fundtalk

The quarterly newsletter for members of the Government Employees Pension Fund 3rd Edition 2025/2026

If A Member goes on retirement with a maintenance order, Does Gepf consider the dependents?

The GEPF remains financially strong and resilient, with 13.1% in investment portfolio growth for the year

Together we can stop fraud and corruption

GEPF DOES NOT DETERMINE A DIVORCE BENEFIT

The Government Employees Pension Fund (GEPF) does not determine the division of patrimonial benefits (assets) in your divorce. When parties divorce, they discuss and agree on how to divide their assets or the courts make such determination.

These assets may include sharing their investments and GEPF pension benefits. Once parties are ready to finalise their divorce, they may approach the court to formalise their divorce. The court will then issue a final decree of divorce and, if applicable, incorporating the settlement agreement as part of the final decree of divorce. If a final decree of divorce makes provision that a non-member spouse is awarded a portion of the pension benefit of the member of the Fund, the necessary certified documentation must be submitted to the Fund as the GPAA act on that court order to pay the former spouse in accordance with the court order.

A final decree of divorce and divorce settlement indicates the percentage of the member's pension benefits to be paid to the non-member spouse of a member of the Fund. The Fund is not party to any of the divorce, the division of assets and/or sharing of pension benefit discussions and agreements by the parties. The Fund only gets involved when the duly completed and required documents are submitted to the Fund and the duty of the Fund is then to give effect to what the court order orders the Fund to do on condition that it is compliant to all applicable legislation. The amount payable to the non-member spouse will be calculated according to the percentage and/or amount of the pension benefit of the member awarded to the non-member spouse as per the court order.

Therefore, the GEPF is not involved in the process of determining the amount or value of pension benefits payable to the former non-member spouse of a GEPF member.

For more information contact us at:

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GEPF™ your investment, your future

THE GOVERNMENT EMPLOYEES PENSION FUND (GEPF) HAS IMPLEMENTED REVISED ACTUARIAL INTEREST FACTORS FOLLOWING 31 MARCH 2024 LAWFULLY REQUIRED ACTUARIAL VALUATION

The GEPF implemented the updated actuarial interest factors with effect from 1 October 2025. These factors are derived from the assumptions adopted in the Fund's most recent statutory actuarial valuation this year. The previous update to factors took effect on 1 November 2022.

The implementation of the revised factors follows the completion of a consultative process with employee organisations as required by the GEP Law and Rules.
Actuarial interest factors are used when the Fund must express a member's earned future pension as a present-day lumpsum Rand amount. When long-term expectations for investment returns rise relative to inflation, the money set aside today is expected to grow faster. In such an environment, less is required to be set aside now to meet the very same future pension promise.

Conversely, if expected returns fall or longevity improves materially, more may be required. The forthcoming update reflects the revised assumptions adopted as at 31 March 2024 and therefore results in changes to these conversion factors with effect from 1 October 2025.
This update does not change the Fund's benefit promise or the way pensions at retirement are calculated under the Rules. Members who retire continue to receive a pension for life based on service and final average salary. The update ensures that, when a cash value is needed before retirement, it is measured using the most up-to-date and appropriate assumptions.

The revised factors are applied across all active member records, which means the balances reflected in all components of those records are recalculated on the updated basis. Exit benefits, apart from resignations, where members leave with less than 10 years of total pensionable service, are affected. All resignations, irrespective of service, are affected. Pensioners' benefits are not affected by these revised factors.

The revised factors result in actuarial interest values that are on average 15% lower than those that would result from the 2021 factors. The extent to which individual members' actuarial interest will differ between the 2021 and 2024 factors depends on their age and category (i.e., whether they are Service members or not).

Failure of the Fund to implement the revised factors would result in exiting members being paid more than their fair share of the fund's assets thereby disadvantaging members who remain in the fund and ultimately those that retire within the fund.

In summary, the 2024 actuarial factors have reduced from the 2021 factors. The factors are lower due to the changing economic assumptions adopted for the 2024 statutory actuarial valuation. Changing the assumptions ensures the GEPF's members get paid their fair share of benefits and no one is disadvantaged.

Updating factors in this way treats all members fairly, aligns cash-equivalent amounts with prevailing economic conditions, and helps protect the long-term financial soundness of the Fund without disadvantaging those who remain to retirement. In the coming weeks, the GEPF will advise on when members will be able to view updated benefit statements reflecting benefit the could receive using the 2024 factors.

IF A MEMBER GOES ON RETIREMENT WITH A MAINTENANCE ORDER,

DOES GEPF CONSIDER THE DEPENDENTS?

When a member of the Government Employees Pension Fund (GEPF) retires, the Fund is expected to pay their pension benefits. However, if there is a maintenance order issued by a court of law against a member's pension, whether to support their child/ren or ex-spouse, GEPF will act in compliance with the court order once it is properly served and verified.

However, GEPF will only comply with valid maintenance orders issued under the Maintenance Act. This means that if a court has instructed that a portion of the member's pension be allocated to dependants, GEPF will deduct and pay according to what the order says must be paid to the beneficiary.

A maintenance order can be enforced against a pensioner's benefits for arrear maintenance — meaning unpaid amounts that are already due. This includes:

- Child maintenance
- Spousal maintenance
- Any court-ordered maintenance that has not been paid

It is important to note that any court order will have to go through the GEPF legal section for proper verifications. If there's a dispute, GEPF may respond legally, and the matter may be returned to court.

