

fundnews

The quarterly newsletter for pensioners of the Government Employees Pension Fund

4th Edition 2022/2023



ARE ALL GEPF BENEFITS TAXABLE?



HOW TO CLAIM FOR THE FUNERAL BENEFIT?



CAN I ADD DEPENDENTS ON MY MEDICAL AID AS A PENSIONER?

GETTING YOUR TAX AFFAIRS IN ORDER

It is important to note that if a member's tax affairs are not in order, it will delay their claim for payment of pension benefits. Should there be any reason why a tax directive cannot be issued by the South African Revenue Services (SARS) e.g., incomplete information, outstanding tax returns or amount owed to SARS, the benefit payment could be delayed by the GEPF.

It is therefore in the member's best interest to ensure that they have provided the correct information to their Human Resource department at the time of termination of service. The Fund cannot be held liable for any delays in the payment of pension benefit/s due to a tax-related problem. In respect of tax matters, SARS will not disclose any personal information to the GEPF and therefore it remains the member's responsibility to ensure that their tax matters are in order.

For more information contact us at:
Government Employees Pension Fund

☎ 0800 117 669

✉ enquiries@gepf.co.za gepf.co.za

f Government Employees Pension Fund

🐦 @GEPF_SA

Government Employees Pension Ombud

✉ enquiries@gepo.co.za

🌐 gepo.co.za

☎ +27 12 110 4950



GEPF™
your investment. your future



CLARITY ON INCREASED TAX DEDUCTIONS ON PENSION PAYMENTS

The Government Employees Pension Fund (GEPF) recently had to deal with a high volume of complaints from pensioners who expressed dissatisfaction about high tax deductions on their monthly pensions.

The deductions were as a result of a directive from the South African Revenue Service (SARS) which were informed by the changes made to the revised Income Tax Act. The revision of the Act brought changes such as reviewed tax rates that will be used to calculate deductions from pensioners' monthly income going forward.

It is important to note that this revised tax rate only applies to pensioners who receive more than one source of taxable income i.e., income in

addition to their GEPF pension, as reflected on the SARS tax system.

All pensioners are reminded that they still have the option to either accept or reject the revised tax rate provided by SARS and revert to the normal Pay-As-You-Earn (PAYE) rate applicable to their pension. Please note that the choice you make will assist the Fund to determine whether to continue deducting tax as in previous months or in the more accurate effective tax rate as provided by SARS.

Pensioners who choose to revert to the Pay-As-You-Earn (PAYE) rate may have to settle a tax debt with SARS at the end of the tax year. Choice forms were sent to affected pensioners and they will also be made available at the GEPF offices across the country.



ARE ALL GEPF BENEFITS TAXABLE?

All pension benefits accumulated after 01 March 1998 are taxable. The South African Revenue Services (SARS) imposes tax on all forms of income, including pension benefits. The Income Tax Act 58 of 1962 provides guidelines on how pension benefits must be taxed. The Act implies that there are tax obligations on all pension benefits irrespective of the mode of exit (withdrawal, retirement, death or severance etc) from the Fund.

Death after retirement

According to the Government Employees Pension (GEP) Law, a member's pension is guaranteed for five years. If a member dies within five (5) years after retirement, a lump sum benefit will be paid to their beneficiaries. If their death happened after 1 March 1998, the balance of their pension, which will be paid as a lump sum, will be taxed at the annual average rate of income.

