



Death in Service

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## 1 | How does one apply for early retirement?

Early retirement of members of the GEPF is regulated by their applicable conditions of service. Like with other GEPF pension benefits, it is important to note that also your retirement benefits will largely depend on the number of years of your pensionable service.

If you retire with less than ten years of pensionable service, you will only qualify for a gratuity, which is a once-off lump sum paid to you. However, if you have more than 10 years of pensionable service, you will qualify for an annuity and a monthly pension until death.

An employee in the public service can choose to retire any time between the ages of 55 and 60. This can only happen if there



written permission from the employer, which also explains to a member the penalties that will be incurred because of early retirement.

To claim for Early Retirement Benefits, your Human Resources (HR) department will need the following documents:

- A correct and completed Z102 form.
- A correct and completed Z894 form.
- A correct and completed Z583 form in a case where a member is a member of a medical aid scheme for the last 12 months of service.
- A letter of approval for early retirement, signed by the member's Head of Department.
- A certified copy (not older than six months) of the member's identity document.
- A correct and completed Retirement Choice form.

After all the necessary documents are submitted, it is the responsibility of the Human Resources department to submit the completed forms to the GEPE.

Please Note: Government has introduced an initiative to allow public servants to apply for early retirement without penalties. Interested public servants should enquire with their human resources units, not with the GEPE.

## 2 | Death in service



If an active member dies in service, a death benefit is payable to the beneficiaries of the deceased or if there are no beneficiaries, to the estate of the deceased. The beneficiaries may be the nominated beneficiaries and/or the dependents of the deceased. If a member dies with more than ten years of service, the lawful surviving spouse of the deceased may also qualify for a spouse's pension for the rest of their life.

In the event that a member dies with less than ten years of service, the Fund

will pay a gratuity, which is a once-off lump sum to the beneficiaries, and the surviving spouse will not qualify for a spouse's pension. If the deceased member was not married or do not have a life partner, such spouse pension cannot be paid/ transferred as this is an added benefit which members do not contribute towards.

If the deceased member was on medical aid for an unbroken period of twelve months, had more than fifteen years of service and the surviving spouse was a dependent on the medical aid

at time of death, the surviving spouse will qualify for a medical subsidy when they become a principal member of a medical aid, for the rest of their lives. This is on the provision that the surviving spouse remaining a principal member of a medical aid.

However, if the deceased member was younger than 50 years and had more than fifteen years in government service, the remaining spouse who opt to continue as a principal member of the medical aid will qualify for a monthly medical subsidy. This will only

happen from the month following the date that the deceased would have turned 50 years. It is also important to note that only the spouse and the dependents who were beneficiaries of the deceased principal member at the time of his/her death will continue to qualify for a medical subsidy.

In cases where the deceased member has less than 15 years' service at time of death, the surviving spouse, if they were dependent on the deceased's medical aid at time of death, will qualify for a once off or gratuity payment. This amount is taxable and will be paid into the surviving spouse's bank account.

It is important for the member to fill in a Nomination Form while still working or alive. This will assist the GEPF to pay the nominated beneficiaries timeously. Members may contact their Human Resources units for more information on the nomination process.

## Member security authentication when making contact with the GEPF's Call Centre

It is important for members, pensioners and beneficiaries to provide their correct identity information to the GEPF Call Centre agents. This will ensure that the GEPF Call Centre agents assist the clients quicker.

Remember this is not a face-to-face interaction hence it is important for the Call Centre agent to ensure that they have the correct information of the caller. When contacting the GEPF's Call Centre please ensure that you have your pension, salary and identity numbers ready.

## UNCLAIMED PENSION

Do you know of any public servant who **did not claim his or her GEPF pension?**

Are you a dependent of a deceased person who **worked for government and contributed to the GEPF and their GEPF pension was not claimed?**

Are you a former government employee and you **have not claimed your GEPF pension?**

# Why should you retire with the GEPF?

**As a caring pension fund that always strives to protect the interests and wellbeing of its members, the GEPF has always focused on ensuring that members go on retirement with benefits that provide them with comfort and security for the rest of their lives.**

Members who retire with the GEPF are guaranteed their pension benefits as per the rules of the GEPF. The Fund provides a monthly pension that is increased annually to ensure that the pensioners keep up with the cost of living.

In the event the pensioner passes away, the lawful spouse may qualify for a spouse's pension that is payable for life.

GEPF pensioners also qualify for a medical subsidy if they have been in service and a member of a medical aid for an unbroken period of fifteen years. If the spouse was a dependent on the medical aid, they will continue on the medical aid in the event the pensioner passes away.

Pensioners are also entitled to a funeral benefit intended to assist with funeral costs. This benefit covers their lawful spouses and children. All these are added benefits that membership of

the GEPF provide for and for which members do not contribute.

