



WHAT ARE THE IMPLICATIONS ON THE SPOUSE'S PENSION IF ONE RE-MARRIES?

PAGE 2



GEPF'S FUNDS ARE INTENDED FOR MEMBERS AND BENEFICIARIES ONLY

PAGE 3



WHAT ARE THE CRITERIA FOR MEDICAL SUBSIDY APPROVAL?

PAGE 4

GEPF keeps lights on

The Government Employees Pension Fund (GEPF) continues to make a huge difference across various sectors of the South African economy. One key industry which plays a critical role in the economy is energy production. Investments in this industry have primarily focused on the purchase of bonds from Eskom, which generates coal-based power.

With the introduction and the increasing uptake of renewable energy projects, GEPF, represented by the Public Investment Corporation (PIC), has made significant investments in this area. To date, GEPF has provided funding for the construction and, ultimately, the commissioning of renewable energy projects in various provinces such as Limpopo, the Northern Cape and the Eastern Cape. The majority of these projects are in the Northern Cape and vary from solar to wind-powered electricity generation.

GEPF and PIC teams went on site to visit two solar energy projects in the sunny Northern Cape province. These investments contribute to the socio-economic development of the areas in which they are based, whilst generating financial returns for GEPF.

Sites that were visited were:

Bokpoort

Bokpoort is a 50 megawatt (MW) concentrated solar power (CSP) plant in the Kheis Municipality. At this CSP, solar energy is converted into electrical energy using a solar field of

parabolic-trough collectors, a thermal energy storage system based on molten salts and a steam cycle with a net capacity of 50 MW for electricity generation. Using a field of parabolic rough collectors, the solar radiation is concentrated onto a tube containing heat transfer fluid (HTF). The energy from the HTF is transferred to a steam generation system and the generated steam is used in a conventional Rankine cycle, which then generates electricity through a single steam turbine generator set. Bokpoort can store energy for over nine hours – meaning it can still export energy to the grid after sunset.



The monitoring room at Bokpoort. Here, personnel monitor the optimal performance of the plant to see how much energy is being generated and fed into the national grid.



Solar Capital is a 175 megawatt photovoltaic (PV) plant located in Phillipstown in the Karoo District Municipality, Northern Cape. It uses solar panels to absorb and convert sunlight into electricity. The electricity is fed into Eskom's electricity grid. Unlike CSP, PV plants can only produce electricity when the sun is shining.



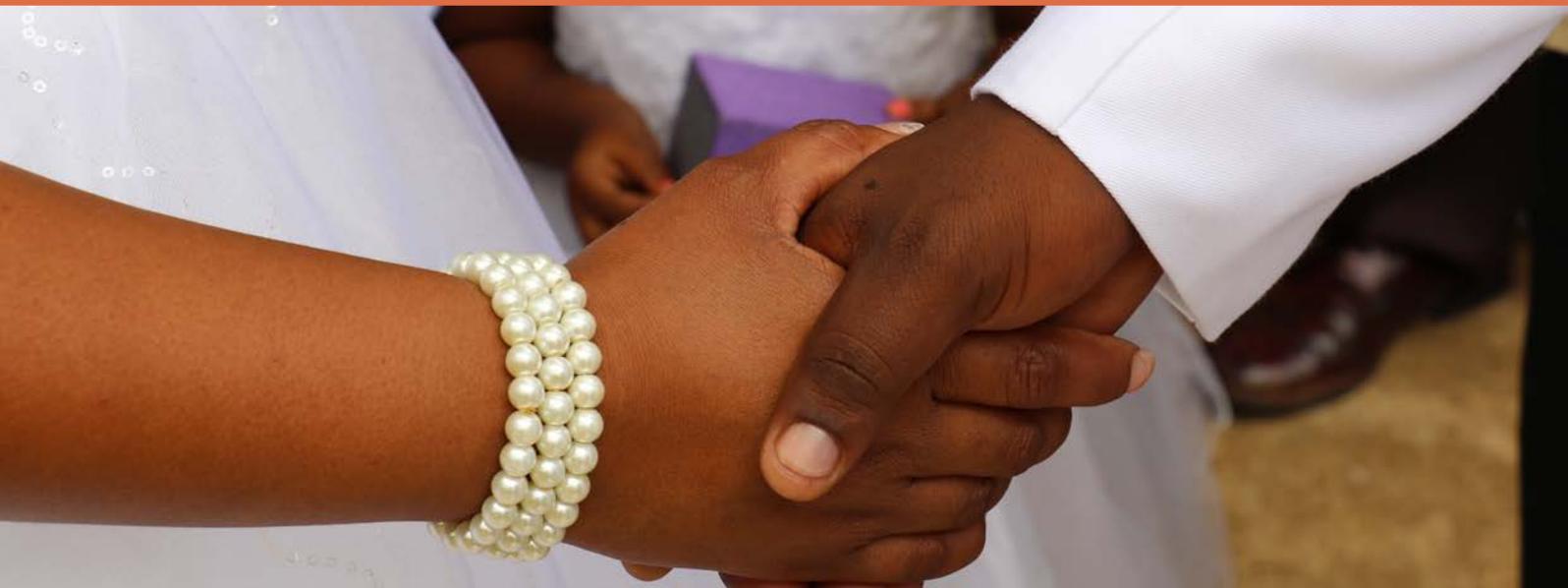
The delegates listening to an explanation of how a photovoltaic (PV) power plant generates and stores power. PV panels can be seen in the background.



