



GOVERNMENT EMPLOYEES PENSION FUND

INTERPRETATION ACTS - CONTRIBUTING FUNDS - EXITS AND CLAIMS

7010GEPF0001-250011

GEPF PROJECT # - 02/2001

TABLE OF CONTENTS

TABLE OF CONTENTS	2
1. APPLICABLE DOCUMENTATION	4
1.1 APPLICABLE DOCUMENTS	4
2. ACTS INTERPRETATION - EXITS – GEPF [A1].....	5
2.1 PURCHASE OF SERVICE	5
2.1.1 PAYMENTS IN RESPECT OF PENSIONABLE SERVICE	7
2.1.1.1 Leave Without Pay	7
2.1.1.2 Previous Service.....	8
2.1.1.3 Previous Service (AIPF)	9
2.1.1.4 Other Period	9
2.2 TRANSFERS	10
2.2.1 Transfers In	11
2.3 CALCULATION OF EXIT BENEFITS	13
2.3.1 Actuarial Interest.....	13
2.3.2 Age of Retirement.....	13
2.3.3 Other Definitions.....	13
2.3.4 Summary Of Rules For Calculation Purposes	14
2.3.5 Calculation - Actuarial Interest.....	15
2.3.6 Resignation	16
2.3.6.1 Description of Rule	16
2.3.6.2 Brief Summary Of Rules For Calculation Purposes	16
2.3.6.3 Calculation Resignation Or Discharge	16
2.4 RETIREMENT OR DISCHARGE	17
2.4.1 Less than Ten Years of Pensionable Service	17
2.4.1.1 Reason for Termination	17
2.4.2 Brief Summary Of Rules For Calculation Purposes	18
2.4.3 Ten Years or More Pensionable Service	19
2.4.3.1 Reason for Termination	19
2.4.3.2 Calculation Discharge & Retirement 10 Or More Years Pensionable Service	20
2.4.3.3 Calculation Retirement & Discharge 10 Or More Years Pensionable Service	21
2.5 DEATH OF A MEMBER	23
2.5.1 Calculation of Gratuity	23
2.5.1.1 Definitions.....	23
2.5.1.2 Payment of Benefits (Rule 18).....	24
2.5.1.3 Brief Summary Of Rules For Calculation Purposes	24
2.5.1.4 Calculation - Death Of A Member - Gratuity	25
2.5.2 Calculation of Spouse's Pension	26
2.5.2.1 Definitions.....	26
2.5.2.2 Other Rules	26
2.5.2.3 Brief Summary Of Rules For Calculation Purposes	26
2.5.2.4 Calculation - Death Of A Member - Spouse's Pension	27
2.6 DEATH OF A PENSIONER	28
2.6.1 Calculation Of Benefits On Death Of A Pensioner.....	28
2.7 INJURY ON DUTY.....	29
2.7.1 Definitions.....	29
2.7.2 Other Rules	30
2.7.3 Brief Summary Of Definitions For Calculation Purposes.....	30
2.7.4 Calculation Of Retirement Or Discharge Of Member As A Result Of An Injury On Duty.....	31
2.8 OTHER RULES.....	32
2.8.1 Brief Summary Of Definitions For Calculation Purposes.....	32
2.8.2 Calculation Of Death Of Member As A Result Of An Injury On Duty	33
2.8.3 Calculation Death Of A Pensioner Within Five Years Of Receiving Injury On Duty Pension.....	33
2.9 SEVERANCE PACKAGE	34
2.9.1 55 Or More Years Of Age With 10 Or More Years Pensionable Service	35

2.9.2	Under 50 Years Of Age With No Specified Period Of Pensionable Service Or 50 Years Of Age Or More With Less Than 10 Years Of Pensionable Service	36
2.9.2.1	SEVFAC	36
2.9.3	Between The Ages Of 50 And 55 Years Of Age With At Least Ten Years Of Pensionable Service Completed 38	
2.10	RETIREMENT & DISCHARGE – HEADS OF DEPARTMENTS	39
2.10.1	Reason for Termination	39
2.10.2	Other Rules – Pensionable Service	39
2.10.3	Related Legislation	40
2.10.4	Less than Ten Years of Pensionable Service – Heads of Departments	40
2.10.5	Ten Years or More Pensionable Service – Heads of Departments	42
2.10.5.1	Brief Summary Of Rules For Calculation Purposes	42
2.10.6	Calculation Discharge & Retirement 10 Or More Years Pensionable Service	42
2.10.7	Exceptions	43
2.10.7.1	Attorney General	43
2.10.7.2	Attorney General Less than Ten Years of Pensionable Service	44
2.10.7.3	Calculation Discharge & Retirement 10 Or More Years Pensionable Service – Heads Of Departments	45
2.10.8	Magistrates	46
2.10.8.1	Transfers - Magistrates	47
2.10.8.2	Actuarial Interest – Magistrates	48
2.10.8.3	Retirement Or Discharge - Magistrates	49
2.10.8.3.1	Less than Ten Years of Pensionable Service	49
2.10.8.3.2	Ten Years or More Pensionable Service	51
2.10.8.4	Death Of A Magistrate	53
2.10.8.4.1	Calculation of Gratuity	53
2.10.8.4.2	Calculation of Spouse's Pension (Deceased Magistrate)	54
2.10.8.4.3	Death of Magistrate (Spouse's Pension)	54

1. APPLICABLE DOCUMENTATION

1.1 Applicable Documents

The documents listed in Table 2-1, of the exact issue shown, form part of this document to the extent shown herein. In the event of conflict between the documents referenced herein and the content of this document, the content of this document shall be considered a superseding requirement. However, this document shall not negate higher-level requirements.

Table 1-1: Applicable Documents

No	Identification	Name/Description	Publishing Agency	Revision/Date
[A1]	SEC-029-1000	Government Employees Pension Law	Government Gazette	01 May 1996
[A2]	SEC-024-1000	General Pensions Act	Government Gazette	05 April 1979
[A3]	SEC-030-1000	Pensions Fund Act	Government Gazette	01 January 1958
[A4]	SEC-031-1000	Special Pensions Act	Government Gazette	01 December 1996
[A5]	SEC-032-1000	Military Pensions Act	Government Gazette	30 June 1976
[A8]	SEC-034-1000	Judges Remuneration and Conditions of Employment Act	Government Gazette	01 April 1989
[A9]	SEC-035-1000	Members of the Legislative Assembly Pensions Act	Government Gazette	13 January 1989
[A10]	SEC-036-1000	Members of the Statutory Bodies Pensions Act	Government Gazette	27 June 1969

2. ACTS INTERPRETATION - EXITS – GEPF [A1]

Please note that all the regulations and formulae contained in this document and relating to the Government Employees Pensions Fund are effective from 1 MAY 1997.