Monthly annuity (pension) payments when in retirement

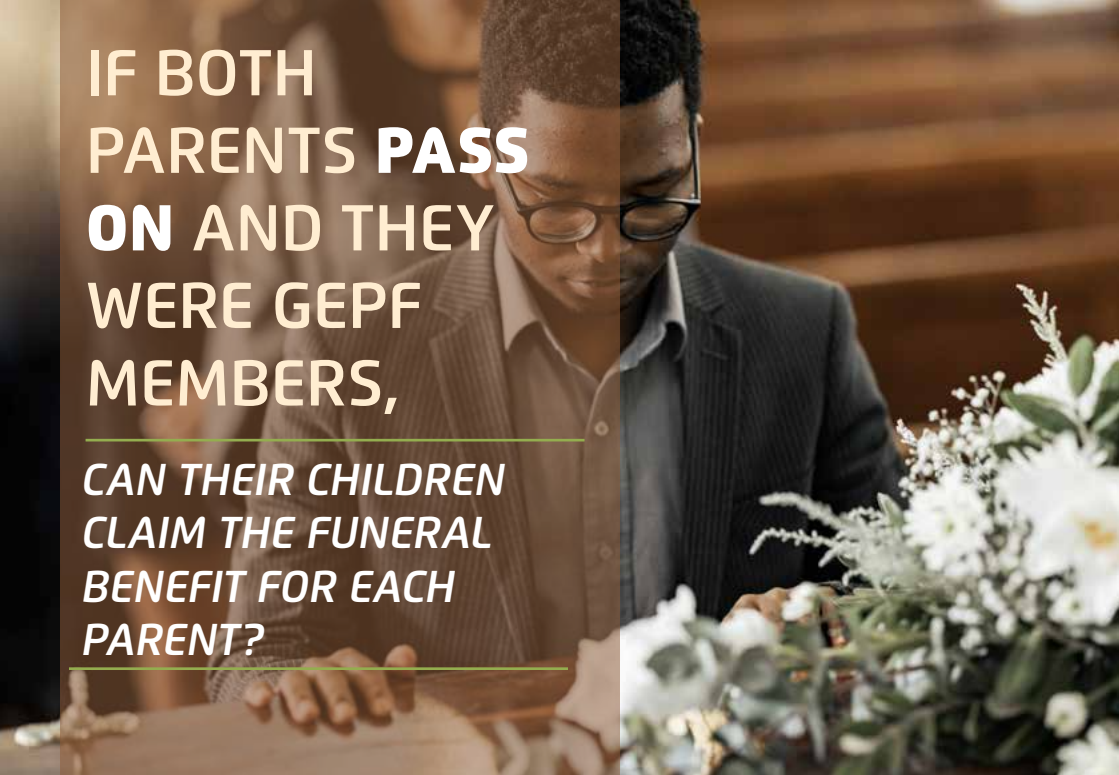
GEPF pensions are paid every month and taxed accordingly. The Pay-As-You-Earn (PAYE) tax tables are applied and the income sources are taxed at the annual average rate of income. If you receive a GEPF pension and another separate income from elsewhere, the money that is deducted every month from each income source for tax might not be enough to cover your tax obligations to SARS for the tax year.

This is because SARS calculates the amount of tax that you owe them by adding together all the income you receive and then use the final amount to calculate the tax amount that must be paid. This means that individuals that earn more annually are taxed at a higher rate than those who earn less.

Payment of Tax for multiple sources of income

If you only receive an income from GEPF, the amount of tax you will pay will probably be similar to your tax liability. This means that you will not have to pay more to cover for a shortfall when reconciliation is done at the end of the tax year. However, if you are receiving income from more than one source and each pays money to SARS on your behalf for tax, you may need to pay more tax because your combined annual income may place you in a higher tax bracket. This implies that you may have to pay more at the end of the tax year when you submit your tax returns to cover for a shortfall which can be an inconvenience to you.





IF BOTH PARENTS PASS ON AND THEY WERE GEPF MEMBERS,

CAN THEIR CHILDREN CLAIM THE FUNERAL BENEFIT FOR EACH PARENT?

Relatives of deceased GEPF members are sometimes left in the lurch after the death of their loved one. This is caused by the lack of understanding of how the GEPF's Funeral Benefit works.

Due to lack of sufficient information, some family members of deceased GEPF members think they can only claim the Funeral Benefit when there is a surviving spouse. While it is true that the Fund will first consider the surviving spouse regarding the application of a Funeral Benefit, there could be instances where both parents are deceased.

In such circumstances, claims for a Funeral Benefit on behalf of the deceased members can be lodged, particularly if both were GEPF members.

Each parent qualifies for the Funeral Benefit whether they were married to each other or not as long as they are GEPF members. Therefore, if both parents pass away, the eligible children (natural or legally adopted) of the deceased members can claim for the Funeral Benefit on behalf of both parents separately.

This implies that the eligible children will claim a taxable amount of **R15 000** on behalf of their father and the same amount for their mother, which will amount to **R30 000 combined**.

A photograph of a person's hands writing on a document with a pen. The document is on a blue folder on a wooden desk. Another person's arm is visible in the background. An orange circular graphic is overlaid on the left side of the image, containing the title text.

