

# Why you should not *resign* but *retire* with the GEPF



**G**EPF is a defined benefit fund. This means, the benefits of the GEPF are defined in the rules of the Fund. The advantage of belonging to a fund like this is that all benefits that members are promised in the rules of the fund are guaranteed based on the specific reason for exiting the fund.

If you have more than 10 years of service and you decide to resign rather than retire at reaching the age of retirement, you will lose the following benefits offered by the GEPF:

**Monthly pension** - you will only receive a once-off lump sum payment, called a gratuity, instead of receiving both your lump sum and monthly pension (called an annuity), which is

due to you for life. Your spouse or life partner will also not receive anything from the GEPF after your death, whereas they will qualify to receive 50% or 75% of your monthly pension for as long as they live, depending on the choice selected upon retirement.

#### **Medical aid subsidy**

- You will not receive any contribution towards your medical aid from the state should you resign. If you have 15 or more years of service, you may have been eligible to receive a government subsidy towards your monthly medical aid membership for the rest of your life had you chosen to retire as per the conditions set out in the PSCBC resolutions. If you have less than 15 years' service, you may have received a once-off medical benefit depending on the number of years of service you have. These all fall away when you resign.



**Funeral Benefit** - GEPF provides a Funeral Benefit for the funeral of an active member or pensioner, as well as for the funeral of a spouse or the eligible child of a member or pensioner. The Funeral Benefit payable upon the death of such a member or pensioner is R15 000; for the spouse R15 000; and for the eligible child R 6000. This benefit is not paid if you resign.

**Child's Pension** - The Child's pension is payable to a child up to the age of 22 years. Disabled children are entitled to receive a Child's Pension beyond the age of 22 years, subject to approval by the GEPF.

Members who retire with the GEPF are guaranteed their full pension benefits as per the rules of the GEPF.