2.1 Purchase of Service

Purchase of Service
Rule 9 **NON-RECOGNITION OF PREVIOUS AND OTHER PERIODS OF SERVICE AS PENSIONABLE SERVICE**

9.1 **No period during which a member is:**

- 9.1.1 absent on leave without pay
- 9.1.2 suspended from his or her employer's duty, or
- 9.1.3 seconded to the service of any other Government or to a board, institution or body established by or under any act or to any other body or person;

shall be taken into account in the calculation of a benefit which is payable to him or her in terms of the rules, unless his or her and the employers' contribution in terms of Rule 7 (**Contributions**) are paid to the Fund for the said period or such period is recognized or allowed

as pensionable service of such a member in terms of Rule 10. (**Purchase of Service**)

Rule 10 **RECOGNITION OF PREVIOUS AND OTHER PERIODS OF SERVICE AS PENSIONABLE SERVICE**

Subject to the provisions of the rules any part or the whole of any of the under mentioned periods may at the written request of a member and with the approval of the Board be recognized as pensionable service:

10.1 A period during which the member was

- (a) absent on leave without pay for a period in excess of 120 days
- (b) suspended from his or her employers' duty; or
- (c) seconded to the service of any other Government or to a board, institution, establishment or body established by or under an act or to any other body or person approved by the Board,

and in respect of which he or she did not contribute to the Fund;

10.2 In the case of a member who was re-admitted to the Fund, and who at an earlier stage received a benefit (Excluding a benefit payable for a reason referred in Rule 14.1.1 (**Benefits on discharge/retirement of a member with less than 10 years service**) or 14.3.1(**Retirement of a member**) from the Fund, the Temporary Employees Fund or a previous fund, such earlier period of pensionable service in respect of which a benefit as aforesaid was paid to him or her: Provided that

- (a) the recognition of such earlier period of pensionable service shall be subject to Rule 17, (Accrued pension benefits maintained) mutatis mutandis;
- (b) if such a person was a member of the Government Service Pension Fund immediately prior to the fixed date, his or her written request was received by the Fund within the twelve month period immediately following the fixed date;
- (c) if such a person was a member of the Temporary Employees Pension Fund or a previous fund, as the case may be, immediately prior to the date determined in Section 14(1) or 15(1) of the Law, his or her written request was received by the Fund within the twelve month period immediately following that date: Provided that the regulations pertaining to the Temporary Employees Pension Fund or the previous fund provided for the recognition of such period of service as pensionable service;

Rule 10 RECOGNITION OF PREVIOUS AND OTHER PERIODS OF SERVICE AS PENSIONABLE SERVICE

- (d) if such a member was so re-admitted to the Fund after the fixed date determined in Section 14(1) or 15(1) of the Law, as the case may be, the re-admittance took place within a period of thirty six months after the member had terminated his or her membership of the Fund, the Temporary Employees Pension Fund or a previous fund: Provided, further that such written request by the member was received by the Fund within the twelve month period immediately following his or her re-admittance to the Fund;
 - (e) the member referred to in (b), (c) or (d) above submits proof to the satisfaction of the Board of such previous pensionable service and offers payment of the amount of such benefit to the Board;
- 10.3 a period intended in Rule 10.2 during which the member was a member of the Associated Institutions Pension Fund, established under Section 2 of the Associated Institutions Pensions Act 1963 (act 41 of 1963), in which case the provision of Rule 10.2 will mutatis mutandis apply; or
- 10.4 a period which is not pensionable service and which follows on the date on which a member attained the age of 18 years, as well as a period of previous pensionable service to be recognized in respect of a member in terms of Rule 10.2 other than a member referred to in Rule 10(2) (b), (c) or (d)

2.1.1 PAYMENTS IN RESPECT OF PENSIONABLE SERVICE

2.1.1.1 Leave Without Pay

Rule	Sub Rule	Formula
11.1	10.1.a	Leave Without Pay in excess of 120 days
	10.1.b	Suspended from duty
	10.1.c	Seconded to another service
	11.1.1	<u>Payable by the Member</u>
		<u>Formula</u> = $R \times N \times S \times D$
		where
		<p>R Rate of 7.50%</p> <p>N Period of service recognized as pensionable service</p> <p>S Pensionable emoluments as at date;</p> <p style="text-align: right;">when leave without pay expired or</p> <p style="text-align: right;">when member resumes duty after suspension or</p> <p style="text-align: right;">when member resumes duty after a period of secondment</p> <p>D has the meaning as in Rule 1 (See D Factor)</p>
	11.5.1	The member (with approval of the Board) may pay the amount in respect of service recognition in installments (as determined by the Board.)
		In such a case interest must be added to the outstanding debt.
	11.5.2a	The amount owing in respect of service recognition of service shall on the termination of membership be deducted from the benefit payable to the member.
	11.1.2	<u>Payable by the Employer</u>
		An amount equal to the residue of costs incidental to the recognition of such service (as pensionable service) as determined by the Board (After consultation with the actuary) in excess of the amount calculated to be paid by the member (<i>Rule 11.1.1</i>)
		Note: F(x) formula minus amount payable by member

2.1.1.2 Previous Service

Rule	Sub-Rule	Formula
11.2	10.2	<p>Previous Service Prior to the Fixed Date (1 May 1996)</p> <p>In a previous fund</p> <p>10(2)(b)</p> <p>Member of Government Service Pension Fund immediately prior to fixed date provided that the written request was received by the Fund within the 12 month period immediately following the fixed date</p> <p>10(2)(c)</p> <p>Member of Temporary Employees Pension Fund or a previous fund, immediately prior to the fixed date</p> <p>provided that the written request was received by the Fund within the 12 month period immediately following the fixed date</p> <p>10(2)(d)</p> <p>Member readmitted to Fund after fixed date</p> <p>Re-admittance took place within 36 months after member terminated membership of the Fund, Temporary Employees Fund or a previous fund</p> <p>and the period in question was recognized as pensionable service under regulations of previous fund</p> <p>10(2)(e)</p> <p>Member re-admitted to the Fund after fixed date and the re-admittance is within a 36 months after member terminated membership of the Fund, the Temporary Employees Pension Fund or a previous fund</p> <p>provided that the written request was received by the Fund within the 12 month period immediately following the fixed date</p> <p>(v)</p> <p>The member submits proof to the satisfaction of the Board of the previous pensionable service</p> <p><u>Payable by the Member</u></p> <p>BENEFIT PREVIOUSLY PAID TO MEMBER</p> <p><u>Plus</u> INTEREST from date on which benefit was paid to the date it was repaid to the Fund</p>

2.1.1.3 Previous Service (AIPF)

Rule	Sub-Rule	Formula
11.3	10.3	<p>Previous Service Prior to the Fixed Date (1 May 1996)</p> <p>A period as described in 10(2) Payments in respect of Pensionable Service but in respect of a member who was a member of the Associated Institution Pension Fund</p> <p><u>Payable by the Member</u></p> <p>BENEFIT PREVIOUSLY PAID TO MEMBER</p> <p><u>Plus</u> INTEREST from date on which benefit was paid to the date it was repaid to the Fund</p>

