

NATIONAL ASSEMBLY
QUESTIONS FOR WRITTEN REPLY
QUESTION NUMBER 508
DATE OF PUBLICATION
27 AUGUST 2004

MR F BEUKMAN (NNP) TO ASK THE MINISTER OF FINANCE:

Whether any adjustment to the formula for the calculation of the pension increases for civil pensioners is considered; if so, what are the relevant details?

N713E

REPLY:

The Rules of the Government Employees Pension Fund (GEPF) were amended on 8 August 2003 in line with Resolution 12 of 2002, and Resolution 3 of 2003, negotiated in the Public Service Co-ordinating Bargaining Council (PSCBC). The new rules make provision, subject to Section 25 of the Government Employees Pension Law, 1996, for minimum pension increases as follows.

1. The GEPF will declare an annual pension increase of at least 75% of inflation over the previous year. Inflation, for the purposes of this calculation, is measured by the average change in the Consumer Price Index (All Items) over the previous year (measured from 1 December to 30 November).
2. The Rules further require *ad hoc* additional “catch-up” increases for pensioners that fall below a minimum level. For the purposes of this increase, the minimum level is defined as 75% of the pension at retirement, adjusted for full inflation. These *ad hoc* increases will be granted annually to all pensioners that fall below the minimum level.

These Rules were promulgated on 8 August 2003. They were applied retrospectively to 1 April 2002. There is no intention to change the formula in the near future.

NATIONAL ASSEMBLY
QUESTIONS FOR WRITTEN REPLY
QUESTION NUMBER 524

DATE OF PUBLICATION

27 AUGUST 2004

MS R TALJAARD (DA) TO ASK THE MINISTER OF FINANCE:

- (1) Whether representatives of the trade union movement have been appointed as board members of the Government Employee Pension Fund (GEPF); if not, why not; if so, (a) when were they appointed and (b) who was appointed;
- (2) whether he will make a statement on the matter? **N730E**

REPLY:

- (1) The appointment of a permanent Board of Trustees of the GEPF is in process. On 8 August 2003 the Rules of the GEPF were amended to make provision for the expansion of the Board from the previous twelve persons to sixteen persons.

Under the new Rules of the GEPF, members and pensioners of the Fund are entitled to representation on the Board, which representation shall collectively be equal in number to the representation by the employer. The relevant Rules provide that the Board shall consist of the following persons:

- (a) Eight employer nominees designated by the Minister of Finance in consultation with the Ministers responsible for the Public Service and Administration, Education, the South African National Defence Force, the South African Police Services, the National Intelligence Agency and the South African Secret Service. At least one of the employer nominees must have proven expertise in the following:
 - (i) Financial management and investments; and/or
 - (ii) the management and organisation of pension funds in general.

The process is underway and the responsible Ministers have been approached for nominations.

(b) Eight employee nominees on the Board consisting of the following persons:

- One pensioner representative elected by postal ballot by pensioners. This process was completed earlier this year and Messrs MA Bekker and HJ Koekemoer were elected as Trustee and Alternative Trustee respectively.
- One person elected by members of the Fund employed by the South African National Defence Forces, the National Intelligence Agency and the South African Secret Service. The election process is currently underway.
- Six employee nominees designated by employee organisations admitted to the Public Service Co-ordinating Bargaining Council. Five of the six employee organisations have submitted names of representatives and alternates to the PSCBC.

(2) Falls away.