

G E P F *today*

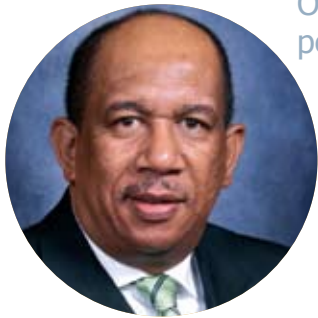


OUTSTANDING PERFORMANCE IN THE BEST NEWSLETTER CATEGORY OF THE ANNUAL COMMUNICATION CHALLENGE BY INSTITUTE OF RETIREMENT FUNDS

Newsletter for active members of the Government Employees Pension Fund

DECEMBER 2009

The GEPF is solid, safe and well managed



Mr Martin Kuscus
Chairperson of the Board of Trustees
until 19 June 2009

On behalf of the Board of Trustees, I am proud to report to our members on the performance of the Fund for the year ended 31 March 2009.

As I reported in the previous year, the Board believes in using the fruits produced in good times to make provision for the bad times. For this reason, we had planned ahead for an economic slow-down by setting aside R42 billion to counter market volatility and R57 billion as a pension increase reserve.

This approach proved its value during the year under review: the Board was able to maintain its record of awarding annual pension increases that largely compensate our pensioners for the effects of inflation.

Pension increases awarded

For the April 2009 adjustments, we approved a pension increase of 9% for pensioners who retired on or before 1 April 2008, while those who retired after 1 April 2008 received 0,75% for each month from the date of retirement to 31 March 2009. We also

addressed the position of pensioners whose annuities had fallen below the amount paid at retirement by paying catch-up increases. These pensioners received increases of up to 10,5% to compensate for the impact of inflation since their retirement.

The Board of Trustees also reassured members and pensioners that the Fund continued to be financially stable. Like the rest of the investment community, the GEPF's investments were affected by the economic downturn, with the value of net assets under management amounting to R639 billion in March 2009 compared to R707 billion in March 2008. However, at no time was the Fund's stability in question, nor was there any prospect of pension benefits being adverse-

ly affected. We made it clear that the Fund is solid and safe, and that members' benefits are guaranteed.

We also followed through on our promise to change the structure of the GEPF to improve our ability to serve members and pensioners. The change will result in a split between the fiduciary (governance) functions and the pension administration functions. This is in line with best practices in the pension fund industry worldwide.

Best practices introduced

The first step towards this change was taken on 1 June 2008, when the Board of Trustees appointed the Principal Officer, the Head of Investments and Actuarial and the Head of

Our latest annual report: read all about it

At the end of November 2009, the GEPF published its annual report for the financial year ending on 31 March 2009. For the convenience of our members, this issue of GEPF Today carries some important highlights from the annual report, including the message of the Chairperson of the Board of Trustees. Members who would like to read the full annual report can download the report from the GEPF website at www.gepf.co.za.

Wishing all our members a joyous festive season and prosperous new year!

Legal and Compliance, as well as the Executive Secretary to the Board. Led by Ms Maemili Ramataboe, the Principal Officer, this team is assisting the Board to ensure that all laws and regulations are fully complied with, investment mandates monitored and met and governance and oversight improved.

Going forward, an important function of the Principal Officer's team will be to monitor the service level agreement that will apply to the activities of the pensions administration component once established. This agreement, which will be finalised in 2009/10, will contain service delivery targets for pensions administration, including turnaround times for processing and paying benefits.

During the year under review, the Board of Trustees began preparing for the end of its four-year term of office, making way for the establishment of the new Board during 2009/10.

I can say with confidence that the incoming Board will inherit a Fund that is financially sound, well managed and has responsible investment policies.

Meet the Principal Officer



Ms Maemili Ramataboe
Principal Officer

On 1 June 2008, the Board of Trustees appointed the Principal Officer of the Fund, Maemili Ramataboe, together with the Head: Investments and Actuarial, John Oliphant, the Head: Legal and Compliance, Joelene Moodley, and the Head: Executive Secretariat to the Board of Trustees, Adri van Niekerk.

This team will assist the Board in meeting its fiduciary and oversight obligations by acting in the best interests of members and pensioners at all times.

In the next newsletter we will tell you more about the Principal Officer, her team and their responsibilities.