2.1.1.4 Other Period

Rule	Sub-Rule	Formula
11.4	10.4	<p>Period that is not pensionable service and follows on the date on which a member attained the age of eighteen years</p> <p>Payable by Member</p> <p><u>Formula</u> = N x S x F(X)</p> <p>where</p> <p>N The period recognized as pensionable service</p> <p>S The member's pensionable emoluments on the date that the member applies for the recognition of such service as pensionable service</p> <p>F(X) is a factor determined by the Board after consultation with the actuary.</p>
	11.5.1	<p><i>The member (with approval of the Board) may pay the amount in respect of service recognition in installments (as determined by the Board.)</i></p> <p><i>In such a case interest must be added to the outstanding debt</i></p>
	11.5.2a	<p><i>The amount owing in respect of service recognition of service shall on the termination of membership be deducted from the benefit payable to the member.</i></p>

2.2 Transfers

Definitions

Law: Section 1

“approved retirement fund” means a fund other than a related fund, which has been registered as a pension fund organization in terms of the Pension Funds Act, 1956 (Act 24 of 1956) and which has been approved as a pension fund, retirement annuity fund or provident fund in terms of the Income Tax Act, 1962 (Act 58 of 1962)

Rule	Sub Rule	Formula	Exit Code
14.4.1		a member who resigns has a choice of GRATUITY	
	14.4.1a	For formula see: Calculation - Resignation Benefit OR	
	14.4.1b	TRANSFER BENEFIT For formula see: Calculation - Actuarial Interest	
	14.4.1.bi	being amount mentioned in 14.4.1a above providing the amount is deposited to an approved retirement fund immediately on the member becoming entitled thereto and	
	14.1.bii	The difference between the member's actuarial interest in the fund and the amount of the resignation benefit as mentioned in 14.4.1a, if any Interest shall be added to the benefit to account for any delay in payment BUT Section 26 of the Law is applicable A benefit payable in terms of Law shall be paid to the member within a period of 60 days after which the Board receives a duly completed statement in the prescribed form or, if the Board receives such statement before the date on which a benefit is payable to the member concerned in terms of this LAW, within a period of 60 days after the date on which the benefit is so payable Condition The transfer shall be made to the approved retirement fund specifying that with reference to the transfer benefit any subsequent lump sum benefit payable by the fund or any successor fund to the member and/or the member's beneficiaries shall be limited to one third of the transfer benefit, with interest The balance of the member's transfer benefit (after deduction of the lump sum) shall be applied for the purchase of an annuity, albeit immediately or upon the member's ultimate retirement.	

2.2.1 Transfers In

Rule 12.2

If a person who was a member of an approved retirement fund becomes a member of the Fund, the Board may, in consultation with the actuary, approve special arrangements for the protection of such member's accrued pension benefits. Such arrangements may include the recognition of a previous period of service as pensionable service in terms of rules, provided that the approved retirement fund pays an amount, as determined by the Board in consultation with the actuary on behalf of the member to the Fund.

T(X) Factor

ESTIMATES ONLY

(An accurate valuation must be done by the actuaries)

Formulae:

$$P = TV \div (S \times T(X))$$

OR

$$TV = P \times S \times T(X)$$

Where

P = Pensionable Service to be granted

TV = Transfer Value

S = Salary

T(X) = Factors

	Employer			Employer	
Age	Other	Services	Age	Other	Services
18	0.140	0.185	42	0.207	0.266
19	0.141	0.186	43	0.211	0.271
20	0.142	0.188	44	0.215	0.278
21	0.147	0.193	45	0.220	0.285
22	0.152	0.198	46	0.226	0.291
23	0.158	0.202	47	0.230	0.297
24	0.164	0.206	48	0.235	0.303
25	0.168	0.208	49	0.240	0.308
26	0.172	0.208	50	0.244	0.313
27	0.175	0.210	51	0.248	0.317
28	0.178	0.213	52	0.252	0.320
29	0.180	0.217	53	0.256	0.321
30	0.182	0.220	54	0.260	0.322
31	0.183	0.222	55	0.263	0.322
32	0.184	0.223	56	0.267	0.323
33	0.185	0.224	57	0.271	0.323
34	0.186	0.224	58	0.275	0.324
35	0.188	0.224	59	0.278	0.324

	Employer			Employer	
36	0.190	0.230	60	0.282	0.325
37	0.192	0.236	61	0.282	0.325
38	0.195	0.242	62	0.282	0.325
39	0.197	0.248	63	0.282	0.326
40	0.200	0.255	64	0.282	0.333
41	0.204	0.260	65	0.282	0.342

2.3 Calculation of Exit Benefits

2.3.1 Actuarial Interest

Definitions

<u>Rule</u>	<u>Description</u>
1.2	" Actuarial Interest ", an amount representing the value of a member's benefits in the Fund based on his or her pensionable service, calculated in terms of Rule 14.4.2
1.3	" Actuary ", any Fellow of an Institute, faculty or society or chapter of actuaries approved by the Minister, appointed as the actuary in terms of Rule 4.8
4.8	

2.3.2 Age of Retirement

<u>Law</u>	<u>Description</u>
Section 19	<p>Subject to the provisions of this Law, a member shall have the right to retire on pension and shall be so retired on reaching the age determined by the law governing his or her employment Provided that where such law does not determine the retirement age, a member-</p> <p>(a) Who was a member of the Fund on the fixed date {1 May 1996} shall have the right to retire on pension and shall be so retired on reaching the retirement age provided for in any other law which applied to him or her on the day preceding the fixed date;</p> <p>{Pensionable Service while contributing to a previous recognized Fund) or</p> <p>Who became a member of the Fund after the fixed date {1 May 1996} shall have the right to retire and shall be so retired on reaching the retirement age determined by the rules.</p> <p>(b)</p>
<u>Rules</u>	<u>Description</u>
1.13	" PENSION RETIREMENT DATE ", the earliest date on which a member is entitled to retire in terms of Section 19 of the Law with normal retirement benefits, i.e. without the application of an early retirement factor as envisaged in rule 14.3.3(b): Provided that for the purpose of section 19(b) of the Law, it shall be the date when such a member attains the age of 60 years

2.3.3 Other Definitions

<u>Rule</u>	<u>Subject</u>	<u>Description</u>
1.9	FINAL SALARY	A member's average pensionable emoluments during the last 24 months of his or her pensionable service, or during the whole period of such service, whichever period is the shorter.
1.14	PENSIONABLE SERVICE	Subject to the provisions of rules 9 to 12 -

<u>Rule</u>	<u>Subject</u>	<u>Description</u>
1.14.1		<p>In respect of a member of the Government Service pension Fund or the Temporary Employees Pension Fund immediately prior to the fixed date {1 May 1996} the period of time was recognized as pensionable service of the member under the Government Service Pension Act or the Temporary Employees Pension Act in respect of which no benefit was paid out of the Fund:</p> <p>Continuous service of a member on or after the fixed date {1 May 1996} in respect of which such member contributes or contributed to the Fund or was liable to contribute to the Fund and in respect of which no benefit has been paid out of the Fund under the rules: and</p>
1.14.2		Any other period which is recognized or allowed in terms of the rules as pensionable service of member
1.14.3		<i>Provided that a period of pensionable service shall be calculated by the year and portion of a year shall be determined according to the proportion with the number of days in that portion of a year bears to 365 days.</i>

