



# GEPF TODAY

Newsletter for active 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.

## FREQUENTLY ASKED QUESTIONS

**Q** My finances are in a crisis. Can I borrow R10 000 from the GEPF? I need this for my family.

**A** Unfortunately, the GEPF may not lend money to any member. There are no provisions for loans in the Rules. You cannot withdraw or borrow money from the Fund while remaining in service of your employer.

**Q** What type of fund is the GEPF?

**A** 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.

## NO PENSION PAYOUT BEYOND 2010? No way!

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;

## 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



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

The GEPF practises 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 DO YOU THINK?

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

**The Editor**  
GEPF TODAY  
Private Bag X63  
Pretoria  
0001

or

**Email:** [communication@gepf.co.za](mailto:communication@gepf.co.za)

# Resigning? Look after your benefits

When you resign, you can choose to have the proceeds from the GEPF Fund paid into your account or transferred to another fund. Here's what to do:

### OPTION 1: I want the benefits paid into my account:

- Let the HR department know you have resigned.
- Produce a certified bar-coded copy of your newest ID or valid passport.
- Have your employer sign an original once-off irrevocable resignation choice form.
- Complete an original bank form (Z894) in black ink pen (Section A, C and D). Funds can only be paid into your personal account and not to a third party, or into home loans, joint accounts and credit cards.
- Sort out outstanding debts with your employer and give written consent that the money can be deducted from your pension benefits.
- Ensure that any tax issues with SARS are sorted out.
- Confirm your starting date by submitting documents, such as payslips, to your HR department.
- If your surname is different to that on your ID or passport, you need a letter from the Department of Home Affairs to confirm your surname, or a marriage certificate.
- If you are divorced, submit the decree of divorce and settlement agreement.

If the agreement states that an amount is payable to your ex-spouse we also need a bank form and a certified copy of your ex-spouse's ID. A divorce form Z102 must also be submitted.

### OPTION 2: I want the benefits transferred to another approved fund:

- Let the HR department know you have resigned.
- Produce a certified bar-coded copy of your newest ID or valid passport.
- Have your employer sign an original once-off irrevocable resignation choice form.
- A broker must complete an original Z1525 form.
- The benefit can only be transferred to an approved fund, such as a Retirement Annuity or Preservation fund. The benefit cannot be transferred to a Provident fund.
- If you transfer money to a Preservation fund, first settle all outstanding debts with your employer.
- Ensure that your signature is consistent on each form.

All forms are available from our call centre – 0800 117 669 – or from your HR department.

## 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](mailto:membership@gepf.co.za)



UPDATE YOUR CONTACT DETAILS HERE:

Name:	
ID No:	
Pension/Persal/Persol/Employee:	
Telephone Number:	
Second option number	
Email address:	
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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For any Pension and Benefits queries contact :

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 Physical Address: 34 Hamilton Street  
 Arcadia, Pretoria  
 Postal Address: Private Bag X63, Pretoria 0001

### 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)