RETIRE OR RESIGN
WITH GEPF: WHAT YOU NEED TO KNOW

GEPF has very strict rules about the benefits it must pay to its members, pensioners and beneficiaries. These rules are set out in a law (an Act of Parliament, approved and signed into law by the President) called the Government Employees Pension (or GEP) Law or the Regulations as negotiated in the Public Service Coordinating Bargaining Council (PSCBC) for post-retirement medical benefits. This Law and its rules explain how GEPF must collect money from contributing members and employers, how this money must be invested and how it must be paid out to those who are eligible for benefits.

GEPF is a defined benefit fund and your benefits are guaranteed

GEPF is a defined benefit fund. This type of pension fund is different from the pension funds offered in most of the private sector (you can choose to belong to a defined benefit fund in the private sector as well, but it is not the norm). In GEPF, the type of benefit you will receive is not based on how much money you and your employer contribute, with interest, and when the money is finished there is nothing left for you. Instead, in GEPF your benefit is calculated based on formulas specified in the rules, and the benefit is determined on an exit factor, the number of service years you have, and your final average salary over the last two years of your employment.

Resignation rather than retirement – WHAT YOU CAN LOSE

GEPF has different benefits if you resign from government service rather than retiring. If you have more than 10 years of service and you decide to resign rather than retire, you will lose the following benefits offered by GEPF:

Monthly pension

You will only receive a once-off lump sum payment, called a gratuity, rather than receiving your lump sum and monthly pension, called an annuity (which is for life). Your spouse or life partner will also not receive anything from GEPF after you pass away, whereas they would have received 50% or 75% of your monthly pension, based on your choice on retirement, for as long as they live.

Medical aid subsidy

You will not receive any contribution towards your medical aid from the state if 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 if you had 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 (the amount payable depends on whether you have less than five years’ service, less than 10 years’ service, or less than 15 years’ service). These all fall away when you resign.

Funeral benefit

GEPF pays a funeral benefit to help its members and pensioners pay the funeral costs when a GEPF member or pensioner dies. These benefits are also paid out on the death of the spouse, life partner or eligible child of a member or pensioner. This benefit consists of R7 500 for the funeral of a member or pensioner. The same amount is also payable for the funeral of a member or pensioner’s spouse or life partner. For the funeral of an eligible child of a member or pensioner, the benefit is R3 000. This benefit is not paid if you resign.
KNOW THE TRUTH!
DON’T LISTEN TO RUMOURS ABOUT YOUR BENEFITS

IF YOU RESIGN INSTEAD OF RETIRING:

- NO monthly pension
- NO medical assistance
- NO funeral assistance

The choice is yours, but think and be informed

Before you resign rather than choosing to retire with GEPF, think about all of the options that you have and the benefits that you will lose. As a GEPF member, whether an active member or pensioner member, you will never receive less than the benefits that you qualify for according to the law and the rules.

Payment of pension benefits in 2015

An unfounded rumour is spreading regarding GEPF pension payment. It is important for all GEPF members and pensioners to know that the GEPF will continue to pay all the benefits that are due to members who leave, according to the rules.

There is a pension reform in the pipeline that will limit the amount members of private sector provident funds may withdraw from a fund on exit. **THIS WILL NOT AFFECT THE GEPF, AS THE GEP LAW WILL NOT CHANGE AT THIS STAGE.** The change will affect all funds administered in terms of the Pension Funds Act.

Don’t let anyone fool you about your benefits: be informed. If you are not sure about something, contact GEPF directly on 0800 117 669 or visit your nearest Regional Office.
CONTACT DETAILS

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Provincial Offices

Gauteng: Ground floor, Kingsley Centre, corner Steve Biko and Stanza Bopape streets, Arcadia, Pretoria
Eastern Cape: No. 12, Global Life Office Centre, Circular Drive, Bhisho
Free State: No. 2 President Brand Street, Bloemfontein
KwaZulu-Natal: Third floor, Brasfort House, 262 Langalibalele Street, Pietermaritzburg
Limpopo: 87(a) Bok Street, Polokwane
Mpumalanga: 19 Hope Street, Ciliata Building, Block A, ground floor, Mbombela
North West: Mmabatho Mega City, Office No. 4/17, ground floor, Entrance 4, Mahikeng
Northern Cape: 11 Old Main Road, Kimberley
Western Cape: 21st floor, No. 1 Thibault Square, Standard Bank Building, Long Street, Cape Town

Satellite Offices

Johannesburg: Second floor, Lunga House, 124 Marshall Street,
               (Corner Marshall and Eloff – Gandhi Square Precinct), Marshalltown
Port Elizabeth: Ground floor, Kwantu Towers, Sivuyile Mini-Square, next to City Hall
Mthatha: Second floor, PRD Building, Sutherland Street
Durban: Eighth floor, Salmon Grove Chambers, 407 Anton Lembede Street

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