2.3.4 Summary Of Rules For Calculation Purposes

Final Salary	Average salary over the last 24 months
Pensionable Service	<p>Period member was employed and contributed to the Fund</p> <p>25% of more than 10 Years pensionable service - SANDF, SAPS, NIA, SASS and Correctional Services</p> <p>Periods of Bought Service included/Leave Without Pay deducted.</p> <p>Any other period where a member contributed to another Fund that was amalgamated into the GEPF on 1 May 1996 including the scaling up or down whichever is applicable according to the "previous Fund"</p>

2.3.5 Calculation - Actuarial Interest

Rule	Sub-rule	Formula
14.4.2	14.4.1a	<p>Resignation Benefit</p> <p>$7.5\% \times \text{Final Salary} \times \text{Pensionable Service}$</p> <p>plus increase by ten percentage points for each FULL year of pensionable service between 5 & 15 years of service.</p> <p>Amount of the actuarial interest shall not be less than the Resignation Gratuity</p>
	<u>14.4.2a</u>	<p><u>Member who has not reached the age of 55 years</u></p> <p>$N(\text{adj}) \times \text{FS} \times F(Z) \times [1 + (0.04 \times \{60 - Z\})]$</p> <p>N = all periods of pensionable service</p> <p>FS = final salary</p> <p>F(Z) = factor determined by the actuary</p> <p>Z = age member reaches his pension retirement age</p> <p><u>Note</u></p> <p><u>Z is 60. (For the purposes of this specification)</u></p>
	14.4.2b	<p><u>Member who has reached the age of 55 years</u></p> <p>This is applicable for less than 10 years or 10 years and more pensionable service.</p> <p>$G + [A \times A(X)]$</p> <p>G = Gratuity member would have received in terms of rules had he retired on that date</p> <p>A = Annuity member would have received in terms of the rules had he retired on that date</p> <p>A(X) = Factor determined by actuary</p>
	14.3.3b	<p>Benefit of member of 55 but less than 60 years of age shall be reduced by one third of 1 percent (0.0033333) for each completed month between member's actual date of retirement and member's pension-retirement date.</p>

2.3.6 Resignation

2.3.6.1 Description of Rule

Rule	Detail
	A member who resigns from his or her employer's service or is discharged because of misconduct or ill health occasioned by his or her own doing or for a reason not mentioned in the rules and is not entitled to a benefit mentioned in the rules is entitled, on the written choice of the member to
14.4.1(a)	A gratuity Or I
14.4.1(b)	A transfer to an approved retirement fund (See Transfer)

2.3.6.2 Brief Summary Of Rules For Calculation Purposes

Final Salary	Average of pensionable emoluments over the last 24 months of pensionable service.
Pensionable Service	Period member was employed and contributed to the Fund Periods of Bought Service included/Leave Without Pay deducted. Any other period where a member contributed to another Fund that was amalgamated into the GEPF on 1 May1996 including the scaling up or down whichever is applicable according to the "previous Fund"

2.3.6.3 Calculation Resignation Or Discharge

Rule	Sub-rule	Formula	Exit Code																				
		<p>Gratuity</p> <p>Gratuity = 7.5% x Final Salary x Pensionable Service</p> <p>Plus</p> <p>Increase by ten percentage points for each FULL year of pensionable service between 5 and 15 years</p> <table><tr><td>6 years</td><td>10%</td></tr><tr><td>7 years</td><td>20%</td></tr><tr><td>8 years</td><td>30%</td></tr><tr><td>9 years</td><td>40%</td></tr><tr><td>10 years</td><td>50%</td></tr><tr><td>11 years</td><td>60%</td></tr><tr><td>12 years</td><td>70%</td></tr><tr><td>13 years</td><td>80%</td></tr><tr><td>14 years</td><td>90%</td></tr><tr><td>15 years & more</td><td>100%</td></tr></table>	6 years	10%	7 years	20%	8 years	30%	9 years	40%	10 years	50%	11 years	60%	12 years	70%	13 years	80%	14 years	90%	15 years & more	100%	E
6 years	10%																						
7 years	20%																						
8 years	30%																						
9 years	40%																						
10 years	50%																						
11 years	60%																						
12 years	70%																						
13 years	80%																						
14 years	90%																						
15 years & more	100%																						

Rule	Sub-rule	Formula	Exit Code
	14.4.3	Members who became entitled to resignation benefits on or after 1 July 1996 may have submitted a written choice before 31 March 1998 to receive the gratuity benefit referred to at Rule 14.4.1a	

2.4 Retirement Or Discharge

2.4.1 Less than Ten Years of Pensionable Service

2.4.1.1 Reason for Termination

Rule	Discharge
14.1.1a	Ill Health Retirement not occasioned by member's own fault
14.1.1b	Abolition of Post
14.1.1c	Promote efficiency
14.1.1d	Incapable
14.1.1e	Presidential Appointment
14.1.1f	Injury on duty
14.1.1g	Early Retirement
Rule	Retirement
14.3.1a	On or after Pension Retirement Date
14.3.1b	Before pension retirement date in accordance with conditions of service
14.3.1c	Lapse of service Contract
14.3.1d	Before pension retirement date but not prior to attaining the age of 55 years
14.3.1e	In Education service where member has attained age of 50 years but not yet 55 years

2.4.2 Brief Summary Of Rules For Calculation Purposes

Pensionable Retirement Date	Member who has reached the age of 60 years OR ACCORDING TO CONDITIONS OF SERVICE
Final Salary	Average of pensionable emoluments over last 24 months of pensionable service but not less than as at 30 April 1997
Pensionable Service	Period member was employed and contributed to the Fund Periods of Bought Service included/Leave Without Pay deducted. Any other period where a member contributed to another Fund that was amalgamated into the GEPF on 1 May1996 including the scaling up or down whichever is applicable according to the "Previous Fund"

Rule	Sub-rule	Formula	Exit Code
14.1.1d Incapable 14.1.1g Approved Early Retirement	14.1	Discharge Gratuity (No age restriction) $15.5\% \times \text{Final Salary} \times \text{Pensionable Service}$	A
14.1.1a Ill health 14.1.1b Abolish 14.1.1c Efficiency 14.1.1e Pres App 14.1.1f Injury Duty	14.1	Discharge Gratuity (No age restriction) $15.5\% \times \text{Final Salary} \times \text{Pensionable Service}$	B
	14.1.2	Plus: one third of the amount calculated	D
14.3.1a Pension on Retirement Date		Retirement Gratuity = Resignation Gratuity	A
14.3.1b Before Retirement Date	14.3.2	OR Actuarial interest (WHICHEVER IS GREATER)	

Rule	Sub-rule	Formula	Exit Code
Conditions of Service 14.3.1c Service Contract 14.3.1d Pension before retirement date but not prior to 55 years of age 14.3.1e Education Service at 50 years but before 55 years of age	14.3.3b	Gratuity of member of 55 but less than 60 years of age shall be reduced by one third of one percentage point (0.0033333) for each completed month between member's actual date of retirement and member's pension-retirement date.	F