Newly appointed Chairperson of the Board



Mr Arthur Moloto

On 19 June 2009, the four-year term of office of the first GEPF Board of Trustees came to an end and, on 22 September 2009, the Minister of Finance inaugurated the new Board.

The newly elected Chairperson, Mr Arthur Moloto, said: "On behalf of my fellow members of the Board, I extend sincere appreciation to our predecessors for their stewardship of the Fund and the strides taken in their four-year term to place the GEPF on a path towards becoming a role model in the international pension fund environment."

New Board members take their seats in GEPF

On 22 September 2009, the Minister of Finance inaugurated the new GEPF Board of Trustees, whose four-year term of office will run until September 2013. In line with the Government Employees Pension Law, the Board consists of 16 Trustees, led by an elected Chairperson and Vice Chairperson.

Each Trustee has an elected/appointed substitute, ensuring that their constituencies are fully and properly represented at all times. The Trustees on the Board inaugurated in September 2009 were:

Nominated by the employer

Name	Name
Trustee	Substitute Trustee
Ms M Mbina-Mthembu	Ms R Rashikhinya
Mr K Govender	Ms V Vumendlini
Mr A Moloto	Ms VM Rennie
Mr S Padayachee	Ms G Modise
Dr ML Ledwaba	Mr J D Griesel
Ms M Moses	Mr Z J Sithole
Ms C Khuzwayo	Mr E Masilela
Ms F Petersen	Mr J Andrew

Nominated by employees

Name	Name
Trustee	Substitute Trustee
Mr P Badal	Ms P Mogotsi
Mr S Tshabalala	Mr T Ntola
Mr H Murray	Mr S Mataitsane
Brigadier General A L de Wit	Ms II Mahlwele
Mr RED Williams	Mr MP Sello
Mr M Kwinika	Mr J Matam
Mr P Mngconkola	Mr D Bout
Dr F le Roux	Mr H Koekemoer

CEO committed to service excellence for clients

We made a concerted effort to take our service nearer to our clients.



Mr Phenias Tjie
Chief Executive Officer

Our commitment to achieving greater client satisfaction through improved service delivery was the main theme at the GEPF during 2008/09. It was the golden thread that ran through our operations, from the collection of contributions to the payment of benefits and client interaction.

In total, we collected R30,4 billion in contributions from members and employers during the year, and paid out benefits worth R28,6 billion. Monthly pension payments accounted for the bulk of benefits paid, 59,5%, followed

by withdrawal benefits, death benefits and gratuities.

One of our biggest challenges is timely payment of benefit claims. Although we have made significant progress, we need to work hard in the coming financial year to ensure that we pay benefit claims within the prescribed period to avoid paying interest and ensure that our members are not socially and economically inconvenienced.

We have entered into partnerships with employer departments to ensure that in future we will be able to cooperate to pay benefits claims on time.

In 2008/09, we made a concerted effort to take our service nearer to our clients by increasing the GEPF's footprint from four to eight provinces.

To interact with our members, we introduced outreach programmes such as community roadshows. Our first community roadshow was held in Soshanguve near Pretoria in March 2009. We also took part in major exhibitions such as the Pretoria Show, and teamed up with community radio stations for a series of live broadcasts for members and pensioners.

For the benefit of employers, we assigned dedicated client service advisors to government departments where demand for pension administration services is high, and appointed client liaison officers to make regular visits to other departments.

For pensioners, we launched an SMS service to communicate on life certificates matters.

In another important service delivery step, we started implementing a programme to improve the quality of data we have about our clients. This programme is expected to correct many of the problems currently experienced with poor-quality or outdated information, which can cause delays or errors in processing claims and making payments.

The GEPF ended the year on a sound footing, determined to be a best-in-class Fund, offering exceptional service and value.

Meet your Trustees



The new Board of Trustees was officially inaugurated by Mr Pravin Gordhan, Minister of Finance (seated fifth from left), accompanied by Mr Nhlanhla Nene, Deputy Minister of Finance (front, fourth from left). At the inaugural meeting, Mr Arthur Moloto (seated, third from left) was elected as Chairperson of the Board and Mr Prabir Badal (middle row, sixth from right) as Vice Chairperson.

Board is responsible for protecting your interests

In the previous issue of GEPF News, we promised to tell you more about what the GEPF Board of Trustees does.

