



# GEPF NEWS

Newsletter for pensioner members of the Government Employees Pension Fund

Issue 20 June 2008

## SHARE our dream

**T**he number 2008 rhymes with "great" and this year has certainly been living up to its promise. In the first quarter we've had a great amount of blackouts; great food and petrol price increases; and two great interest rate hikes ...

Despite these challenges, GEPF still predicts a great year for its members. We've already laid down the cornerstones for a solid future:

- our assets now stand at R719 billion, reflecting the stability of our Fund;
- critical positions have been filled to strengthen our management structure and enhance our efficiency;
- the Board has approved a 7% increase for pensioner members from 1 April 2008);
- our Board of Trustees are receiving training on an ongoing basis to equip them better to manage your retirement fund, and
- we are working on introducing an anonymous fraud hotline to further enhance good corporate governance.

But, that's not all. Some major transformation initiatives are being undertaken to make GEPF a place where people want to work and where members are proud to be associated with us.

- A Client Information Quality Analysis study in February 2008 was the first step towards achieving our goal of a comprehensive, consolidated approach to data management throughout our organisation. We need accurate information on our members so that we can improve our performance and become more client-centric.
- A Service Delivery Improvement Plan is in place for the next three years and will address, among others, data quality initiatives so that we achieve optimum efficiency and effectiveness.



*CEO of GEPF, Phineas Tjie: "Excellent service delivery becomes a reality".*

We're also reaching out further to be closer to our members. In May 2008 we appointed Client Liaison Officers who will be visiting our members in government departments. Members can also visit regional offices in Polokwane, Mafikeng and Bisho, where they can meet our people and have their queries resolved.

We have even more exciting developments in the pipeline, among them being a benefit statement so that members can see their pension benefit.

Members of GEPF should feel the benefits shortly as our dream of excellent service delivery becomes a reality.

**Phineas Tjie**  
CEO: GEPF

## The divorce ruling

Last year an amendment to the Pension Funds Act stipulated that when a couple divorces, the non-member spouse may claim his or her share of the pension interest **immediately** upon divorce and not only when the member spouse exits the pension fund.

However, **this does not apply to members of the GEPF.**

The Pension Funds Act of 1956 does not apply to the GEPF and therefore the aforementioned amendments to the Pension Funds Act will not impact on GEPF members.

If any of our members are getting divorced, the possible division of the pension interest will be governed by the Government Employees Pension Law, 1996, and the Divorce Act of 1979, which provides that any portion of the pension interest awarded to the non-member spouse **"shall be paid by that fund to that other party when any pension benefits accrue in respect of that member"**.

This means that a non-member spouse will only receive his/her share of the pension interest when the contributing member's pension benefit accrues, thus when he/she exits the pension fund.

### IMPORTANT LEGAL NOTE:

The GEPF is bound by the Divorce Act of 1979. It is not bound by, nor authorised by the Pension Funds Amendment Act of 2007, to pay benefits awarded to the non-member spouse in a divorce order, before the date on which the pension benefit accrues to the member in terms of the GEP Law and its Rules.

## POETIC SESSION

### The Senses of Beauty

By Moosa Patel

*Beauty is a vision which the eyes behold  
Beauty is a sound which the ears are told  
Beauty is a flavour which the tongue does taste  
Beauty is a joy which never goes to waste*

*Beauty is something special we admire so much  
Beauty is a feeling experienced by every touch  
Beauty is a perfume, an aroma or a scent  
Beauty is a poem for appreciation meant*

*Beauty is common courtesy, politeness displayed  
Beauty is a lady, the fairest flower God made  
Beauty is wisdom, conveyed by kindest word  
Beauty is our environment created by our Lord*

## WHAT DO YOU THINK?

Your opinions and comments are important to us, so please send your views and suggestions to:

The Editor  
GEPF NEWS  
Private Bag X63  
Pretoria  
0001

or

Email: communication@gepf.co.za

## NO PENSION PAYOUT No way! BEYOND 2010?

Recent newspaper and electronic reports have been misleading members by saying that members of pension funds will not be able to access their accumulated benefits after 2010 and will get a "government pension" instead.

### This is not true!

The Board of Trustees wishes to reassure all members that their pension fund is secure and that they should not worry about these inaccurate reports.

# We're taking a stand

(against fraud, corruption, theft and any form of maladministration)

**G**EPF has zero tolerance for fraud, corruption, theft and any form of maladministration. We are entrusted with our members' life savings and are bound – morally and by law – to protect these to the best of our ability.

The GEPF Forensic and Fraud Prevention Management Unit has been working, and is continuing to work, with external service providers and law enforcement agencies, such as the South African Police Service and National Prosecution Authority, to fight fraud, corruption and theft in GEPF. Several incidents, worth millions of rands, have been identified, resolved, detected, and investigated. Some individuals have been prosecuted while others are facing disciplinary measures.

Prevention is better than cure and the GEPF embraces whistle-blowing principles and high standards for ethical behaviour. A designated GEPF fraud hotline is in the pipeline and this will enable everyone to anonymously report suspicious conduct or behaviour.