2.4.3 Ten Years or More Pensionable Service

2.4.3.1 Reason for Termination

Rule Discharge

- 14.1.1a Ill Health Retirement not occasioned by member's own fault
- 14.1.1b Abolition of Post
- 14.1.1c Promote efficiency
- 14.1.1d Incapable
- 14.1.1e Presidential Appointment
- 14.1.1f Injury on duty
- 14.1.1g Early retirement

Rule Retirement

- 14.3.1a On or after Pension Retirement Date
- 14.3.1b Before pension retirement date in accordance with conditions of service
- 14.3.1c Lapse of service Contract
- 14.3.1d Before pension retirement date but not prior to attaining the age of 55 years
- 14.3.1e In Education service where member has attained age of 50 years but not yet 55 years

2.4.3.2 Calculation Discharge & Retirement 10 Or More Years Pensionable Service

PUBLIC SERVANTS (excluding the Services)			
Rule	Sub-rule	Formula	Exit Code
14.1.1d Incapable 14.1.1g Early Retirement Approved by Public Service Commission 14.3.1a On or after Pension Retirement Date 14.3.1b Service Conditions 14.3.1c Lapse of Service Contract	14.3.3 14.2.1a 14.2.1b 14.2.1c 14.2.5	Gratuity = 6.72% x Final Salary x Pensionable Service Annuity = 1/55 x Final Salary x Pensionable Service plus Supplementary Amount = R360 Monthly Pension = Annuity divided by 12	A
14.1.1a Ill Health (Not own fault) 14.1.1b Abolition of Post 14.1.1c Promote Efficiency 14.1.1e Presidential Appointment 14.1.1f Injury on Duty	14.2.1a 14.2.1b 14.2.1c 14.2.5 14.2.3b(i) (AA)	Gratuity = 6.72% x Final Salary x Pensionable Service Annuity = 1/55 x Final Salary x Pensionable Service plus Supplementary Amount = R360 Monthly Pension = Annuity divided by 12 <u>One third of the member's pensionable service or unexpired period of service (whichever period is shorter) with a maximum of five years must be added to the member's pensionable service for the above cases.</u>	B D
14.3.1d Others over 55 but under 60 14.3.1e Educators over 50 but under 55	14.2.1a 14.2.1b 14.2.1c 14.2.5 14.3.3b	Gratuity = 6.72% x Final Salary x Pensionable Service Annuity = 1/55 x Final Salary x Pensionable Service plus Supplementary Amount = R360 Monthly Pension = Annuity divided by 12 <u>Reduce both gratuity and annuity by one third of one percent for each completed month from date of actual retirement to retirement age date</u>	F

Injury on Duty: *Read in conjunction with Rule 15.8*

South African Police Service and South African Secret Services

Page 21 of 55

Rule	Sub-rule	Formula	Exit Code
	14.2.1a	Gratuity = 6.72% x Final Salary x Pensionable Service	F
	14.2.1b	Annuity = 1/55 x Final Salary x Pensionable Service plus	
	14.2.1c	Supplementary Amount = R360	
	14.2.5	Monthly Pension = Annuity divided by 12	
	14.2.3(a)	<i>One quarter of the period of pensionable service in excess of ten years must be added to the period of pensionable service</i>	
	<u>14.3.3(b)</u>	<u>Reduce both gratuity and annuity by one third of one percent (0.00333333) for each completed month from date of actual retirement to retirement age date</u>	

2.5 Death Of A Member

2.5.1 Calculation of Gratuity

2.5.1.1 Definitions

<u>Law</u>	<u>Detail</u>	<u>Description</u>
Section 1	BENEFICIARY	" beneficiary ", means the dependant or nominee of a member or pensioner, as the case may be;
	DEPENDANT	" dependant ", in relation to a member or a pensioner, means- <ul style="list-style-type: none">(a) Any person in respect of whom the member or pensioner is legally liable for maintenance(b) Any person in respect of whom the member or pensioner is not legally liable for maintenance, if such person<ul style="list-style-type: none">(i) Was in the opinion of the Board at the time of moment of death of the member or pensioner in fact dependant on the member or pensioner for maintenance(ii) Is the spouse of the member or pensioner, including a party to a customary union according to indigenous law and custom, or to a union recognized as a marriage under the tenets of any religion; or(c) A posthumous child of the member or pensioner; and(d) A person in respect of whom the member or pensioner would have been legally liable for maintenance had that person been a minor.

2.5.1.2 Payment of Benefits (Rule 18)

Rule Description

- 18.1** A lump sum benefit payable to a minor dependant or minor nominee may, with regard being had to the testamentary dispositions of a deceased member and in consultation with the Master of the Supreme Court be paid in more than one payment in such amounts as the Board may from time to time consider appropriate and in the best interests of such member or nominee: Provided that interest shall be added to the outstanding balance of such benefit from time to time, at reasonable rate having regard to the investment return earned by the Fund: Provided further that any balance further owing to such dependant or nominee at date on which he or she attains majority or dies, whichever occurs first, shall be paid in a lump sum
- 18.2** A lump sum benefit payable to a major dependant or major nominee may be paid in more than one payment if the dependant or nominee has consented thereto in writing: Provided
- (a) The amount of the payment, intervals of payment and interest to be added and other terms and conditions are disclosed in a written agreement, and
 - (b) The agreement may be cancelled by either party on written notice not exceeding 90 days
- 18.3** If, in a specific case, a benefit other than an annuity is paid in installments, interest is added to the remaining portion of the benefit in the Fund
- 18.6** Any decision of the Board in terms of this rule, may from time to time be changed at its discretion provided it does not prejudice the member, pensioner or beneficiary

2.5.1.3 Brief Summary Of Rules For Calculation Purposes

Pensionable Retirement Date	Member who has reached the age of 60 years
Final Salary 1#	<i>Average over the last 24 months of member's pensionable emoluments</i>
Final Salary 2*	<i>Average over the last 24 months of the member's pensionable emoluments but not less than as at 1 May 1997</i>
Pensionable Service	<p>Period member was employed and contributed to the Fund</p> <p>25% of more than 10 Years pensionable service - SANDF, SAPS, NIA, SASS and Correctional Services</p> <p>Periods of Bought Service included/Leave Without Pay deducted.</p> <p>Any other period where a member contributed to another Fund that was amalgamated into the GEPF on 1 May1996 including the scaling up or down whichever is applicable according to the "previous Fund"</p> <p><u>Plus an additional period of service</u></p> <p><i>One third of Pensionable Service or</i></p> <p><i>Unexpired service up to 60 years or five years whichever is less</i></p> <p>See Rule 14.2.3(b)(i)(AA)</p>