How to claim for the Funeral Benefit?

The following documents will be required to claim for the Funeral Benefit:

- A fully completed Funeral Benefit Claim form (Z300).
- An originally certified copy of the bar-coded identity document or identity card (certified both sides).
- A certified copy of the death certificate (issued by the Department of Home Affairs).
- The banking details form is only required when the payment is to be made into a bank account. When the payment is to be made via the Post Office, the applicant must produce copies of all documents submitted to the GEPP at the Post Office.

The children's representative chosen to submit the claim on behalf of siblings will have to submit proof of relations between them and the deceased through an affidavit signed under oath, as well as other supporting documents.

In the event where the deceased was married before and later separated from their spouse, it is important to seek clarity on the status of that marriage or divorce. The clarity seeking questions are important so that the family is clear on whose application will be successful.



CAN I ADD DEPENDANTS ON MY MEDICAL AID AFTER GOING ON RETIREMENT?

A pensioner is allowed to add dependants to their medical scheme at any time, as long as the medical scheme's rules allow them to do so. The dependents added will be included in the subsidy calculation, but the subsidy paid to a pensioner is limited to the member plus one dependent. This means that having more than one dependent will not influence the subsidy but will increase the member's contribution towards the medical scheme.

In cases where the principal member (pensioner) passes away, the surviving spouse can continue with the medical scheme and qualify for a medical subsidy, including other dependants who depended on the medical scheme of the deceased. The surviving spouse may add more dependants to the medical scheme, but those dependants will not qualify for a subsidy benefit.

Members who may qualify for the post-retirement medical subsidy are government employees (persons appointed under the Public Service Act, and who fall within the scope of the PSCBC), except uniform members of the South African Police Service (Polmed) and South African National Defence Force (SANDF).

A member will qualify for the subsidy if they have been in government employment for 15 or more years, or for 10 years in a case of a discharge due to ill health. In both the cases it is expected that the member should have been the main member of a recognised medical scheme for the last 12 months (without a break) before exit.

In cases where the member has less than 15 years of actual service, they will receive a once-off payment towards their medical benefit instead of a continuous medical subsidy. The amount payable depends on whether the member has more or less than 10 years of actual service. It is important to remember that the lump sum paid towards the medical benefit is taxable.

IS THERE A WAY THAT I CAN ACCESS AND UPDATE MY INFORMATION WITHOUT VISITING GEPF OFFICES?



UPDATE.....



Since the launch of the Fund's Self-Service web and mobile application (App), registered members, pensioners and beneficiaries have benefited from this convenient service. This digital platform enables Fund members to view their benefit statements, update their personal information and print their tax certificates amongst other things without visiting GEPF offices or calling the Call Centre.

Here are some of the services that are available on the Self-Service Web and Mobile App

- Updating of personal details. Please note that for security reasons the updating of some sensitive information such as banking details and change of surname or marital status still need to be done manually by completing the Z894 banking particulars form and the Z864 form for updating of the personal information. Once the forms are completed, you need to submit them to the nearest Government Employees Pension Fund (GEPF) office with the required supporting documents so that the details can be updated on the GEPF's Self-

Service web and mobile app.

- Access personal documents such as benefits statement, tax certificates, proof of payments etc.
- Trace progress of your resignation and retirement benefit claims.
- Nominate and update your beneficiaries.
- Access personalised communication such as letters and newsletters.
- Request a call back in instances where you need assistance with a query.

All you need to do is visit the GEPF website at www.gepf.co.za to access the Self-Service web. Alternatively, you can download the Mobile App on Google Play Store, Huawei AppGallery and App Store. To register you will need your South African bar-coded identity document or smart identity card and a digital device such as a smart phone, tablet or computer. You will be notified via a Short Message Service (SMS) or email once you are successfully registered.

Should you experience any challenges while trying to register, please email us at selfservicesupport@gpaa.gov.za or call 012 319 1400 for assistance.

WHY IS THERE **NO** HOUSING SUBSIDY FOR PENSIONERS?

A government housing subsidy is a grant provided by the state for ease of access to housing for qualifying public sector employees. During their working years, all government employees qualify for a variety of benefits, including a housing subsidy, otherwise known as a housing allowance.



Housing allowance is provided to government employees through the Government Employees Housing Scheme (GEHS), to ensure that government employees get some relief on what they pay towards their home loans and any accommodation.