In a nutshell:

The Board is responsible for protecting the interests of GEPF members and pensioners.

The Board does this by making sure that the GEPF is properly and efficiently managed, in line with the Government Employees Pension (GEP) Law and Rules.

Some of the most important tasks of the Board of Trustees are to:

- Make sure that sound controls are in place to protect the assets of members and pensioners.
- Set the GEPF's investment policy and monitor the way that GEPF funds are invested.
- Communicate with members and pensioners about their pension fund rights, benefits and duties.
- Appoint suitable personnel to manage the GEPF's investments and administer pensions and other benefits.
- Keep proper financial records of all money received and spent by the GEPF, make sure that the annual financial statements are properly audited, and report once a year to Parliament on the GEPF's financial and administrative performance.
- Appoint an actuary to value the Fund and make sure that valuations take place at least every three years.
- Decide on the salaries and conditions of service of everyone employed by the GEPF.

GEPF roadshows a hit with MEMBERS

Since the first, highly successful member roadshow in Soshanguve in Gauteng in March 2009, GEPF has held four other roadshows across the country. To date, the GEPF has engaged members at Mafikeng in the North West, Polokwane in Mpumalanga, Galeshewe in the Northern Cape and Botshabelo in the Free State.

Judging by the turnout and response by members, the roadshows proved to be beneficial in addressing member inquiries in providing general information

about the Fund.

Roadshows will continue to be held throughout South Africa in 2010 and members will be informed well in advance when the GEPF visits their area.

We would like to thank all members who have attended our roadshows so far.



ANNOUNCEMENT: GEPF opens a new office in Kimberley

By opening an office in Kimberley in the Northern Cape, the GEPF has created a presence in all nine provinces of South Africa. This nationwide footprint is a key part of the Client Relationship Strategy of improving service delivery and accessibility. Kimberley office was opened on 1 October 2009 by GEPF Chief Executive Officer Mr Phenias Tjie.

The new office is situated a stone's throw away from the internationally acclaimed Big Hole at 11 Old Main street in Kimberley.

To locate the GEPF's other provincial and satellite offices, please check on 'How to contact us' in this newsletter.

Fraud hotline is up and running



Good Ethics Prevent Fraud - Play a fair game!

The GEPF has introduced a hotline number that pensioners, members and the community can use to report any form of pension corruption, fraud or unethical conduct. Calls to the hotline are free and callers do not even have to give their names when reporting a matter.

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

All calls are treated as strictly confidential and callers may remain anonymous if they choose. To give callers peace of mind when reporting fraud, GEPF has appointed auditing firm KPMG to operate the fraud hotline independently. The hotline is run from a secure location and the hotline operators have been trained to ensure the identity of callers is protected.

To contact the GEPF fraud hotline, please follow the steps as set out below:

1. Dial **0800 43 43 73** 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.
3. You will be given a reference number. Keep this confidential as you will need this number if you make a follow-up call (call at a later date to add additional information to the original report) or feedback call (call at a later date to request feedback on the original call).

You may also fax details anonymously to a confidential fax line (also operated by KPMG). Should you wish to use this method, please include as many details as possible, including that the report is about the GEPF. Faxes may be sent to **0800 200 796**

Details can be posted free of charge to the following address:

KPMG Hotpost, BNT371, P.O.BOX 14671, Sinoville, 0129

Information can also be e-mailed anonymously to the following address: ethicsline@kpmg.co.za

GEPF urges you to use the toll-free number to report any incidents of fraud, corruption or unethical practices. **Do not be a silent observer of practices that erode the very values we wish to uphold.**

ASSIST GEPF TO COMBAT FRAUD, CORRUPTION AND UNETHICAL BEHAVIOUR.

Please take note that no pension fund queries can be attended to on the Fraud line. Instead, any pension queries should be directed to the GEPF call centre 0800 117 669 or by visiting any GEPF office.

DON'T WAIT TILL IT'S TOO LATE; PREPARE NOW FOR YOUR RETIREMENT

Members who are going on retirement are urged to notify their employers of their exit at least six months in advance. This will give both the employer and the GEPF enough time to process all the documents.

