation

By saving money in the good times, the GEPF Board of Trustees has taken care of the tough times. On 1 April 2009, all GEPF pensioners received pension increases aimed at helping them to combat the effect of inflation.

If you retired on or before 1 April 2008, your pension was increased by 9%. If you retired after 1 April 2008, you received 0.75% for every month between the date of your retirement and 31 March 2009.

Over and above the basic increase, the GEPF has also paid catch-up increases to pensioners whose monthly pensions had lost value since their retirement because of inflation.

Letters have been sent to all GEPF pensioners, advising them of the Board of Trustees' decision to increase pensions as from 1 April 2009.

G E P F news

OUTSTANDING PERFORMANCE IN THE BEST NEWSLETTER CATEGORY OF THE ANNUAL COMMUNICATION CHALLENGE BY INSTITUTE OF RETIREMENT FUNDS

Newsletter for pensioner members of the Government Employees Pension Fund

MAY 2009

2009 Trustee Elections Update

The election of a Pensioner Representative Trustee to the GEPF Board of Trustees is a major event that happens once every four years. Here is a step-by-step guide to the 2009 election process:

Notice of the election:

Eligible voters were informed during December 2008 of the upcoming election and requested to nominate candidates to stand in the election. The notice appeared in all major national and regional newspapers as well as the Government Gazette. Pensioners were also informed via an election notice that was posted to them and via an extensive radio campaign to ensure that eligible voters were well informed.

Nomination of candidates:

From 5 January to 13 February 2009, GEPF pensioners had the opportunity to nominate their candidates for the election. A total of 30 candidates met the nomination criteria and were therefore eligible to stand as candidates.

Objection period:

Pensioners were asked to urgently notify the Electoral Institute of Southern Africa (EISA) if they wanted to object to any of the candidates nominated. The objection period opened on 23 February and closed on 27 February 2009.

Voting Process:

EISA posted voting packs to all eligible voters. The voting process commenced on 1 April 2009 and closed on 15 May 2009. Voting took place via postal ballot.

Counting the votes:

The ballot papers were counted and the provisional results were declared between 18 and 20 May 2009. The provisional results were published on the websites of the GEPF's and EISA. Pensioners were able to raise any objections about the declared results between 20 and 21 May 2009.

Listening to your language choices

Thank you to all pensioners who responded positively to our request for advice on which language you would prefer to receive your newsletter in.

We are currently evaluating and auditing the number of requests about preferred language. In the process, we are updating your personal information, including your language preference, on our database. This is part of a major GEPF project to update and clean the personal and contact information of all our members and pensioners.

As an interim measure, you will still receive the English version of the newsletter and all members who have indicated a language of preference will receive a second copy. This will be a plain black-and-white version of the newsletter in the language of their choice.

We will inform you of the outcome when the data cleaning project and the auditing process have been finalised to ensure that we end up with a cost-wise measure.

Please keep on sending those requests so that we can update our database urgently!

Board of Trustees exists to protect your interests

Do you know who takes all the decisions about GEPF pension matters? The answer is the GEPF Board of Trustees, which represents members, pensioners and employer departments.

The current Board of Trustees has 16 members, consisting of eight employer representatives and eight member representatives.

The eight member representatives consist of:

- One pensioner member, who is voted onto the Board by fellow

pensioners in a fair, independent election process.

- One person elected by members employed by the uniformed services.
- Six employees elected by the labour representatives on the Public Service Co-ordinating Bargaining Council.

The Rules of the GEPF provide that the term of office of a trustee, including the uniformed services member trustee and his/her substitute, must be elected every

four years to serve on the Board. Four years has passed since the first pensioner member trustee and substitute were elected. This is why all GEPF pensioners were asked to take part in the 2009 election process.

To ensure fairness and independence of the election process, the Electoral Institute of Southern Africa (EISA) was appointed to manage the election process.

In the next issue we will be covering the new Board members and their responsibilities.

GOOD QUALITY CLIENT INFORMATION

WILL REDUCE PAYMENT DELAYS AND ERRORS

How you can help

Together with this newsletter, you have received an Information Collection Form. This form contains the 11 pieces of critical information (called 'key fields') that we need about you. Please read and complete the form and then post it back to us.

Doing this will not only help us to improve our service but will put you in line to win a fantastic prize.

See enclosed form

provide exceptional service to our stakeholders.

The better the quality of information the GEPF has about our pensioners, the better the quality of service we can provide. Improved pensioner information will:

- Minimise delays in paying out benefits
- Reduce the incidence of incorrect payments being made
- Improve our communication with pensioners.

