

fundtalk

The quarterly newsletter for members of the Government Employees Pension Fund

1ST Edition 2023/2024



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YOU CAN *LODGE* A COMPLAINT IF YOU ARE UNHAPPY WITH GEPF SERVICES



The Government Employees Pension Fund (GEPF) has launched a complaints office called the Government Employees Pension Ombud (GEPO) office to provide support to members of the Fund who feel dissatisfied with services they have received from the Fund. This is an office where clients can lodge a formal complaint against the Fund and the Government Pensions Administration Agency (GPAA).

GEPO is a voluntary ombud and is an independent internal structure that was established by the Board of Trustees of the GEPF with effect from 01 July 2019. The main purpose of the Fund's Ombud Office is to establish a mechanism for members and their beneficiaries to address the complaints and grievances they have against the Fund.

This allows the GEPO to investigate, consider, determine and resolve the complaints in a fair, impartial and timely manner.

Requirements if you want to lodge a complaint

In order to lodge a complaint with the GEPO Office the following will apply:

- You must be a GEPF member, pensioner, beneficiary or a former member.
- Your complaint must have happened within the last three (3) years.
- All complaints must be submitted in writing.

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

enquiries@gepo.co.za

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+27 12 110 4950



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- Complaints can ONLY be lodged through the post office, email, GEPO website, fax or by visiting the GEPO Office. Some of the matters that can be referred to the GEPO Office include:
- Unnecessary delays in processing pension benefits that are due.
- Failure by officials to perform their duties in terms of the Fund's law and rules.
- Breaking of a commitment without a justifiable reason.
- Providing incorrect or misleading information.

The processes to follow if you want to lodge a complaint

Complaints addressed to the GEPO must be submitted in writing. This implies that no complaints may be submitted over the telephone or verbally. However, the Ombud office will assist any person over the phone or in-person on how to write and submit a complaint, should they require assistance. Complaints can be lodged through the post, email, GEPO website, fax or by visiting the GEPO Office.

In case of a dispute, the duration given to the parties to resolve it is 30 days, counting from the day the complaint was officially lodged. However, if after the prescribed period of 30 days the

dispute remains unresolved, the member can escalate their complaint to the Ombud Office in writing for further attention.

Important information required when you lodge a complaint

- *Full names and surname*
- *ID number*
- *Persal or employment number (if available)*
- *GEPF pension number*
- *Your cell phone number and an alternative cell phone number (next of kin or neighbour) where you can be reached if yours is unavailable*
- *Email address*
- *Physical or postal address*

More information about the GEPO Office and the guidelines on how to lodge a complaint can be accessed by visiting the Ombud office website at www.gepo.co.za. Alternatively, members, pensioners and beneficiaries can engage the office through the following contact details:

GEPO Offices Iparioli Office Park, 1166 Park Street, Hatfield, Pretoria 0028
PO Box 11005, Hatfield, Pretoria 0028
Email: enquiries@gepo.co.za
Telephone: 012 110 4950

ACTUARIAL INTEREST FACTORS: WHAT IS IT AND HOW DOES IT WORK?



Interest rate

GEPF members earn a pension benefit that is payable on retirement for each year that they work. The pension benefit is determined by the member's pensionable salary and the years of service they have in the Fund and is only payable when the member retires. However, a member may choose to leave the Fund before they reach retirement age. In such instances, the member will be paid the fair value of what they would have already earned in pension benefits when they exit the Fund.

Actuarial interest represents the fair value of a pension benefit earned when a member leaves the Fund and is calculated according to the formula set out in the rules of the GEPF.

What are actuarial factors and why are they needed?

Actuarial factors convert a regular pension benefit payable in the future to an equal lump-sum value of what the pension benefit would amount to today. In other words, actuarial factors simplify the calculation of the actuarial interest benefit and are needed to determine how much a member should be paid today to compensate them if they exit before retirement.

How often does the GEPF update the actuarial factors?

The Fund updates actuarial factors after the approval of the statutory actuarial valuation. This could be every two or three years, depending on when the statutory actuarial valuation is conducted. However, the time frame must not exceed a period of three (3) years as provided for in the Government Employees Pension (GEP) Law and rules.