Please note that members must complete the following forms when they retire:

- Z894 (Bank Form) – To be completed by the bank.
- Copy of barcoded ID document – Must be certified (certification stamp must not be older than 6 months).
- Retirement Choice Form – To be completed only if the member is married and has more than 10 years of pensionable service.
- Z864 (Updating of personal particulars) – Only applicable if the member has more than 10 years' pensionable service.
- Certified copies of the marriage certificate, birth certificate and ID documents of children.
- Z583 (Medical Subsidy Form) – Only applicable if a member wants to continue receiving the medical subsidy.

(Members qualify if they have 15 years' pensionable service, have contributed for at least one year and have a medical membership certificate).

- Medical Choice Form – Applicable if a member has more than 10 years of service, has been making contributions for at least one year and produce a medical membership certificate.
- If retiring before the age of 60, an approval letter is needed.
- WP 1002 Nomination Form.

Forms to be completed by your Human Resources department:

- Z102 – Withdrawal form or exit request
- These must be verified and co-signed by your HR department.
 - ◊ Z583
 - ◊ Medical Choice Form
 - ◊ Retirement Choice Form
- Additional information required:
 - ◊ Last pay slip
 - ◊ Proof of service termination (Persal print out)

Members are advised to sort out outstanding debts with the employer to avoid certain debts being deducted from their pension fund.

Tax issues with SARS should also be sorted with SARS. Members earning more than R60 000 must be registered as taxpayers.

It is also important for a member to confirm his or her starting date as a GEPF member by submitting documents such as pay slips to the HR department (the employer has this on record).

Please note that the employer has to submit the application forms to the GEPF three months before the member's exit date.

Competition winners announced

Congratulations to the winners of our Good Quality Client Information Competition. The competition was held as part of the GEPF's appeal to members to complete and return the Information Collection Forms sent out earlier this year. The response from our members was excellent, and will help the GEPF to improve the quality of information we have about our clients. Good-quality client information is important because it reduces delays and errors in paying out benefits.

The competition ran from August to December 2009. The winners had a choice of three prizes, namely a digital camera, a cell phone or a grocery hamper.

Winners for the month of July 2009:

- Vivian Kolokolo, Molaoa Mokhele, Marry Motebele, Sylvia De Vries, Freddie Vaax, Puoetsile Lobese, Hendrik Burger and Caroline Msomi.

Winners for the month of August 2009:

- Vuyani Kali, Deliwe Dlamini, Ockert Brits, Mamogoane Mosoane, Makupa Sehlako, Tomeletso Mase, Matlhodi Itumeleng, Isabelle Tupper and Thekla Marcus.

GEPF is still to announce the winners of September, October, November and ultimately December.

Remember to update your personal details

HOW TO CONTACT US:

GAUTENG PROVINCE

GEPF HEAD OFFICE
Fax: (012) 326 2507
GEPF Private Bag X63
Pretoria, 0001
34 Hamilton Street
Arcadia, Pretoria

(JOHANNESBURG SATELLITE OFFICE)

2nd Suite, 2nd Floor
Lunga House
124 Marshall Street c/o Eloff
Gandhi Square Precinct
Marshalltown

MPUMALANGA PROVINCE(NELSPRUIT)

32 Bell Street
Caltex building
(Ground Floor)
Nelspruit

LIMPOPO PROVINCE

(POLOKWANE)
87(a) Bok Street
Polokwane

NORTH-WEST PROVINCE(MAFIKENG)

Office no 4/17
Mega City
Mmabatho

EASTERN CAPE PROVINCE(BISHO)

12 Global Life House
Circular Drive, Bisho

(EAST LONDON SATELLITE OFFICE)

Room 54,8th floor
PRD Building Sutherland street
Umtata

(PORT ELIZABETH)

Ground Floor Kwantu towers
market square
Port elizabeth

WESTERN CAPE PROVINCE(CAPE TOWN)

No 1 Thibault Square
(21st Floor) Cape Town

FREE STATE PROVINCE

(BLOEMFONTEIN)
No 2 President Brand Street
Bloemfontein

KWAZULU-NATAL PROVINCE

(PIETERMARITZBURG)
Brasfort House
(3rd Floor)
262 Langa Libalele Street

(DURBAN SATELLITE OFFICE)

Salman Grove
8th Floor
407 Smith Street
Durban

NORTHERN CAPE PROVINCE

(KIMBERLEY)
11 Old Main Street
Kimberley

GEPF CALL CENTRE NUMBER: Please note our call centre number 0800 117 669 applies to all our offices

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