2.5.1.4 Calculation - Death Of A Member - Gratuity

Rule	Sub-rule	Formula	Exit Code
14.5	14.5.1	Member who died with less than 10 years service The best of the following three calculations: 1.9 FINAL SALARY 1# 14.4.2 Or ACTUARIAL INTEREST 14.4.1 Or RESIGNATION BENEFIT	G <i>(death with dependants)</i> H <i>(death without dependants)</i> I <i>(injury on duty)</i>
14.5	14.5.2	Member who dies with ten or more years pensionable service	G <i>(death with dependants)</i> H <i>(death without dependants)</i> I <i>(injury on duty)</i>
	14.1.1a 14.2.1a	The sum of the following two calculations 6.72% x Final Salary 2* x Pensionable Service 1/55 x Final Salary 2* x Pensionable Service x 5	
	14.2.3(b)(i)(AA)	<u>One third of the member's pensionable service or unexpired period of service (whichever period is shorter) with a maximum of five years must be added to the member's pensionable service for the above.</u>	
	Services Only 14.2.3(a)	<i>One quarter of the period of pensionable service in excess of ten years must be added to the period of pensionable service</i>	

2.5.2 Calculation of Spouse's Pension

2.5.2.1 Definitions

Rule	Description
1.19	" spouse ", means a person who can provide proof that to the satisfaction of the Board of Trustees that he or she was the lawful husband or wife of a member or pensioner at the time of the member's or pensioner's death, or, if he or she was not the lawful husband or wife of that member or pensioner, that he or she was the spouse of that member or pensioner according to indigenous law or custom or tenets of any Asiatic religion
1.22	" unexpired period of service ", the period between the date on which a member ceases or would cease to be a member of the Fund and the date on which he or she would have attained the age of 60 years {or 65 years in case of a member who holds an office referred to in rule 14.2.3(b)(iii)(BB) at the commencement date, and who vacates such office at the end of such term of office}

2.5.2.2 Other Rules

Rules	Details	Description
18.4	Other Spouses	If a deceased member or pensioner leaves behind more than one spouse the Board decides to which of them and, if to more than one, in which ratio the spouse's pension shall be paid: Provided that such ratio shall not be changed thereafter
14.5.4	Remarriage of Spouse	A spouse's pension that is payable to a spouse in terms of rule 14.5.3, shall not be affected in the case of remarriage
14.5.5	Spouse's Pension Payable From	A spouse pension payable in terms of these rules {14.5} shall be payable with effect from the first day of the month immediately following the date on which the member or pensioner concerned dies.

2.5.2.3 Brief Summary Of Rules For Calculation Purposes

Pensionable Retirement Date	Member who has reached the age of 60 years
Final Salary	Average salary over last 24 months of pensionable service but not less than as at 30 April 1997
Pensionable Service	<p>Period member was employed and contributed to the Fund</p> <p>25% of more than 10 Years pensionable service - SANDF, SAPS, NIA, SASS and Correctional Services</p> <p>Periods of Bought Service included/Leave Without Pay deducted.</p> <p>Any other period where a member contributed to another Fund that was amalgamated into the GEPF on 1 May1996 including the scaling up or down whichever is applicable according to the "previous Fund"</p> <p>Plus the unexpired period of service</p>

2.5.2.4 Calculation - Death Of A Member - Spouse's Pension

Rule	Sub-rule	Formula
14.5	14.5.3	Qualification If at the time of death the member's period of pensionable service and unexpired service is equal to 10 years or more then a spouse's pension is payable.
		Annuity
	14.2.1b	50% of $\{(1/55 \times \text{Final Salary} \times \text{Pensionable Service}) + R360\}$
	14.2.1c	For the purpose of the above calculation “pensionable service” will include the member’s unexpired period of service
	14.5.6	Spouse's Monthly Pension Annuities are payable in equal monthly installments paid on or before the last day of each month <i>In other words:</i> (Annuity divided by 12)

2.6 Death Of A Pensioner

The definitions for the spouse of a pensioner are the same for the spouse of a member.

Please refer to Death of a Member in these specifications of the rules and regulations.

2.6.1 Calculation Of Benefits On Death Of A Pensioner

Rule	Sub-rule	Formula
14.6	14.6.1	GRATUITY If pensioner dies within a five year period after retirement Period No of months From first day of the month following the month in which death occurred to the end of the month in which the five year period would have expired Amount Monthly pension that pensioner was receiving in the month of death Less the R30 (R360 per year) supplementary amount Gratuity = Period x Amount
14.6	14.6.2 14.5.4 14.5.5	SPOUSE'S PENSION Monthly Pension = 50% of Pensioner's Monthly Pension as at Date of Death Payment of Spouse's Pension shall not be affected by remarriage Spouse's Pension is payable from the first day of the month immediately following the date on which the pensioner concerned dies

2.7 Injury On Duty

2.7.1 Definitions

Rule	Description
15.8	<p>For the purpose of this rule</p> <p>Average Salary</p> <p>The average of the pensionable emoluments over the last 24 months</p> <p>Compensation Commissioner</p> <p>The Compensation Commissioner appointed under section 2 of the Compensation for Occupational Injuries and Diseases Act, 1993 (Act 130 of 1993)</p> <p>Disablement</p> <p>Disablement as determined by the Compensation Commissioner in terms of the Compensation for Occupational Injuries and Diseases Act, 1993</p> <p>FORMULA A</p> <p>E x F x G</p> <p>E = 6.72 percent</p> <p>F = Average salary of the member concerned</p> <p>G = 5</p> <p>FORMULA B</p> <p>E x F x H x J</p> <p>E = 6.72 percent</p> <p>F = Average salary of the member concerned</p> <p>H = The period which follows immediately on the date of Retirement or Discharge or Death of the member concerned up to and including the last day of the month on which he or she if he or she is or was then alive, shall attain the age of 65 years</p> <p>J = Percentage of Disablement</p>
15.8 (Cont.)	<p>FORMULA C</p> <p>F X G X K</p> <p>K = 1/55</p> <p>F = Average salary of the member concerned</p> <p>G = 5</p> <p>FORMULA D</p> <p>F x H x J x K</p> <p>K = 1/55</p> <p>F = Average salary of the member concerned</p> <p>H = The period which follows immediately on the Date of Retirement Discharge or Death of the member concerned up to an including the last day of the month on which he or she if he or she is or was then alive , shall attain the age of 65 years</p>

Rule	Description
15.8 (Cont.)	<p>J = Percentage disablement</p> <p>FORMULA C</p> <p>F X G X K</p> <p>K = 1/55</p> <p>F = Average salary of the member concerned</p> <p>G = 5</p> <p>FORMULA D</p> <p>F x H x J x K</p> <p>K = 1/55</p> <p>F = Average salary of the member concerned</p> <p>H = The period which follows immediately on the Date of Retirement Discharge or Death of the member concerned up to an including the last day of the month on which he or she if he or she is or was then alive , shall attain the age of 65 years</p> <p>J = Percentage disablement</p>

2.7.2 Other Rules

Rule	Description
15.1	If a member is retired or discharged as a result of a reason mentioned in rule 14.1.1(f) there shall be paid to him or her out of the Fund a gratuity calculated in accordance with the formula A or B set out in rule 15.8 to which one of such formulas shall be more beneficial for such member
15.2	If a member is thus retired or discharged and the percentage of the member's disability is more than 30 per cent, there shall be paid to him or her, out of the Fund in addition to the gratuity which is paid to him or her in terms of rule 15.1 an annuity calculated in accordance with formula C or D set out in rule 15.8 according to one of such formulas shall be more beneficial for such member
15.3	Any gratuity payable in terms of rule 15.1 or 15.2 shall be reduced by an amount by which the gratuity or annuity payable from the Fund is increased in terms of Rule 14.1.2 or 14.2.3
15.7	<i>The Government shall compensate the Fund for any benefit payable in terms of this rule.</i>