Why QPID matters

QPID is expected to correct many of the problems we are currently experiencing with pensioner

information. With more than 311 000 pensioners, it is a major challenge for the GEPF to keep our pensioner information relevant and up to date.

To make sure that we have the best possible information, the QPID team has identified all pensioners whose personal information is dated or incomplete. The next step is to make direct contact with these pensioners through the GEPF contact centre.

We urge pensioners who are contacted to help us verify their personal details. Remember, the better the information we have about you, the better the service that we can deliver to you.

Critical information about our pensioners

There are 11 critical pieces of information that the GEPF needs to have about each pensioner. This information consists of each person's:

- Surname
- Initials
- Full name
- Pension number
- ID number
- Date of birth
- Gender
- Tax number
- Telephone number
- Cell phone number
- Postal address

Remember your Life Certificate

Unfortunately many pensioners realise too late that their monthly pension payment has been suspended because the GEPF has not received their Life Certificate and a certified copy of their ID in time. Please protect your interests by renewing your Life Certificate before it expires.

The Life Certificate system was introduced in 1995 to enable the GEPF to keep track of deaths among its pensioners. This was necessary because, in some cases, deaths were not being reported in time by the next of kin and curators. The result was pension overpayments that were difficult to recover, causing a loss to the GEPF.

To overcome this problem, the GEPF issues life certificates once a year to every pensioner. The certificates are issued three to four months before the date of expiry. On receiving this certificate, the pensioner concerned fills it in and returns it to the GEPF, together with a certified copy of their ID. The GEPF then makes sure that the person's pension is activated for another 12 months.

Failure to return the life certificate before the expiry date results in the suspension of the person's pension payments. The payments can only be reinstated after the GEPF receives that pensioner's completed life certificate and a certified copy of the ID. In these cases, the pensioner will also receive the amounts that were not paid during the period of suspension.

Since the introduction of the Life Certificate system, there has been a marked decline in the number of overpayments and the pensioner membership roll is constantly updated.

GEPF REMAINS SOLID AND SOUND

Contrary to recent media reports that the Public Investment Corporation (the organisation which manages the GEPF's assets) lost some invested money last year as a result of the worldwide economic turmoil, the GEPF as a Fund remains solid and sound. The PIC manages the GEPF's assets against a benchmark that has been set by the Trustees. Relative to this benchmark, the PIC has performed well. The GEPF continues to strive for a good investment performance; however, it is important to note that the risk inherent to investment is carried by the employer and not the member. This is because the GEPF is a Defined Benefit Fund.

What is a Defined Benefit Fund?

Defined Benefit (DB) Fund

In a DB Fund, the benefit payable upon exit from service by the fund is defined in the rules of the fund. Normally this takes the form of an actuarial pension accrual factor multiplied by the years of pensionable service (i.e. the years the member contributed to the

fund) multiplied by his or her pensionable salary (which in the case of the GEPF is defined as the average pensionable salary for the last 24 months of contribution) for contribution purposes.

The ultimate benefit payable as per the rules of the fund is guaranteed, and not dependant on investment returns attained.

The balance of cost, should there be a shortfall to fund liabilities, vests in the sponsoring employer. As per the provisions of Section 31 of the Government Employees Pension Law, the State and the employer are the sponsoring employers to the GEPF and responsible for the balance of cost.

This means that the benefits provided by the GEPF are not influenced by market conditions and investment return earned by the fund because the investment risk vests in the sponsoring employer and not the member.

As can be seen from the explanation provided, the GEPF being a DB pension fund offers the member of the fund the security (guarantee) that the benefit payable will always, despite economic condition or fluctuations in investment returns, be the same and based on the relevant benefit formula applicable to the reason for exit from the fund.

Making the world a better place through socially responsible investment

GEPF pensioners will be proud to know that their pension fund is a leader in South Africa in promoting socially responsible investment. It seeks to encourage companies to strike a balance between profits and being socially responsible, and to actively manage their environmental impact while maintaining high levels of corporate governance standards. This is the message from Mr John Oliphant, the GEPF's Head: Investments and Actuarial.

"This is a new era that puts demands on both investors and companies alike to ensure that the world becomes a better place," says

Mr Oliphant. "The GEPF is committed to playing its part in ensuring that this happens."

As part of the GEPF's contribution towards a better society, it has joined hands with the JSE by assisting with the review of its Socially Responsible Investment (SRI) index.

The SRI index is used to assess how socially responsible South Africa's top listed companies are. Specifically, it looks at how well these companies care for the environment, how socially relevant they are and how seriously they take good corporate governance.