Lastly, as the GEPF pensioner, you are entitled to an annual pension increase determined by the Board of Trustees. According to the GEP Law, the Board of Trustees is required, in determining the annual pension increase, to have regard to, to the previous year (by November)'s inflation and ensure that the increase is not lower than 75% of Consumer Price Index (CPI). However, in the past 6 years, the Board of Trustees has been increasing the annual pension higher than inflation and higher than the 75% of Consumer Price Index (CPI), provided for by the law.

## UPDATE YOUR GEPF INFORMATION TODAY

### NOMINATE YOUR BENEFICIARIES TODAY.

A nomination form is an official document that decides who should receive your GEPF pension benefits pay out when you pass on.

***NB: A Will does not serve as a nomination form.***

Update your beneficiaries details and **spare your family the pain of delayed GEPF pension benefits payment.**



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# Actuarial Factors have changed

The GEPF (“the Fund”) is a defined benefit fund in that the Rules of the Fund stipulate that the benefit payable to a member on retirement is based on his or her pensionable salary and years of service (including any purchase of service or money transferred into the Fund from other funds) in the Fund and has no relation to the contributions received on behalf of that member.

Where a member retires with less than 10 years of service or withdraws from the Fund prior to retirement, the member receives his or her Actuarial Interest in the Fund, which is the estimated value of the retirement benefits that the member has built up in the Fund to the date of exit. Put another way, it is the amount of money the Fund is holding at the date of the member’s exit in order to fund the

expected future benefit payments to the member.

The total of the Actuarial Interest values for all members and pensioners can be compared to the total assets held by the Fund to determine whether the Fund has sufficient assets to meet its liabilities – this is done formally every two years as part of the Actuarial Valuation of the Fund.

Actuarial Interest values are calculated by applying a formula based on the following:

1. The average pensionable (or basic) salary in the last two years prior to exit;
2. The years of membership with the Fund;

3. Any purchase of service or money transferred into the Fund from other funds; and
4. A factor – called an Actuarial Interest Factor – based on the member’s age and whether the member is a “Services” member or an “Other” member.

The Actuarial Interest Factors provide an estimate of the future benefits the member would receive when he or she leaves the Fund (demographic assumptions) and the current value of those benefits (using economic assumptions).

The demographic and economic assumptions are reviewed as part of each Actuarial Valuation of the Fund to ensure they remain appropriate to

give the best possible estimate of each member's Actuarial Interest value in the Fund.

- The demographic assumptions relate to the expected number of withdrawals, deaths and retirements of members at each age and how long pensioners are expected to live. These assumptions are specific to the Fund as they are calculated from the actual experience of the Fund- this is the

best available indicator of what is likely to take place in the future.

- The economic assumptions relate to the expected level of future inflation, interest rates and investment returns (which are calculated from investment market information), salary increases (which are calculated relative to inflation) and pension increases (which are based on the pension increase policy of the Fund).

The Actuarial Interest Factors, and therefore Actuarial Interest values, can increase or decrease as a result of any change in the demographic and economic assumptions. In this regard it is important to note that the Trustees have very little discretion in setting the assumptions and any change in the assumptions is necessary to reflect the change in the current value of each member's benefits in the Fund.

# GEPF FUNERAL BENEFIT

GEPF provides a funeral benefit for the funeral of an active member or a pensioner, as well as for the funeral of a spouse or eligible child of a member or pensioner. The funeral benefit payable upon death of such a member or pensioner is R15 000, spouse R15 000 and eligible child R 6000.



## LET GEPF KNOW WHEN YOU CHANGE YOUR CONTACT DETAILS

Please remember to send us your latest 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 pension benefits efficiently and effectively, and it will ensure that you receive your GEPF newsletter and other GEPF correspondence accordingly. GEPF relies on you to provide accurate personal details. If you know of any GEPF member who does not receive this newsletter, please urge them to contact GEPF to update their contact details.

### DO YOU KNOW WHERE TO FIND US?

#### CLIENT SERVICE CENTRES

**Gauteng:** Trevenna Campus, Building 2A, corner of Meintjes and Francis Baard streets, Sunnyside, Pretoria **Eastern Cape:** No. 12 Global Life Centre, Circular Drive, Bhisho **Free State:** Brandwag Centre, 20 Stapelberg Street, Brandwag, Bloemfontein **KwaZulu-Natal:** 3<sup>rd</sup> 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:** Mega City, Office No. 4/17, Ground Floor, Entrance 4, Mmabatho, 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:** 2<sup>nd</sup> Floor, UCB House, 78-74 Marshall Street, Marshalltown **Port Elizabeth:** Ground Floor, Kwantu Towers, Sivuyile Mini-Square, next to City Hall **Mthatha:** Ground floor, Madeira Plaza, Cnr Sutherland & Maderia Street **Durban:** 12th Floor, Salmon Grove Chambers, 407 Anton Lembede Street **Phuthaditjhaba:** 712 Public Road, Mandela Park Shopping Centre **Thohoyandou:** 2010 Centre, next to Phalaphala FM (SABC) **Rustenburg:** 149 Leyds Street

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