

# fundnews

The quarterly newsletter for pensioners of the Government Employees Pension Fund

3rd Edition 2024/2025



INVESTMENT STRATEGY



CAN GEPF CONFIRM MY  
MONTHLY PENSION TO  
CREDITORS / LENDERS?



DOES THE FUNERAL  
BENEFIT LAPSE IF NOT  
CLAIMED?

## WHY DON'T PENSIONERS GET A **BONUS** ON THEIR BIRTHDAY MONTH

*A pension is a retirement plan to which active employees contribute each month during their years of service.*

The primary purpose of this is to ensure that they enjoy the financial security they require when they retire. As an active government employee, you are entitled to receive a monthly salary and other benefits, as per your conditions of service. This includes an annual bonus on your birthday month, as a gesture of appreciation. As a pensioner, you do not receive a salary - you receive a pension benefit that you have contributed to during your period of employment.

The Government Employees Pension Fund (GEPF) is governed by the GEPF law and rules, which make no provision for GEPF pensioners to be paid an annual bonus. Therefore, GEPF pensioners do not qualify to receive an annual bonus.

For more information, contact the GEPF on 0800 117 669 or email [enquiries@gepf.co.za](mailto:enquiries@gepf.co.za)

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# INVESTMENT STRATEGY

*The GEPF's Asset Liability Model is used to review the Fund's investment policy and strategy on a regular basis, by consulting with the Minister of Finance in terms of section 6(7) of the Government Employees Pension (GEP) Law.*

It is of great importance for the GEPF to protect the wealth of its members and pensioners by safeguarding their retirement investment funds. The GEPF provides a mandate that guides the Fund's investment manager regarding the type of investments that can be made, the percentage allocation for each asset class, benchmarks and performance targets, as well as other guidelines.

GEPF has a Responsible Investment (RI) policy, which is a blanket strategy aimed at integrating environmental, social and governance issues into investment decisions and ownership practices as well as a Developmental

Investment policy, which underpins all GEPF investments. The Developmental Investment policy focuses on targeted investments that contribute to positive economic, social and environmental outcomes for South Africa, while earning good returns for members. In simple terms, the GEPF's investments in economic, social, and environmental infrastructure, as well as priority sectors, generates job creation. The fund is required to invest 90% of its assets in South Africa, which makes it the single largest investor in the Johannesburg Stock Exchange (JSE). Its international investment allocation is limited to 5% in the rest of Africa and 5% elsewhere internationally.

# ALWAYS ENSURE THAT YOUR TAX MATTERS ARE IN ORDER WITH SARS



*As a member of the Government Employees Pension Fund (GEPF), understanding the impact of tax compliance on your pension benefits is essential. When you retire or terminate your service, the GEPF processes your pension benefits. However, if your tax affairs are not in order, there could be a delay in you receiving benefits due to you.*

The South African Revenue Services (SARS) issues tax directives that guide the GEPF in calculating your benefits. Delays may occur if there are issues such as incomplete information, an outstanding tax return, or amounts owed to SARS. It's in your best interest to ensure that you provide accurate tax-related information to your Human Resources department when leaving service. Failure to do so could result in a delay in benefit payments.

The GEPF cannot be held liable for delays caused by tax-related problems. Members must be proactive in preventing any delays by ensuring their tax matters are up to date. Additionally, SARS does not disclose personal information on tax payers to the GEPF regarding tax matters. Therefore, it is

your responsibility to ensure that your tax affairs are in order. By staying informed and proactive, you can navigate the complexities of tax compliance and ensure a smoother process for receiving your pension benefits. Remember that attending to your tax matters diligently directly impacts your financial well-being during retirement.

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# CAN GEPF CONFIRM MY MONTHLY PENSION TO CREDITORS / LENDERS?

*The Government Employees Pension Fund (GEPF) does not provide assistance with verifying receipt of a monthly pension for creditors or money lenders. Instead, GEPF provides pensioners with a proof of income letter that confirms that they receive a monthly pension from the Fund.*

How pensioners choose to utilise these letters is entirely their own decision, as the GEPF does not have the authority to prevent pensioners from using these letters to apply for credit or a loan.





# WHY IS THE PENSION PAY-OUT TAXED

## WHEREAS MY SALARY WAS CONSISTENTLY TAXED?

*The taxation of pension pay-outs, as outlined in South African tax law, is based on specific regulations and principles designed to ensure a fair and consistent approach to taxing various forms of income, including pension benefits.*

All pension benefits accumulated after 1 March 1998 are taxable in accordance with the South African tax regulations. The South African Revenue Service (SARS) imposes taxes on various forms of income, including pension benefits, as outlined in the Income Tax Act 58 of 1962.

Tax obligations apply to all pension benefits, irrespective of the mode of exit (such as withdrawal, retirement, death, or severance), which underscores the consistent application of tax laws to pension income. This approach ensures that individuals

who receive pension benefits contribute their fair share of taxes, in the same way as income from other sources is taxed.

If you have specific questions or concerns about taxation of your pension benefits or require assistance with understanding your tax obligations in relation to your pension, you should consult a tax professional or seek guidance from the South African Revenue Services (SARS). They can provide you with tailored advice and information based on your individual circumstances and the relevant tax laws in South Africa.

# DOES THE FUNERAL BENEFIT LAPSE IF NOT CLAIMED?



*The Government Employees Pension Fund (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 benefit is intended to assist with the funeral preparations of the deceased, and is paid within 72 hours of receiving an application that is completed correctly.

Members and pensioners are encouraged to advise their family members about the availability of the Funeral Benefit and to apply for it at the time of death. The Funeral Benefit is intended to assist the family with the funeral preparations for a member, pensioner or beneficiary.

The funeral benefit does not lapse and beneficiaries of a deceased member, or members who lost a spouse or eligible child in the past, may claim the funeral benefit, provided the deceased was eligible for the funeral benefit at the time of death.

From 1 April 2024, an amount of R20 000 is payable upon the death of a member, spouse of a member or pensioner. An amount of R8 000 is payable upon the death of an eligible child of a member or pensioner.

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