The documents required are: -

- A maintenance order containing the full names of the parties (the applicant and the respondent) and the Fund (GEPF) must also be cited.
- The maintenance order must be stamped, dated and signed by the court.
- The order must contain the banking details, where the money must be paid to (we can be ordered to pay into the applicant's bank account, to the Department of Justice or to the Master of the High Court) and such banking particulars will be subjected to all validation processes needed.

The category of payments

- If GEPF is paying to the applicant, their latest bank statement must be attached.
- If the Fund is paying to the Department of Justice, the Court Order Reference number must be included in the order.
- If we are paying to the Master of the High Court, the file reference number must be included.

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Key Performance Indicators for the financial year:

- The GEPF investment portfolio increased by 13.1% from **R2.38 trillion** in 2024 to **R2.69 trillion** in 2025.
- The GEPF investments yielded a return of 14.1% in 2025 compared to 4.9% in 2024, based on net investment income of R379 billion (2024: R116 billion).
- Accumulated funds and reserves grew at an average rate of 5.7% per year during the 10-year period 2016 –2025, with a current value of **R2.65 trillion**.
- Member contributions increased by 4.0% during the reporting period from **R91.93 billion** in 2023/24 to **R95.63 billio**n in 2024/25.
- Benefits paid increased by 17.6% from R142.36 billion in 2023/24 to **R167.16 billion** in 2024/25.

In the 2024/25 financial year, the Government Employees Pension Fund (GEPF) maintained strong performance despite global and domestic challenges. The Fund's assets grew to **R2.69 trillion**, achieving a 14.1% investment return and sustaining a robust 119% funding level. Globally, persistent geopolitical tensions, high energy costs, and inflation created volatile investment conditions. In South Africa, sluggish GDP growth, sectoral underperformance, and infrastructure issues persisted despite improvements such as the formation of the Government of National Unity and reduced load shedding. Inflation stayed within the Reserve Bank's target range, but the introduction of the two-pot retirement system affected household spending, liquidity, and Fund inflows.

The year under review was also shaped by themes of uncertainty, resilience and gradual growth reflected across local and global economies, however the GEPF maintained its long-term investment strategy rooted in its policy and guiding beliefs, which inform decisions across the Fund and its managers.

The GEPF continued to be a leader in responsible investment practices through a comprehensive suite of responsible investment policies, committing to integrate sustainability issues in investment decisions and ownership practices. In listed equity, during the year under review, the PIC, on behalf of the GEPF, voted on 2 800 resolutions at 157 meetings. In unlisted assets, the PIC, on behalf of the GEPF, voted on 398 resolutions at 58 meetings. The GEPF, through the PIC, conducted 157 engagements on 293 ESG matters (34.5% mostly related to governance, followed by social and transformation at 45.1% and environment at 20.5%).

During the period under review, the GEPF also provided benefits to 1 267 539 active members and 565 221 pensioners and beneficiaries as of 31 March 2025. The Government Pensions Administration Agency (GPAA) processed and finalised 39 568 (2024: 35 523) cases of members retiring during the period under review which includes spouse and child pensions. The total value of gratuities paid was **R25.9 billion** (2024: R22.6 billion) and annuities R86.6 billion (2024: R77.6 billion). An amount of **R29.1 billion (2024: R27.6 billion)** was paid in resignation benefits to 22 452 (2024: 22 671) claimants during the year under review. The GEPF paid an amount of **R6.6 billion (2024: R7.5 billion)** in lump sum death benefits for 5 738 (2024: 6 097) claims during the reporting period.

During the period under review, our pension administrator, the GPAA faced notable challenges, particularly system vulnerabilities after the cybersecurity breach in 2024. Despite this challenge, when the two-pot retirement system was introduced on 1 September 2024, the GEPF received 691 501 withdrawal applications and paid 564 547 claims amounting to **R14.37 billion**. The average gross value of savings withdrawals paid was R23 554. This was a significant achievement, especially given the limited preparation time from the time the applicable legislation was passed ahead of the rollout and the sharp increase in application volumes once implemented.

The overall GPAA administration against performance for the financial year 2024/25 was below the benchmark stipulated by the Service Level Agreement (SLA). The GEPF has been engaging the GPAA on strategies to improve its service levels, however it is envisioned that the accelerated and enhanced modernisation project will address most of the administration challenges that the members face and build more resilient and secure IT systems.

The GEPF will continue to monitor the implementation of its investment strategy through the mandate given to the Public Investment Corporation (PIC) to ensure effective and efficient implementation, as well as monitoring the implementation of its SLA with the GPAA closely.

The Audited Annual and Financial statement can be reviewed on the GEPF website on https://gepf.co.za/annual-reports/

Together we can stop fraud & corruption.

As part of our continued commitment to zero tolerance towards fraud, corruption and unethical behaviour, the GEPF is urging members to join the fight against fraud today by reporting any fraudulent activities.

What is fraud?

Fraud is an illegal act or a series of illegal acts committed through non-physical means through hiding information or changing information to obtain money.

What are the types of fraud encountered by the GEPF?

Fraudulent activities include but are not limited to:

- Fraudulent exits
- Fraudulent bank forms
- Fraudulent beneficiaries
- Fraudulent payments.

What can you do?

Speak up against fraud by calling the FREE and CONFIDENTIAL Whistle Blower Line.

Tel: 0800 203 900 | SMS: 30916 | Email: gepf@thehotline.co.za | Website: www.thehotline.co.za