Delegates inspecting the PV power plant at Solar Capital.

Commenting on her impressions following the visits, member of GEPP's Board of Trustees and GEPP beneficiary, Barbara Watson said: "There is enormous pressure in the country and around the world to generate power through renewable energy, which is considered unaffordable. However, we as GEPP believe in setting an example for other institutional investors, particularly pension funds, to follow suit in a new approach to invest in renewable energy and for the consideration of ESG factors when making investment decisions."

What are the implications on the spouse's pension if one re-marries?



A spouse's pension is only paid to the spouse or life partner of a member or pensioner who has died. This is a life-long pension and does not stop if the spouse remarries. If a member dies with more than one surviving customary spouse, then the spouse's pension will be divided equally among the surviving spouses.

However, it must be noted that a spouse's pension is not paid to other dependants or beneficiaries who may have been named in the Nomination form. If the main member dies without a spouse or a life partner, there is no money in the form of a "spouse's pension" to be distributed to the member's children or any other beneficiaries.

GEPF has received queries from members who think that, since they are not married, a benefit in the form of a spouse's pension must be distributed to their surviving children in the event of their death. The spouse's pension is an added-value benefit to be enjoyed by a surviving spouse and members do not contribute to it. In other words, over and above the lump sum paid to your beneficiaries when you die, your spouse or life partner may qualify for a monthly pension after you pass away at no extra cost to you.

“Spouse” refers to a person who is the permanent life partner or spouse or civil union partner of a member in accordance with the Marriage Act, 1961 (Act 68 of 1961), the Recognition of Customary Marriages Act, 1998 (Act 68 of 1997), or the Civil Union Act, 2006 (Act 17 of 2006), or the tenets of a religion.

To avoid any delay in paying this pension after your death, you need to register your spouse or life partner with GEPF as soon as possible.

To register your spouse or life partner, you need to give your human resources department a certified copy of one of these documents:

- Your marriage certificate from the Department of Home Affairs;
- Your customary union certificate;
- Lobola letter / agreement;
- Your civil union certificate; or
- A certificate confirming your Asiatic (e.g. Hindu or Muslim) marriage, or marriage in terms of any other religion.

GEPF IS FINANCIALLY STABLE AND SOLID

Since the inception of GEPF almost 21 years ago, GEPF's membership – active members and pensioners – and its asset value have grown exponentially. Over the past 21 years the monthly pension received by our pensioners has also grown substantially because of consistent annual pension increases.

GEPF continues to be Africa's largest pension fund. We have more than 1.2 million active members, over 400 000 pensioners and beneficiaries, and assets that are worth more than R1.6 trillion. This places GEPF amongst the most stable and reliable pension funds in the world.

GEPF's benefits to its members are guaranteed as defined in the Government Employees Pension (GEP) Law and rules, which is why GEPF is called a defined benefit fund. We have a solid track record in safeguarding the value of members' retirement wealth and in protecting our pensioners against inflation. Simply put, the value of money to be paid out does not

only depend on how well the economy is performing. GEPF pensioners are guaranteed their monthly pension until they die. There is no risk of being informed that your monthly pension money has run out; your monthly pension is guaranteed for life.

Our job as GEPF is to give members and pensioners peace of mind about their financial security after retirement. We do this by making sure that all funds in our safekeeping are responsibly invested and accounted for, and that benefits are paid out efficiently, accurately and on time.

Moreover, every April GEPF pays pension increases that largely compensate our pensioners for inflation and, where necessary, we pay catch-up increases. Actuarial valuations of the Fund are conducted at least every three years to ensure that our finances are always well managed. According to the latest valuation, undertaken as at 31 March 2014, GEPF is more than 100% funded.



