

## MEET THE 'NEW' GEPF!



John Oliphant  
Acting Principal Officer

As part of our branding exercise and in tandem with the Board of Trustees' vision, "To be a role model for pension funds worldwide", I am pleased to inform you that the Government Employees Pension Fund (GEPF) now boasts a new corporate identity (look and feel). This new identity was officially unveiled in parliament on 2 May 2012 and is effective immediately.

GEPF is a public interest entity governed by the Government Employees Pension (GEP) Law of 1996. It is therefore not part of the state and is not allowed to use the Coat of Arms as its corporate logo. Accordingly, our branding exercise has culminated in

a 'new' GEPF which is represented by our new logo and corporate colours (as can be seen in this new-look newsletter).

### About the new logo

The logo (shown in the top left corner of this newsletter) depicts a strong sense of community, ownership and sharing of wealth. This fits well with GEPF's core business as custodians of a significant portion of public servants' retirement wealth.

The structure of the logo is portrayed as a tree. Trees, with their long life spans, are symbols of long-term growth, vitality and sustainability. They are able to weather all seasons and storms, and all manner of natural adversity. The tree in the new logo is not specific to any species, thereby enhancing the universal appeal of the design for a broad spectrum of the population in the public service.

The colours (burnt orange, olive green, sandstone, medium slate and dark slate) are warm, inviting, accommodating and majestic.

The colours appeal to pensioners and high-flying investors alike, and suit the positioning of GEPF in the marketplace as the largest pension fund in Africa whose assets (above R1 trillion) make up a third of the South African gross domestic product.

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## ONCE-OFF CHOICE: INCREASING THE SPOUSE'S PENSION TO 75%

When a GEPF pensioner passes away, his or her lawful spouse is entitled to a spouse's pension of 50% of the pensioner's monthly pension. Currently, active members who retire from government service are allowed to increase their spouse's pension from 50% to 75% by reducing their monthly pension or cash lump sum payment.

Many current GEPF pensioners were not offered this option. However, with effect from 1 April 2012, the Board of Trustees has amended the rules to allow all current GEPF pensioners a once-off opportunity to reduce their current monthly

pension in order to increase their spouse's pension from 50% to 75% in the event of their death.

If current pensioners would like to change their monthly pension and take up this option, a request for quotation or choice form can be requested from the GEPF Call Centre or from any GEPF Regional Office.

Letters have been sent to pensioners informing them of this change and the effect it will have on their pensions. Where all information was available, an indication of the change was

shown, otherwise a Request for Quotation form was attached.

### How to increase your spouse's pension

If pensioners want to take up the option of increasing their spouse's pension and decreasing their monthly pension, a completed choice form must reach GEPF before 1 September 2012.

This is a once-off opportunity to choose a reduced monthly pension in favour of an increased spouse's pension.



## ERRATUM

The CPI used for the calculation of the pension increases was 4,8% and not 6,1% as presented in the previous newsletter.

Pensioners have up to 1 September 2012 to choose to increase their spouse's pension from 50% to 75%, as opposed to the 1 June 2012 deadline that was mentioned in the previous newsletter.

Sincere apologies are extended for any confusion or inconvenience caused by these errors.

## EXTENDING THE FUNERAL BENEFIT TO GEPF MEMBERS AND PENSIONERS

GEPF pays a once-off cash lump sum for the funeral of a deceased member, pensioner and his or her qualifying spouse and children.

A benefit of R7 500 (which is subject to tax) is payable for the funeral of a member, pensioner and the spouse of a member (or deceased member). Members and pensioners are able to claim R3 000 (which is also subject to tax) for the funeral of eligible children.

An eligible child is the child of a member or pensioner (living or deceased) who is a minor under the age of 18 years or a student

between the ages of 18 and 22 years and/or a disabled child. (More details on what makes a child eligible are available on GEPF's website and from Regional Offices.)