2.7.3 Brief Summary Of Definitions For Calculation Purposes

Final Salary	Pensionable emoluments over the last 24 months of pensionable service
Period	Period from the date after the day of death or discharge of the member up to the end of the month in which the member would have attained the age of 65 years

2.7.4 Calculation Of Retirement Or Discharge Of Member As A Result Of An Injury On Duty

Rule	Sub-rule	Formula	Exit Code
15	14.1.1f	Ill Health Retirement not occasioned by own fault and arising out of the course of his employment	D
	15.1	GRATUITY Greater of Formula A & B A = 6,72% x Final Salary x 5 Or B = 6.72% x Final Salary x Period x Percentage of Disablement	
	15.2	ANNUITY Greater of Formula C & D <i>Applicable only if the percentage of disablement is greater than 30% (i.e. from 30.01%)</i> C = 1/55 x Final Salary x 5 Or D = 1/55 x Final Salary x Period x Percentage of Disablement Monthly Pension = Annuity divided by 12	
	15.3	<i>Reduce both the Gratuity & Annuity according to the amounts paid under the Ill Health Retirement</i>	
	14.1.2	Less than 10 years pensionable service Reduce gratuity by one third of the gratuity paid	
	14.2.3	10 or more years pensionable service Reduce both gratuity and annuity by (1) the amount paid in excess caused by the additional period of service i.e. one third, up to pension retirement date or the five years maximum (2) the amount paid in excess to Services' Members caused by the addition of the quarter of the period of pensionable service over 10 years	

2.8 Other Rules

Rule	Description
15.4	If a member dies as a result of an injury or ill health not occasioned by his or her own fault, arising out of and in the course of his or her employment, before a gratuity or annuity has been paid to him or her in terms of rule 15.1 or 15.2 there shall be paid to his or her beneficiaries an amount out of the Fund which is equal to the gratuity and five times the annuity which would have been payable to such member in terms of rule 15.1 or 15.2 if he or she had not died in that manner
15.5	If a member to whom an annuity has been awarded in terms of rule 15.2 dies within a period of five years after the said annuity has been awarded to him or her, there shall be paid to his or her beneficiaries, an amount out of the Fund, which is equal to the total of the annuity which would have been paid to him or her during the period from the first day of the month which follows immediately after the date of his or her death up to and including the last day of the month in which the said period of five years expires, if he or she had not died
15.6	If a gratuity referred to in rule 15.4 and 15.5 is payable to two or more beneficiaries, such gratuity shall be paid to such beneficiaries in such proportions as the Board may determine.

2.8.1 Brief Summary Of Definitions For Calculation Purposes

Final Salary	Average of pensionable emoluments over the last 24 months
Period	Period from the date after the day of death or discharge of the member up to the end of the month in which the member would have attained the age of 65 years

2.8.2 Calculation Of Death Of Member As A Result Of An Injury On Duty

Rule	Sub-rule	Formula	Exit Code
15.4	15.1	GRATUITY	I
15.5	15.4	Greater of Formula A & B	
	15.2	A = 6,72% x Final Salary x 5	
		Or	
		B = 6.72% x Final Salary x Period x Percentage of Disablement	
	15.5	ANNUITY ALSO PAID AS GRATUITY	
		Greater of Formula C & D	
		C = 1/55 x Final Salary x 5 x 5	
		Or	
		D = 1/55 x Final Salary x Period x Percentage of Disablement (100%) x 5	
	15.3	<i>Reduce the Gratuity according to the amounts paid as a result of Death</i>	
	14.2.3	10 or more years pensionable service	
		Reduce the gratuity by	
		(1) the amount paid in excess caused by the additional period of service i.e. one third, up to pension retirement date or the five years maximum	
		(2) the amount paid in excess to Services' Members caused by the addition of the quarter of the period of pensionable service over 10 years	

2.8.3 Calculation Death Of A Pensioner Within Five Years Of Receiving Injury On Duty Pension

Rule	Formula
15.5	<p><u>GRATUITY ONLY</u></p> <p>Qualification</p> <p>PENSIONER MUST HAVE DIED WITHIN THE FIVE YEAR PERIOD</p> <p>Period = No of Months (from the first day of the month in which the pensioner died to the last date of the month in which the five year period would have expired)</p> <p>Monthly Pension = Pension awarded as a result of an injury on duty which the pensioner is receiving at the time of his death</p> <p>GRATUITY</p> <p>Period x Monthly Pension</p>

2.9 Severance Package

Rule	Description
14.8	If a member's service is terminated prior to his or her retirement date as a result of an initiative of his or her employers in terms of a severance package offered to him or her, which offer he or she voluntarily accepts, there shall be paid to him or her in terms of the severance package as set out in the annexure to the rules Provided that
14.8(a)	Such benefits or arrangements have been agreed to after negotiations in terms of any law applicable in respect of labour relations arrangements in the Public Service, including Education, or negotiations in accordance with labour relations arrangements applicable to the South African Police Service, the South African National Defence Force, the National Intelligence Agency and the South African Secret Service concerning his or her conditions of service And
14.8(b)	Payment of such benefits shall be subject to the provisions of 17(4) of the Law, read with rule 20.

NOTE

Please note the rules for the following section should read as follows:

For ease of reference to load the formulas they have been amended for code file purposes only to read as follows:

14.8 i of Annexure

14.8.1

14.8 ii of Annexure

14.8.2

14.8 iii of Annexure

14.8.3i

14.8.3ii

2.9.1 55 Or More Years Of Age With 10 Or More Years Pensionable Service

Rule	Sub Rule	Formula	Exit Code
14.8.1	14.3.1a 14.2.1a 14.2.1b 14.2.1c 14.2.5 14.2.3a	<p>The formula that applies at the member's pensionable age</p> <p>Gratuity = 6.72% x Final Salary*¹ X Period of Pensionable Service*²</p> <p>Annuity = 1/55 x Final Salary*¹ X Period of Pensionable Service*² plus Supplementary Amount of R360.</p> <p>Monthly Pension = Annuity divided by 12</p> <p>Services</p> <p>If member was a member of Correctional Services, NIA, SASS, SAPS or SANDF then:</p> <p>Pensionable Service shall be increased by a period that is equal to one quarter of the period that exceeds 10 years.</p> <p>Final Salary*¹</p> <p><i>Average of pensionable emoluments over the last 24 months but not less than at as at 30 April 1997.</i></p> <p>Period of Pensionable Service*²</p> <p><i>No additional period of service to be given for the above type of exit.</i></p> <p>NOTE. The above benefits will not be scaled down.</p>	N

