

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER 430**

**DATE OF PUBLICATION: 19 MAY 2006**

**DUE TO PARLIAMENT: 2 JUNE 2006**

**DR S M VAN DYK (DA) TO ASK THE MINISTER OF FINANCE:**  
*(Interdepartmental transfer from Minister of Public Service and Administration on 19/5/06)*

- (1) In the light of complaints in the media that officials have to wait for months for pension payments from the Public Service pension fund, what procedure is followed from the time when a public servant resigns or retires until the pension is paid out to the person concerned;
- (2) whether such pension payments are indeed delayed for months; if not, what is the prescribed period for payment; if so, (a) why and (b) what steps will her department take in this regard? **N474E**

**REPLY:**

- (1) The process of exit from service and payment of pension benefits for an employee leaving the employment of the public service is initiated by the employer department upon resignation or retirement from service or upon the death of an employee.

The employer in the first instance terminates the employment of the exiting employee on the transversal systems of Government (Persal/Persol). This is followed by an exit notification in the prescribed format (a Z102 document). The exit notification which includes the necessary supporting documentation, the request for processing and payment of the employees pension benefit(s) and the reason for the exit, is forwarded to the Government Employees Pension Fund (GEPF).

Upon receipt of an exit notification the GEPF:

- Registers the application for payment of benefit(s);
- Validates the application for correctness and completeness against the exiting member's (employee's) member record. Should the application be incomplete an error is generated and the application is referred back to the employer department with a request to submit either a revised exit notification or the

necessary supporting documentation to enable processing of the application; and

- Processes the application for payment. This process consists of the following:
  - Calculation of the benefit;
  - Obtaining of a tax directive from the South African Revenue Services (SARS); and
  - Payment of the benefit to the bank account of the member or beneficiary.

(2) (a) Yes, there is a delay in payment. The current prescribed period for payment is 60 days.

Different factors may contribute to delaying the payment of a benefit.

The GEPF is dependant on the submission of a duly completed exit notification from the employer department to initiate the exit of a member. Delays in timeous submission of exit notification are the result of, but are not limited to:

- Geographical distribution. Employers are located nationally and spread over 164 national and provincial departments, and other entities;
- The total public service is spread across 142 000 employer pay points (personnel offices);
- Documents not submitted on time; and
- Incomplete, erroneous and incorrectly completed documents.

Other factors that hampers processing include:

- Adjudication on the allocation of benefits payable to dependant upon the death of a member;
- Difficulties experienced in obtaining tax directives. Tax directives can be declined for various reasons such as the member not being registered for income tax purposes or due to outstanding income tax returns, etc;
- Closed or frozen bank accounts, which in turn result in processed payment(s) being returned; and
- GEPF does not have sufficient capacity/capability to process claims.

(2) (b) The National Treasury has noted the delays and has requested that an action plan be drafted to address the problem. In addition, National Treasury has seconded an employee to assist with the design of the plan. The plan addresses the improvement of business processes/procedures, creating organisational capacity, eradicating current backlogs and improving the relationship between the GEPF and employer departments.

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER 1525**

**DATE OF PUBLICATION: 27 OCTOBER 2006**

**DUE TO PARLIAMENT: 9 NOVEMBER 2006**

**MR W D SPIES (FF PLUS) TO ASK THE MINISTER OF FINANCE:**

What is the division in (a) numbers and (b) percentages of pensioners of the Government Employees Pension Fund in the pension income scale of (i) less than R999, (ii) R1 000 to R1 499, (iii) R1 500 to R1 999, (iv) R2 000 to R2 499, (v) R2 500 to R4 999, (vi) R5 000 to R9 999 and, (vii) more than R10 000 per month?  
**N1928E**

**REPLY:**

As on 30 October 2006 the division both in numbers and percentages of pensioners was as follows:

<b>Rand</b>	<b>(a) Numbers</b>	<b>(b) Percentages</b>
(i) 0 – 999	69 999	23,3%
(ii) 1 000 – 1 499	38 420	12,8%
(ii) 1 500 – 1 999	29 696	9,9%
(iv) 2 000 – 2 499	26 618	8,9%
(v) 2 500 – 4 999	69 779	23,2%
(vi) 5 000 – 9 999	53 522	17,8%
(vii) 10 000 >	12 242	4,1%
<b>Total</b>	<b>300 276</b>	<b>100%</b>