In the past, this benefit was only available to active members and those who became pensioners on or after 1 December 2002. The Board of Trustees has decided to extend this benefit to those pensioners whose pension started before 1 December 2002, on condition that the pensioner was still alive on 1 April 2012.

The Funeral Benefit Claim form (form Z300) is available on GEPF's website or from any GEPF Regional Office.

The instruction sheet for completing this form contains the details of the documents that must accompany the application, as well as who is covered and who can claim. Other information that may be required is also listed.

These applications can be posted to GEPF, handed in at a Regional Office or faxed to 012 319 3655. Payment can either be made to a bank or Post Office of your choice.

## What are unclaimed benefits?

The Pension Fund Act defines an unclaimed benefit as a benefit from a retirement fund that has become legally due and payable, but has not been paid for a period exceeding 24 months. Although GEPF has its own law (the Government Employees Pension Law), the Fund uses the same definition as a best practice guideline.

Benefits may be unpaid for a number of reasons, for example:

- No claim is received to pay such benefits;
- A tax directive is declined by SARS due to the member's tax affairs not being in order;
- Benefits paid are returned to GEPF due to incorrect banking details and dormant or frozen bank accounts, among others; and
- GEPF does not have sufficient information, for example, about the deceased member, potential spouse(s) or beneficiaries, to facilitate a claim to such a benefit.

Although GEPF does everything in its power to pay benefits to the rightful member or beneficiary, it cannot always do so in the absence of the necessary information.

In addition to the current efforts that GEPF makes to trace beneficiaries, it has also started educating and informing members about unclaimed benefits and how they can assist in ensuring that these benefits are paid to their rightful owners. GEPF will also use the services of tracing agents to identify the rightful beneficiaries.

### How can you assist?

Current members and pensioners can assist by ensuring that their personal information and contact details are regularly updated with the Fund.

In addition, members and pensioners need to ensure

that they submit the necessary Nomination of Beneficiaries form (WP1002) to the Fund, and ensure that this form is updated as and when required.

Members and pensioners must also ensure that their tax affairs with SARS are in order at all times. Failing to do so will result in GEPF not being able to obtain a tax directive to effect payment when a benefit is claimed.

Members and pensioners are also advised to educate their dependant(s) about the benefits to which they may become entitled in the event of the member or pensioner passing away, as well as how to go about claiming such benefits.

Former members, or dependants of former members, who suspect that a potential benefit is payable to them are urged to contact GEPF.

## MEET THE 'NEW' GEPF! (Continued from page 1)

### About the payoff line

GEPF's new payoff line is "your investment, your future". It emphasises the point of ownership by GEPF's active members and pensioners, and indicates that their association with the Fund is an investment in their future.

### Brand roll-out campaign

Please be on the lookout for GEPF's exciting media campaign in the next couple of months as we will

be rolling out our brand strategy. In addition, GEPF's brand new website is set to go live in August 2012. For the latest news about these and other developments, watch this space!

### Concluding thoughts

On behalf of the Board of Trustees and executive management of GEPF, I look forward to working with our members and pensioners in making GEPF one of Africa's trusted brands.

Best regards,



John Oliphant  
Acting Principal Officer



## Frequently Asked Questions (FAQs)

**Q: When I die, how are my benefits distributed and how can I be sure that all my beneficiaries get their rightful share?**

A: When you die, a once-off lump sum benefit will be divided between your nominated beneficiaries in the proportions indicated on your Nomination of Beneficiaries form (WP1002). In addition, a pension is payable to your spouse and not to the other nominated beneficiaries. It is therefore important to nominate beneficiaries and to keep your Nomination of Beneficiaries form (WP1002) up to date; this form is available on GEPF's website or from the Regional Office nearest you. This form ensures that GEPF is aware of how you would like to allocate your death benefits.

**Q: What happens if I die within five years of retiring?**

A: If you die within five years of retiring, GEPF will pay the rest of your monthly pension payments for the five-year period to your beneficiaries as a cash lump sum.