The housing subsidy is paid by government to its employees, in line with the public service regulations, not the Government Employees

Pension Fund (GEPF). Although the public service regulations state that employees must contribute a portion of their pensionable salaries towards pension savings and their respective departments towards their pension, which are managed by GEPF, this does not mean that the Fund offers a post-retirement housing subsidy.



I AM IN A POLYGAMOUS MARRIAGE.

***WILL ALL MY
SPOUSES
RECEIVE THE
SPOUSE PENSION
UPON MY
DEATH?***

The answer is yes.

If a member or pensioner dies with more than one surviving spouse, the Spouse Pension will be divided equally among the surviving lawful spouses i.e., marriages recognised in terms of the law. This includes registered customary marriages as per the provisions of the relevant law.



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


For more information contact us at:

Government Employees Pension Fund

 0800 117 669


 enquiries@gepf.co.za

 gepf.co.za

 Government Employees Pension Fund

 @GEPF_SA

Government Employees Pension Ombud

 +27 12 110 4950

 enquiries@gepo.co.za

 gepo.co.za



GEPF™
your investment. your future

Do you know where to find us?

GEPF has a national toll free Call Centre number, **0800 117 669**.
Calls to this number are free from any Telkom line.
We also have regional Client Service Centres in all nine provinces of South Africa.

Contact Details

Toll free number: **0800 117 669**
Email: enquiries@gepf.co.za
Website: www.gepf.co.za

Postal address:
GEPF Private Bag X63
Pretoria
0001

Twitter: @GEPF_SA

Client Service Centres

Eastern Cape

No. 12 Global Life Centre,
Circular Drive, Bhisho

Sunnyside, Pretoria

Kwa-Zulu Natal

Brasfort House, 3rd Floor,
262 Langalibalele Street,
Pietermaritzburg

North West

Mega City, Entrance 4,
Ground floor, Office no 4/17,
Mmabatho, Mahikeng

Free State

Brandwag Centre, 20 Stapelberg Street
Brandwag, Bloemfontein

Limpopo

87 (a) Bok Street,
Polokwane

Northern Cape

11 Old Main Road, Kimberley

Gauteng

Trevenna Campus, Building 2A,
Corner Meintjies and Francis Baard
Streets,

Mpumalanga

Imbizo Place, Shop no 5,
Samora Machel Street, Mbombela

Western Cape

Buitengracht Centre, 4th Floor
125 Buitengracht Street
Cape Town

Satellite Offices

Durban

Salmon Grove Chambers, 12th Floor,
407 Anton Lembede Street

Mthatha

Manpower Building, Ground Floor,
Corner Elliot & Madeira streets,

Gqeberha (formerly Port Elizabeth)

1st Floor, Regus House
Fairview Office Park, 66 Ring Road
Greenacres

Johannesburg

UCB House, 2nd Floor,
78 - 74 Marshall Street, Marshalltown

Phuthaditjhaba

Mandela Park Shopping Centre,
712 Public Road

Rustenburg

Ditiro House, Ground Floor, Corner Motsatsi
and Monareng Streets, Unit 1, Tlhabane
(opposite Tlhabane Square Mall)

Thohoyandou

2010 Centre, next to Phalaphala FM (SABC)

Disclaimer

The information provided in this newsletter is protected by applicable intellectual property laws and cannot be copied, distributed or modified for commercial purposes. While every effort has been made to ensure that the information contained herein is current, fair and accurate, this cannot be guaranteed. The use of this information by any third party shall be entirely at the third party's discretion and is of a factual nature only. The information contained herein does not constitute financial advice as contemplated in terms of the Financial Advisory and Intermediary Service Act, 2002. GEPF does not expressly or by implication represent, recommend or propose that products or services referred to herein are appropriate to the particular needs of any third party. This newsletter is for information purposes only. Please note that if the content of the newsletter conflicts with the rules of the Fund, the rules shall prevail. GEPF does not accept any liability due to any loss, damages, costs and expenses, which may be sustained or incurred directly or indirectly as a result of any error or omission contained herein.

The GEPF respects privacy and personal information of its members and pensioners and therefore subscribes to the provisions of the Protection of Personal Information Act 4 of 2013. Visit www.gepf.co.za to view GEPF Privacy Policy.

Download
GEPF App on:

