

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 1900 [NW2415E]**

**1900. Mr W W Wessels (FF Plus) to ask the Minister of Finance:**

- (1) What is the prescribed period within which a member of the Government Employees Pension Fund (GEPF) should receive the first retirement payment after completing and submitting all relevant documentation;
- (2) what (a) number of members of the GEPF have been affected by delays in first payments after retirement in the each of the financial years from 2010-11 to 2019-20 and (b) were the reasons for each of the specified delays;
- (3) what was the total amount of interest paid due to the late payments since the 2010-11 financial year;
- (4) whether the GEPF has put in place any measures to ensure that delays in the payment of pensions are mitigated; if not, why not; if so, what are the relevant details;
- (5) whether he will make a statement on the matter?

NW2415E

**REPLY:**

1. A benefit is payable to a member, pensioner or beneficiary entitled to such benefit within a period of 60 days from the benefit becoming payable to the member, pensioner or beneficiary.
2. (a) The under mentioned table details the retirements paid within 60 days and those retirements paid outside of 60 days

Financial Year	Total Retirement Cases Paid	Claims paid within 60 days	% age paid within 60 days	Claims not paid within 60 days	%age Not paid within 60 days
2011	23,913	23171	97%	742	3%
2012	29,391	26830	91%	2,561	9%
2013	27,699	22849	82%	4,850	18%
2014	29,546	22043	75%	7,503	25%
2015	28,802	24797	86%	4,005	14%
2016	31,845	27693	87%	4,152	13%
2017	32,196	26848	83%	5,348	17%
2018	35,571	29966	84%	5,605	16%
2019	35,931	32236	90%	3,695	10%
2020	34,134	29944	88%	4,190	12%

(b) The reason for delayed benefit payments varies and arises due to many factors. The delays amongst others include:

- Claim documentation has not yet reached the GPAA. Claimants should ensure that their HR departments send all required documentation to the GPAA once finalised
- Incomplete or incorrect documentation which requires the documents to be referred back to employee departments for rectification
- Incorrect payment information such as incorrect bank accounts which results in bank verification process failing thereby payment cannot be made
- GPAA awaiting tax directives from SARS before payment is made.
- Issues with members' tax affairs requiring members to attend to these with SARS. Member's tax affairs need to be in order to ensure that the required tax liability is paid over to SARS before benefits can be paid to members.
- Required divorce documentation outstanding to pay benefits
- Other reasons pertaining to specific claims.
- The impact of the lockdown regulations has impacted operational activity of the GPAA since March 2020.

3. The table below depicts the interests paid in respect of all benefits paid by the GEPF and not specifically in respect of retirements only. The interest paid would be in respect of retirement, resignation, death, ill-health retirement, and transfer benefits.

Financial Year	Benefits Paid for the year R'000	Interest Paid for the R'000
2010 – 2011	31 098 727	653 748
2011 – 2012	35 581 583	881 093
2012 – 2013	39 769 902	756 179
2013 – 2014	52 570 775	1 158 520
2014 – 2015	78 341 762	1 421 880
2015 – 2016	85 196 350	1 845 820
2016 – 2017	86 290 613	1 883 182
2017 – 2018	91 071 319	1 954 491
2018 – 2019	94 876 686	1 469 311
2019 – 2020 (Unaudited)	108 742 851	1 752 019

4. The Government Pensions Administration Agency (GPAA) which administers payments for the Government Employees Pension Fund (GEPF) like many other organisations, was negatively impacted by the Covid-19 pandemic. In support of the national agenda in combating COVID-19 the entity was also initially closed for a short period of time during the first lockdown until it was subsequently classified as an essential service. The GPAA has implemented various measures to increase production since the declaration of the National State of Disaster.

These measure include:

- The acquisition of additional technology and mobile devices to enable and increase remote working arrangements;
- A combination of remote working and staff coming into the office is being followed in order to ensure improved capacity;
- Implementation of automation of processes, where possible, to allow for faster capability in processing of pension claims;
- A dedicated focus on processing pension retirement claims to accelerate claims of retirees.
- Continuous improvement of processes are being attended to allow for remote and faster capability of processing of claims

It is important to emphasise that these initiatives notwithstanding, service to members, pensioners and beneficiaries is impacted by COVID-19 and delays may still be experienced as staff contract COVID -19.

5. It is not necessary for the Minister to make a statement on the matter as there has been acknowledgement by the GEPF and GPAA of late payments.