For instance, if you retired two years ago and were receiving a monthly pension of R5 000 when you died, we would then pay three years' worth of pension payments to your beneficiaries. This would work out to R180 000 (R5 000 x 36 months = R180 000). Likewise, if you were to die one year after retiring, we would pay four years' worth of benefits, and so on.

Over and above this, your spouse will also receive a monthly spouse's pension (spouse's annuity) from the first month after your death.

**Q: Who may receive a spouse's pension?**

A: The spouse's pension is a monthly pension or annuity and is only paid to the spouse or life partner of the member who has died. It is not paid to other beneficiaries who may have been named in the Nomination of Beneficiaries form (WP1002). It is a lifelong pension and does not stop if the spouse remarries.

If you die with more than one spouse, then the spouse's pension will be divided equally among the spouses who are left behind.

**Q: Can I lend money from GEPF against my pension?**

A: Unfortunately, no loans allowed! GEPF does not lend money to any member or pensioner. The rules of the Fund do not make provision for any loans.

# GEPF'S INVESTMENT IN SANRAL IS SAFE



GEPF has been inundated with queries from members and pensioners expressing concern about media reports on the Fund's R15.7 billion investment in the South African National Roads Agency Limited (Sanral). The reports suggest that this investment is not safe as a result of the suspension of e-tolling on Gauteng freeways as per the North Gauteng High Court interdict.

As GEPF, we would like to assure our members and pensioners that their investment in Sanral is safe, based on the facts given below.

## **Here are the facts...**

GEPF invested in Sanral at a company level and not in the Gauteng Freeways Improvement Project. It is therefore incorrect to assume that Sanral will not be able to meet its financial

obligations as a result of the suspension of the e-tolling project. Importantly, Cabinet recently appointed Deputy President Kgalema Motlanthe to lead a team of ministers who will work out a plan to help Sanral meet its financial obligations to its creditors, which include GEPF, amongst others.

Secondly, GEPF's investment in Sanral makes up only 1.5% of the overall portfolio of more than R1 trillion worth of assets under management. This is indicative of the Fund's portfolio diversification strategy, which is useful in minimising investment risk. Through the diversification strategy, the Fund ensures that its eggs (investments) are spread across many baskets, instead of one basket. This helps to minimise risk and keep the pension savings of public servants safe.

## **GEPF is a defined benefit fund**

GEPF is a defined benefit fund, which means that member benefits, including the retirement benefits of millions of people who have spent the better part of their working lives in government service, are guaranteed. This guarantee is written into the rules governing the Fund and applies regardless of the investment performance of the Fund's underlying assets. In a defined benefit pension fund, investment risk is borne by the employer (government) and not the employee (the public servant).

Members of GEPF therefore face no particular investment risk as a result of GEPF's investment in Sanral and have been adequately protected by the rules governing the Fund and its portfolio diversification strategy.

## REPORT FRAUD!

GEPF's fraud hotline is running at full steam and we encourage members, pensioners and the community at large to use it to report any corruption, fraud or unethical conduct relating to pensions and GEPF.

Calls to the hotline are free and callers do not have to give their names when reporting a matter.

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

## UPDATE YOUR DETAILS

Please remember to let us know about your latest postal address and contact details, including your cell phone number, so that we can stay in touch with you. This will assist us in processing your benefits efficiently and effectively and will ensure that you continue to receive your *fundnews* newsletter regularly.

Our toll free Call Centre (0800 117 669) will assist you with updating your contact details; alternatively you can send an email to [enquiries@gepf.co.za](mailto:enquiries@gepf.co.za), or visit the GEPF Regional Office nearest to you.

## DO YOU LIKE THE 'NEW' GEPF?

Please let us know if you like GEPF's new corporate identity by sending us your comments. The best letter or email will be published in the next edition of *fundnews* and the author will win a GEPF-branded pen.

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

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