GEPF's funds are intended for members and beneficiaries **ONLY**

GEPF's Principal Executive Officer, Abel Sithole, has assured members of the Fund that its assets are intended for members only. He stressed this point at the Commission of Inquiry into Higher Education and Training following unfounded rumours that money in the unclaimed benefits account could be used to fund higher education. GEPF would like to re-iterate that the funds in its care are only intended for the benefit of its members, pensioners and beneficiaries – as is stated in the Government Employees Pension (GEP) Law and rules.

In terms of the current law of the land, as well as the GEP Law and rules, these funds will remain in GEPF as unclaimed until the member or beneficiary has been traced. Unclaimed funds will not be used for funding higher education or any other initiative.

"GEPF adheres to strict regulations governing its financial liability to members, beneficiaries and pensioners, as well as its financial soundness. These rules govern how GEPF benefits must be paid and cannot be contravened," says Sithole.

The pension industry as a whole is faced with unclaimed benefits and GEPF is no exception. Unclaimed benefits refer to all cases where more than 24 months have lapsed since an identified benefit became legally payable but, due to a lack of information from the beneficiary, employer or the member, the payment cannot be successfully effected. The benefit thus remains in the Fund until the qualifying claimants come forward to claim or are successfully traced.

WHO DECIDES WHAT BENEFITS A MEMBER GETS?

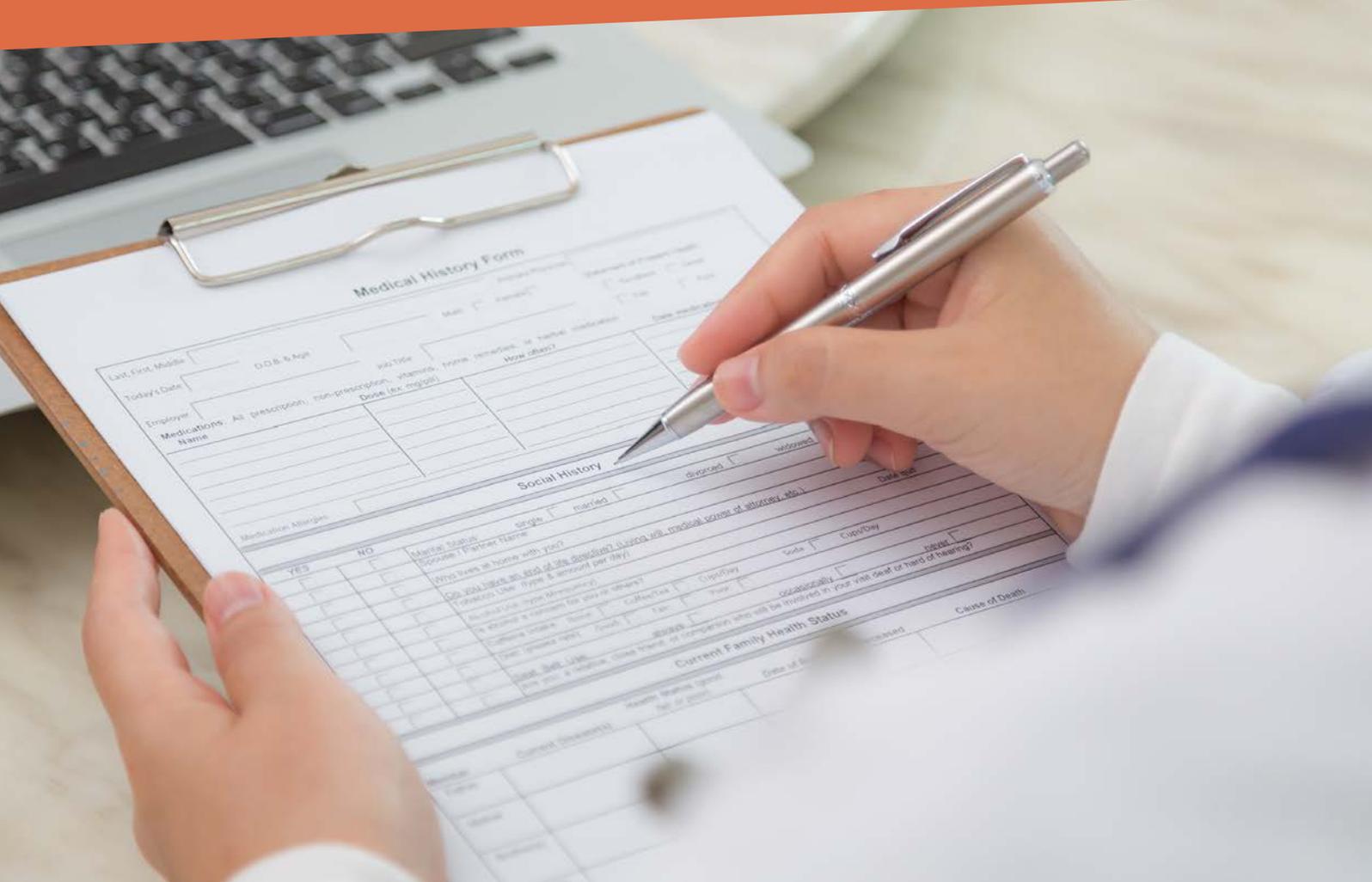
All benefits due to a member / pensioner are included in the Government Employees Pension (GEP) Law. All GEPF benefits are defined in the GEP Law and rules, which is why GEPF is called a defined benefit fund. The advantage of belonging to a defined benefit fund is that your benefits are not determined by your contributions or the performance of the fund's investments.

