

G E P F news



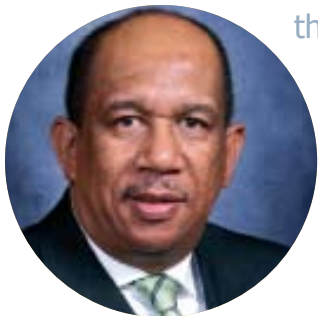
OUTSTANDING PERFORMANCE IN THE BEST NEWSLETTER CATEGORY OF THE ANNUAL COMMUNICATION CHALLENGE BY INSTITUTE OF RETIREMENT FUNDS

Newsletter for pensioners of the Government Employees Pension Fund

DECEMBER 2009

Board of Trustees keeps its promises to pensioners

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



Mr Martin Kuscus
Chairperson of the Board of Trustees
until 19 June 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 adversely 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 Legal and Compliance, as well as the Executive Secretary to

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 pensioners, this issue of GEPF News carries some important highlights from the annual report, including the message of the previous Chairperson of the Board of Trustees. Pensioners 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 pensioners a joyous festive season and prosperous new year!

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.

Improving service delivery

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. Part of this involves holding elections for the pensioner member Trustee. The election process began in December 2008, when the Board invited pensioners to nominate their candidates.

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.

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.

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		Nominated by employees	
Name	Name	Name	Name
Trustee	Substitute Trustee	Trustee	Substitute Trustee
Ms M Mbina-Mthembu	Ms R Rashikhinya	Mr P Badal	Ms P Mogotsi
Mr K Govender	Ms V Vumendlini	Mr S Tshabalala	Mr T Ntola
Mr A Moloto	Ms VM Rennie	Mr H Murray	Mr S Mataitsane
Mr S Padayachee	Ms G Modise	Brigadier General A L de Wit	Ms II Mahlwele
Dr ML Ledwaba	Mr J D Griesel	Mr RED Williams	Mr MP Sello
Ms M Moses	Mr Z J Sithole	Mr M Kwinika	Mr J Matam
Ms C Khuzwayo	Mr E Masilela	Mr P Mngconkola	Mr D Bout
Ms F Petersen	Mr J Andrew	Dr F le Roux	Mr H Koekemoer

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.

Pensioners represented on Board of Trustees

All key decisions about GEPF pension matters are taken by the Board of Trustees, which has 16 members. Eight of these members represent the government as the employer and eight represent GEPF members and pensioners.

Of the eight Trustees representing members and pensioners, six are chosen by the labour representatives on the Public Service Coordinating Bargaining Council. The other two are a pensioner member and a uniformed services member, both of whom are elected. The pensioner Trustee is voted onto the Board by GEPF pensioners in a postal ballot.

The pensioner Trustee on the new Board is Dr Frans le Roux. His Substitute, who will attend any meetings that Dr le Roux is unable to attend, is Mr Hennie Koekemoer. Both were elected by their fellow pensioners in the election that took place in April and May 2009.



All key decisions about GEPF pension matters are taken by the Board of Trustees

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.
- Communicate with members and pensioners about their pension fund rights, benefits and duties.
- 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.
- Set the GEPF's investment policy and monitor the way that GEPF funds are invested.
- Appoint suitable personnel to manage the GEPF's investments and administer pensions and other benefits.
- 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 PENSIONERS

Since the first, highly successful pensioner roadshow in Soshanguve in Gauteng in March 2009, GEPF has held four other roadshows across the country. To date, the GEPF has engaged pensioners 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 pensioners, the roadshows proved to be beneficial in addressing pensioner inquiries in providing general information

about the Fund.

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

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



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.

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.**

Your language preferences matter to us

Thank you to all pensioners who have told the GEPF about their language of preference. The GEPF asked for this information as part of our request to pensioners to update all their personal details. Owing to the large number of forms received, we are still busy evaluating and auditing the responses and hope to complete this in the near future.

In the mean time, you will continue to receive the English version of the newsletter and all pensioners who have indicated another language of preference will have access to a second version. This will be a plain black-and-white copy of the newsletter in the language chosen. It will be posted on our website and can also be e-mailed to pensioners who request this.

When the data cleaning and auditing process has been finalised, we will notify all pensioners about the outcome of the language preference exercise. The aim is to ensure that we end up with a cost-effective measure of printing the newsletters.

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

Please send your life certificates to us in time

Many pensioners still wait until the last minute to post their life certificates to the GEPF. This is a problem because late arrival of a life certificate could lead to pension payments being temporarily stopped. Please help us avoid this by sending in your life certificate in time, taking into account the possible postal delays that may be experienced.

The life certificate was introduced to confirm existence of our pensioners. This is necessary because, in some cases, deaths are not being reported in time by the next of kin and curators. This results in pension overpayments that are difficult to recover, causing a loss to the GEPF. Failure to submit the life certificate unfortunately results in the suspension of pension payments.

When sending in your life certificate, please remember to always submit the original copy and a certified copy of your ID with the required information. We thank all pensioners who have submitted their life certificate in time.

Look out for your pensioner card

In our quest to deliver the best possible service to our pensioners, GEPF is in the process of issuing new-look pensioner cards. These pensioner cards are expected to be in the post as from January 2010. You should produce your pensioner card when visiting GEPF offices, and will also be able to use your card to apply for pensioner discounts where applicable.



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 pensioners to complete and return the Information Collection Forms sent out earlier this year. The response from our pensioners 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 no4/17
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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