Regularly changing the actuarial interest factors is important to ensure that members who leave the Fund receive an appropriate benefit based on the benefits they have built up in the Fund, and to ensure that the Fund does not make a profit or a loss based on the actual benefits that are paid to exiting members.

What process is followed before the implementation of the new factors?

The GEPF consults with different labour unions on the proposed factors before implementation. This is a requirement of the GEP Law. Once the consultation process is completed, and a decision is made on the actuarial factors, an instruction is sent to the administrators to update the actuarial factors.

What affects actuarial interest and actuarial interest factors?

Actuarial interest factors are based on a set of financial and demographic assumptions as recommended by the Fund's valuator in the Statutory Actuarial Valuation report. These assumptions are expected to reflect the experience of the GEPF membership and its investments. The assumptions are based on reasonable expectations about future events and are guided by actual experience and statistics. The main driver of the factors is the investment returns above inflation, which the Fund's investments are expected to earn from now until the pension benefits are payable.

Who is affected by the changes in actuarial interest factors?

The updated actuarial factors are applicable to all active members. However, only the benefits where actuarial interest is payable will be affected. This affects mainly resignation benefits and other exits where a member has less than 10 years of pensionable service. Members who retire with at least ten years of pensionable service are generally unaffected by changes to actuarial factors.

What to know

The Fund guarantees the benefits payable on retirement but cannot guarantee the value of these benefits in today's terms as these depend on the valuation assumptions. Changing the assumptions ensures that members get paid their fair share of benefits when they exit. This helps ensure the sustainability and financial soundness of the Fund in the long term. It is important to note that members are not prejudiced as they are paid their fair value for the benefits earned based on current economic conditions.





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 by 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

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KNOW MORE ABOUT YOUR PENSION INCREASE

GEPF members who are approaching retirement age could be asking themselves about how pension increase is determined.

The GEPF is governed by the Government Employees Pension (GEP) Law of 1996, as amended, and the rules that accompany it. These rules, along with GEPF's pension increase and Funding Level policies, provide firm guidelines on how the Fund must decide the annual increase that is paid to pensioners.

The Board of Trustees, on the advice from the actuarial team, may approve a pension increase provided that the pension increase does not compromise the current and future financial position of the Fund. The Board of Trustees then notifies the Minister of Finance regarding the pension increase.

The minimum funding level states that the Fund's assets must be able to cover at least 90% of its liabilities. This means that the assets the Fund owns must be able to cover the cost of at least 90% of its commitments (its liabilities). According to the rules, the Fund can only approve an increase that it can afford.

The GEPF's annual pension increase is made up of four elements defined in the approved Pension Increase policy of the Board.

The four elements are the following:

Basic increase	75% of the year-on-year change in the Consumer Price Index (CPI) for all pensioners who retired on or before 1 April of the previous year. Pensioners who retired after the said date receive a proportional share of the increase based on the number of months they have been on retirement.
Further inflation-related increase	An inflation-related increase of more than 75% of the change in the CPI applicable to pensioners who retired on or before 1 April of the previous year. Similarly, pensioners who retired after the said date receive a proportional share of the increase based on the number of months they have been on retirement.
Catch-up increase	<p>For pensioners who retired before 1 April of the previous year and whose pensions have fallen below the amount paid at retirement adjusted for full inflation to date, an amount is paid to compensate for the effect of inflation. This amount is added after the basic increase and the further inflation-related increase.</p> <p>The catch-up increase could be 100% of the change in the CPI from the date of retirement to 30 November of the previous year, or a lower amount that the Fund can afford.</p>
Supplementary increase	Any increase that the Board chooses to make that is not related to inflation.

The Board cannot always grant all four elements each year but considers the ones to be awarded based on affordability. Pension increase that is above what is provided for in the GEP Law and rules is granted at the discretion of the Board of Trustees, taking into account the performance of the Fund's investment portfolios and affordability.



WHAT HAPPENS TO YOUR PENSION IF YOU DIE IN SERVICE WITHOUT A SPOUSE OR BENEFICIARIES?