### The Forensic and Fraud Prevention Management Unit

This unit's focus is to provide a fraud-free environment within the GEPF. It ensures that fraud, theft and corruption in GEPF is detected, investigated and prevented.

The Unit's focus is on four key areas:

- Financial fraud;



- Application fraud;
- Lifestyle audits, creditworthiness and financial capability; and
- Financial interests and disclosure fraud.

The GEPF practices good corporate governance by having mechanisms, and resources, in place to control, prevent and investigate suspicious behaviour. Our aim is to be fraud-free in the administration of benefits.

### The Internal Audit Unit and Risk Management Unit

As a GEPF management tool, this unit will regularly review and assess the environment, which includes employees, processes, systems and potential risks. The administration performance will be checked against corporate governance and agreed policies or related legislation.

Anything that has the potential to have an adverse effect and expose the GEPF to risk will immediately be reported to the Audit Committee.

## What type of fund is the GEPF?

GEPF is a defined benefit fund where benefits payable are defined in terms of the formulae set out in the rules. Benefits are thus guaranteed and are not dependent on the investment returns of the Fund or on the level of employer contributions.

## FUNERAL BENEFITS RAISE GRAVE CONCERNS

In our October 2007 issue we featured an article on funeral benefits, which raised number of questions from our members. Should you need more information, please send an email to [funeralbenefits@gepf.co.za](mailto:funeralbenefits@gepf.co.za) or send a letter for the attention of:

GEPF Funeral Benefits  
Private Bag X63  
Pretoria  
0001

# Update your Life Certificate – it is your lifeline

**L**ife Certificates keep us in contact with our pensioners and beneficiaries. It is therefore important that you update your Life Certificate so that we know that you still exist and we can ensure that your pension gets to you.

The Life Certificate has a twelve-month cycle. The GEPF system generates these forms when there are still three payments due, to allow enough time to correct any problems before the next cycle falls due. If you respond immediately, the system immediately activates your Life Certificate and prevents your monthly pension from being suspended.

However, if you only complete your form on the due date, misplace the form or forget to complete it,

you will lose out on the next pension payment cycle. Please include a certified copy of your Identification Document (certified within the last six months) with the completed form. GEPF then verifies the ID document on the Home Affairs system to match your record on the population register. If there are discrepancies you will get an error letter advising you on how to fix your record. In most cases, information on the submitted ID copies does not match the population register.

**IMPORTANT:** Please update your life certificate as soon as you receive it. We wouldn't want you to miss out on your pension benefit. To ensure you get our SMS updates in future, please update your details on the back page.

## PIC vs GEPF What's the difference?

The Public Investment Corporation (PIC) is very important to all GEPF members: it invests your pension funds. In turn, GEPF is its largest client and your funds account for more than 90% of the assets that the PIC manages.

The PIC is an investment company wholly owned by the South African Government. In 1994, South Africa broadened the role of the PIC and in 1996, for the first time, it started investing in instruments corporate bonds, listed equities and property.

On 1 April 2005, PIC became a corporation, completing its transformation into a modern asset manager operation. The PIC is the only investment manager that focuses exclusively on the public sector.

PIC invests funds on behalf of 35 public sector entities that operate provident, social security and guardian funds. In 2007 GEPF entrusted assets worth R719 billion to PIC to manage on behalf of its members.

**NEXT ISSUE:** We look at how your funds are invested.

## WHO WILL BENEFIT WHEN YOU DIE?

You may nominate any person to receive your pension benefits when you die. This person need not be a dependant or relative, and you can also nominate a charity, a trust or your estate as a beneficiary.

**How to do this:** Complete the Nomination of Beneficiaries Form – WP1002. Phone our call centre to help you – 0800 117 669.

**Important:** A Will is not regarded as a Nomination Form, so please complete the form above.

If your circumstances change, please don't forget to review your beneficiaries.



# Don't lose touch: Update your details

We don't want you to lose out on good service and good news, so please ensure we have your latest contact details.

**Complete the form alongside and send the changes to:**

Employee Benefits Membership  
Private Bag X63  
Pretoria  
0001

**or send an email to:**

**membership@gepf.co.za**



**UPDATE YOUR CONTACT DETAILS HERE:**

Name:	
ID No:	
Pension/Persal/Persol/Employee:	
Telephone number:	
Second option number:	
Email address:s	
Cell phone number:	
Latest postal address:	
Latest physical address:	

**IMPORTANT:** Please remember to include your full name, Identity number and Pension number.

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## IMPORTANT CONTACT DETAILS

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### REGIONAL OFFICES

**Bisho**                      **Call Centre:**                      **0800 117 669**  
 Physical Address:                        Shop No. 12  
    Global Life Building  
    Circular Drive

**Mafikeng**                **Call Centre:**                      **0800 117 669**  
 Physical Address:                        Mega City  
    West Gallery  
    Second Floor

**Polokwane**              **Call Centre:**                      **0800 117 669**  
 Physical Address:                        87(a) Bok Street, Polokwane

**Looking for more information?**

Visit our website at [www.gepf.gov.za](http://www.gepf.gov.za)