There are very clear rules about the benefits members are entitled to, as well as when and how these benefits can be claimed – and who can claim them. These rules are important because they ensure that the right people receive the right payments at the right time.

The GEP Law may only be amended by Parliament. The rules regarding benefits may only be amended after talking to the Public Service Co-ordinating Bargaining Council (PSCBC) or other relevant bargaining structures.

As a member, you are entitled to benefits on the occasion of your resignation, discharge or retirement. Beneficiaries are also entitled to the payment of a lump sum in case you die in service or within five years after your retirement. A spouse's pension is also generally payable if you are married and die in service or at any stage of retirement.

WHAT ARE THE CRITERIA FOR MEDICAL SUBSIDY APPROVAL?



A government employee may qualify for a medical subsidy benefit which is intended to help cover his or her medical aid contributions during retirement. In order to qualify for this benefit, an employee / member must have been the main member of a recognised medical aid scheme for the last 12 months without a break before going on retirement.

The value of the medical benefit the pensioner receives depends on the length of his or her service.

15 or more years of actual service:

A pensioner will receive a monthly medical aid benefit for the rest of his or her life. This also applies to a member who left work with 10 years of service and was discharged due to ill health.

Less than 15 years of actual service:

A pensioner will receive a once-off medical benefit. The amount will depend on whether a pensioner has less than 10 years or less than 15 years in service.

In the event of the death of a main member pensioner, his or her dependant spouse will continue to receive the same subsidy percentage that the main member pensioner was receiving. This only refers to a spouse who was dependant on the main member pensioner at the date of his or her death, thus it does not cover the surviving children.

PLEASE NOTIFY GEPF WHEN CHANGING ADDRESSES



Please notify GEPF of your change in physical or email address to ensure that your details are captured correctly into our systems. If you are relocating overseas, note that we will send your Life Certificate to your overseas address. You can then complete the form and return the original to us. You can also fax a copy of the completed Life Certificate to us before mailing it for your peace of mind.

Contact us on 0800 117 669

DO YOU KNOW WHERE TO FIND US?

CLIENT SERVICE CENTRES

Gauteng: Trevenna Campus Building 2A, corner Meintjes and Francis Baard streets, Sunnyside, Pretoria

Eastern Cape: No. 12 Global Life Centre, Circular Drive, Bhisho

Free State: No. 2 President Brand Street, Mangaung

KwaZulu-Natal: 3rd Floor, Brasfort House, 262 Langalibalele Street, Pietermaritzburg

Limpopo: 87 (a) Bok Street, Polokwane

Mpumalanga: Shop No. 5, Imbizo Place, Samora Machel Street, Mbombela

North West: Mmabatho Mega City, Office No. 4/17, Ground Floor, Entrance 4, Mahikeng

Northern Cape: 11 Old Main Road, Kimberley

Western Cape: 21st Floor, No. 1 Thibault Square, Standard Bank Building, Long Street, Cape Town

SATELLITE OFFICES

Johannesburg: 2nd Floor, Lunga House, 124 Marshall Street (corner Marshall and Eloff streets - Gandhi Square Precinct), Marshalltown

Port Elizabeth: Ground Floor, Kwantu Towers, Sivuyile Mini-Square, next to City Hall

Mthatha: 2nd Floor, PRD Building, Sutherland Street

Durban: 8th Floor, Salmon Grove Chambers, 407 Anton Lembede Street

Phuthaditjhaba: 712 Public Road, Mandela Park Shopping Complex

Thohoyandou: 2010 Centre, Next to Phalaphala FM (SABC)

Rustenburg: Tlhabane House, Unit A2221, Tlhabane Unit 1

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