If a member passes away whilst still in service and had no spouse or beneficiaries, the pension benefit will be paid into the estate late account. In that event, the family will be required to nominate an executor who will be appointed to manage and deal with the estate.

This also applies in the event that a member passes away within five years of retirement and such member had no spouse or beneficiaries. The five-year balance will be paid into the estate late account.

This is the main reason that members are always encouraged to ensure that their nomination forms are always up-to-date. Members can nominate anyone or any organisation as a beneficiary. The nomination form can be updated as many times as per the member's discretion.

TAX DEDUCTIONS FOR DOUBLE INCOME EARNERS – REMINDER FOR PENSIONERS TO MAKE THEIR CHOICES



TAX

In 2022, the South African Revenue Service (SARS) made changes to the revised tax rate in terms of the tax required to be deducted by an employer from an employee's remuneration paid or payable (PAYE).

As a result, the Government Pensions Administration Agency (GPAA) implemented a directive from SARS that provided for the revised tax rate to be deducted from pensioners' monthly payment pension. It is important to note that only pensioners who receive multiple sources of income are affected by the revised changes.

Pensioners have the option to opt out of the revised tax rate provided by SARS and revert to the normal Pay As You Earn (PAYE) rate applicable to their pension. However, if a pensioner chooses to opt out, the Government Employees Pension Fund will continue to deduct as per the previous tax rate and not in the more accurate effective tax rate as provided by SARS. This may result in pensioners having to settle a tax debt with SARS at the end of the tax year.

Pensioners can request the GEPF to deduct an additional amount for tax, from the monthly annuity they receive. Typically, this will apply to pensioners who have other income sources in addition to the pension they receive from the Fund. This is because in such cases when all income is declared to SARS, the pensioner is likely to fall in a higher tax bracket and thus has to make additional payment to SARS after assessment.

Should a pensioner opt to request the Fund to deduct an additional amount for tax, the pensioner must specify the amount to be deducted and paid to SARS monthly, as well as when the deductions must start and end. If no end date is specified, the deduction of the stipulated amount will continue indefinitely, and the amount paid to SARS will be reflected on the IRP5 issued every year.

Enquiries may be directed to the GEPF Call Centre: 0800 117669. 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 and Privacy statement.



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**?

Taking care of you today for a better future.

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



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GEPF DOES NOT OFFER HOUSING SUBSIDY



The Government Employees Pension Fund (GEPF) continues to receive enquiries from members who want to know if the Fund offers a housing subsidy. A housing subsidy is an allowance provided by government for ease of access to housing for qualifying employees in the public sector.

Government employees who are still in service qualify for a variety of benefits, including a housing allowance as part of their conditions of service. Housing allowance is provided by government to its employees through the Government Employees Housing Scheme (GEHS). The scheme seeks to assist qualifying government employees to receive assistance by subsidising what they pay towards their home loans. Furthermore, GEHS assists government employees who do not own houses but have an accommodation rental fee they pay for every month.

The housing subsidy is paid for by government in line with the public service regulations NOT the Government Employees Pension Fund (GEPF). Although the public service regulations state that employees and their respective employer departments must contribute a portion of their pensionable salaries and make contributions towards the employees' pension savings, which are managed by GEPF, it does not mean that the Fund offers a post-retirement housing subsidy.

Employees should use the housing allowance provided by government (the employer) while they are still employed in their respective departments to assist them towards their home loan repayment or to help cover their accommodation rental fees.

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

Free State

Mimosa Mall, Upper Level, Entrance 5
131 Kellner Street, Brandwag,
Bloemfontein

Gauteng

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

Kwa-Zulu Natal

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

Limpopo

87 (a) Bok Street,
Polokwane

Mpumalanga

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

North West

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

Northern Cape

11 Old Main Road, Kimberley

Western Cape

Buitengracht Centre, 4th Floor
125 Buitengracht Street
Cape Town

Satellite Offices

Durban

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

Johannesburg

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

Mthatha

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

Phuthaditjhaba

Mandela Park Shopping Centre,
712 Public Road

Gqeberha (formerly Port Elizabeth)

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

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)

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