

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 3562 [NW4229E]

DATE OF PUBLICATION: 18 SEPTEMBER 2015

3562. Mr R A Lees (DA) to ask the Minister of Finance:

- (1) What is the total number of voluntary withdrawals that were made from each specified pension fund falling under the Government Pensions Administration Agency (GPAA) (a) in each specified month and (b) in the (i) 2014-15 financial year and (ii) during the period 1 April 2015 up to the latest specified date for which information is available;
- (2) what was the breakdown of these figures by (a) race, (b) gender, (c) sector and (d) province;
- (3) whether the GPAA conducted any research into the high level of withdrawals from pension funds; if not, why not; if so, what were the main findings?

NW4229E

REPLY:

3562. Mr R A Lees (DA) to ask the Minister of Finance:

- (1) The total number of voluntary withdrawals that were processed in respect of the GEPF, being the only contributory Fund the GPAA manages is detailed below. (The other Funds: IOD, Military Pensions, Post-retirement Medical Aid and Special Pensions are non-contributory.) The Government Pensions Administration Agency's (GPAA) records indicate (a) in each specified month and (b) in the (i) 2014-15 financial year and (ii) during the period 1 April 2015 up to the latest specified date that the following resignation claims were processed:

Month	2014/2015	2015/2016
April	2 830	4 334
May	2 433	4 055
June	2 701	3 240
July	3 528	3 615
August	3 456	3 092
September	3 726	-
October	3 717	-
November	4 482	-
December	3 411	-
January	3 811	-
February	4 949	-
March	4 236	-
Total	43 280	18 336

(2) The breakdown of these figures by (a) race, (b) gender, (c) sector for 2014-15 Financial year:

Race	Gender	Employer (sector)					Total
		Education	Health	SAPS	Correctional Service	Other	
African	Female	8 571	7 517	474	207	3 067	19 836
	Male	5 164	2 767	1 480	635	3 249	13 295
Asian	Female	175	254	27	5	114	575
	Male	59	132	72	13	80	356
Coloured	Female	588	1 161	155	45	437	2 386
	Male	344	314	380	208	349	1 595
White	Female	1 047	639	238	47	519	2 490
	Male	293	237	303	191	349	1 373
Not allocated	Female	232	205	35	9	212	693
	Male	169	106	52	12	342	681
Total		16 642	13 332	3 216	1 372	8 718	43 280

(2) Continued: The breakdown of these figures by (a) race, (b) gender, (c) sector for 2015-16 until 31 August 2015:

Race	Gender	Employer (sector)					Total
		Education	Health	SAPS	Correctional Service	Other	
African	Female	3 358	2 976	255	64	1 181	7 834
	Male	2 226	1 236	975	261	1 475	6 173
Asian	Female	89	109	9	2	34	243
	Male	30	53	33	4	34	154
Coloured	Female	221	342	74	12	204	853
	Male	152	115	206	76	174	723
White	Female	509	272	136	19	196	1 132
	Male	155	92	155	54	158	614
Not allocated	Female	113	94	10	5	92	314
	Male	85	49	18	7	137	296
Total		6 938	5 338	1 871	504	3 685	18 336

(2) Continued: The breakdown of these figures by (c) sector and (d) Province for 2014-15:

Province	Employer					Total
	Education	Health	SAPS	Correctional Service	Other	
Eastern Cape	1 922	1 827		0	1 038	4 787
Freestate	878	644	27	0	272	1 821
Gauteng	4 987	2 623	2	0	556	8 168
Kwazulu Natal	3 734	3 562	6	6	667	7 975
Limpopo	1 493	1 074	7	0	436	3 010
Mpumalanga	1 289	740	0	0	342	2 371
North West	494	696	0	0	481	1 671
Northern Cape	362	387	0	0	150	899
Western Cape	1 057	1 691	0	0	456	3 204
National departments	425	88	3 174	1 366	3 950	9 003
Unknown Province	1	0	0	0	370	371
Grand Total	16 642	13 332	3 216	1 372	8 718	43 280

(2) Continued: The breakdown of these figures by (c) sector and (d) Province for 2015-16 until 31 August 2015:

Province	Employer					Total
	Education	Health	SAPS	Correctional Service	Other	
Eastern Cape	676	591			294	1 561
Freestate	416	212	26		93	747
Gauteng	1 880	1 290	1		241	3 412
Kwazulu Natal	1 418	1 411	3		232	3 064
Limpopo	729	523	1		124	1 377
Mpumalanga	418	298			233	949
North West	372	299			161	832
Northern Cape	258	157			85	500
Western Cape	377	529			237	1 143
Unknown Province					146	146
National departments	394	28	1 840	504	1 839	4 605
Grand Total	6 938	5 338	1 871	504	3 685	18 336

(3) GPAA has conducted a pilot study in 2014, and is continuing with both, the qualitative and quantitative research, to assess the high level of resignation claims received and processed in respect of the GEPF since April 2014. It is implied that personal indebtedness featured prominently as one on the reasons why government employees were cashing in on their pension, by resigning from their employment in order to exit the GEPF. Furthermore the pilot study indicates the following other reasons stemming from the interviews conducted with members:

- A prospect of capital for a business venture;
- The easy re-employment of the resignee by the same or other state employer to their similar position;
- Ill-informed members about defined benefits versus defined contribution;
- Exclusion of children from monthly pensions,
- Concerns about spouse benefits;
- Negative perceptions fuelled by the public sector discourse; and
- The limitation of the Government Employee Pension Law to provide added benefits and flexibility to the Fund's structure.

The study at the GPAA continues to explore the resignation trends.