Years	Factor
3	1.3
4	1.4
5	1.5
6	1.6
7	1.7
8	1.8
9	1.9
10	2.0
11	2.1
12	2.2
13	2.3
14	2.4
15	2.5
16	2.6
17	2.7
18	2.8
19	2.9
20	3.0
21	3.15
22	3.3
23	3.45
24	3.6
25	3.75
26	3.9
27	4.05
28	4.2
29	4.35
30	4.5
31	4.7
32	4.9
33	5.1
34	5.3
35	5.5
36	5.7
37	5.9
38	6.1

Years	Factor
39	6.3
40	6.5

2.9.3 Between The Ages Of 50 And 55 Years Of Age With At Least Ten Years Of Pensionable Service Completed

Rule	Sub-rule	Formula	Exit Code
14.8.3i	14.8.1	Between 50 and 55 years of age and with ten or more years of pensionable service: THE CHOICE OF EITHER A Gratuity and Annuity See formula for 55 years or more (Severance Package) Provided that these benefits are reduced by 0,3% (0.03 factor) for each month between the member's age and the age of 55 years OR	N
14.8.3ii	14.8.2	See formula for Under 50 years of age no specified period of service (Severance Package)	N

2.10 Retirement & Discharge – Heads Of Departments

(Director General, Auditor General, Deputy Auditor General and Members of the Public Service Commission, Attorney General)

The Head of a Department is a person who is appointed as an official at the head of a Department subject to the provisions of Section 12(1) of the Public Service Act, 1994.

When ever the President is required to appoint a Commissioner who has been approved by the National Assembly, the President shall address a request in writing to the Speaker of the National Assembly that a fit and proper person contemplated in Section 196(10) of the Constitution be approved as soon as may be practicable by the National Assembly in accordance with Section 196 (8)(a) of the said Act.

A head of a Department is a contributing member of the Government Employees Pension Fund and contributes at the rate of 7.5% of his or her basic salary and may be discharged for the same reasons as prescribed in Section 17 (2) of the Public Service Act and the rules of the Government Employees Pension Fund.

2.10.1 Reason for Termination

Rule	Discharge
14.1.1a	Ill Health Retirement not occasioned by member's own fault
14.1.1b	Abolition of Post
14.1.1c	Promote efficiency
14.1.1e	Presidential Appointment
14.1.1f	Injury on duty

2.10.2 Other Rules – Pensionable Service

Rule	Description
14.1.2	If a member (who has less than 10 years pensionable service to his or her credit) is discharged for a reason mentioned in rule 14.1.1(a), (b), (c), (e) or (f), the amount of the gratuity which is payable to him or her in terms of rule 14.1.1 shall be increased by one third of the amount.
14.2.3	For the purposes of the calculation of a gratuity and annuity in terms of rule 14.2.1 the period of pensionable service
14.2.3 (b)	of a member
(b)(i)	who is discharged on account of a reason mentioned in rule 14.1.1 (a), (b), (c), (e) or (f)
(b)(ii)	members allowed to retire during an extended term of office
(b)(iii) (aa)	members allowed to vacate position to promote efficiency
(b)(iii) (bb)	member who is removed from office to promote efficiency
b(iv)	member allowed to vacate position to promote efficiency. <i>(Auditor General)</i>

2.10.3 Related Legislation

Section of Act

16(5)	Public Service Act, 1994
12(1)	
10A	Post Office Service Act, 1974
17(2c)	
27 (2)	Audit Arrangements Act, 1992
31(5)	
3(a)	Auditor General Act, 1995
6 & 7	South African Police Service Act, 1995
45(4)	
2(5)	Public Service Commission Act, 1984
3(4)	
4(2)	
191	Constitution of the Republic of South Africa, 1993
191(4)	
209	
210	
211	
211(1)(e)	
213(2)	
43(1)	National Prosecuting Authority Act, 1998

2.10.4 Less than Ten Years of Pensionable Service – Heads of Departments

BRIEF SUMMARY OF RULES FOR CALCULATION PURPOSES	
Pensionable Retirement Date	Member (Head of Department) who has reached the age of 65 years
Final Salary	Average of pensionable emoluments over last 24 months of pensionable service but not less than as at 30 April 1997
Pensionable Service	<p>Period member was employed and contributed to the Fund</p> <p>Periods of Bought Service included/Leave Without Pay deducted.</p> <p>Any other period where a member contributed to another Fund that was amalgamated into the GEPF on 1 May1996 including the scaling up or down whichever is applicable according to the "Previous Fund"</p>

Page 41 of 55

2.10.5 Ten Years or More Pensionable Service – Heads of Departments

2.10.5.1 Brief Summary Of Rules For Calculation Purposes

Pensionable Retirement Date	See Rule 1.22 “ unexpired period of service ” the period between the date on which a member ceases or would cease to be a member of the Fund and the date he or she would have attained the age of 60 years, <u>or 65 years in the case of a member who holds an office referred to in rule 14.2.3(b)(iii)(BB) at the commencement date and who vacates such office at the end of such term of office</u>
Final Salary	Average of pensionable emoluments over last 24 months but not less than as at 30 April 1997
Pensionable Service	<p>Period member was employed and contributed to the Fund</p> <p>Period that member held office</p> <p>Periods of Bought Service included/Leave Without Pay deducted.</p> <p>Any other period where a member contributed to another Fund that was amalgamated into the GEPF on 1 May1996 including the scaling up or down whichever is applicable according to the "Previous Fund"</p>

2.10.6 Calculation Discharge & Retirement 10 Or More Years Pensionable Service

DEPARTMENTAL HEADS			
Rule	Sub-rule	Formula	Exit Code
14.3.1a		On or after the Pension Retirement Date	C
14.3.1b		Presidential Appointment	
14.1.1a		Ill Health	
14.1.1b		Abolition of Post	
14.1.1c		Promote Efficiency	
14.1.1e		Presidential Appointment	
14.1.1f		Injury on Duty	
	14.3.3		C
	14.2.1a	Gratuity = 6.72% x Final Salary x Pensionable Service	
	14.2.1b	Annuity = 1/55 x Final Salary x Pensionable Service plus	
	14.2.1c	Supplementary Amount = R360	
	14.2.5	Monthly Pension = Annuity divided by 12	
		Calculation of Pensionable Service	

DEPARTMENTAL HEADS			
Rule	Sub-rule	Formula	Exit Code
	Services only 14.2.3(a)	<i>One quarter of the period of pensionable, service more than ten years must be added to the period of pensionable service above.</i>	C
	SANDEF only 14.2.2	South African National Defense Force ONLY <i>If member retires/is discharged and has not reached the age of 53 years increase the gratuity payable by further 12%</i>	
	14.2.3(b)(i)(A) A)	<u>One third of the member's pensionable service or unexpired period of service (whichever period is shorter) with a maximum of five years must be added to the member's pensionable service for the above.</u>	
	14.2.4(a)	Period member contributed to the Fund while he was appointed to an Office shall not be included in calculating the additional one third of member's pensionable service mentioned above	
	14.2.3b(ii)(iii) &(iv)BB	one half of the completed period or the extended period during which office was held and Provided that the total of the member's pensionable service, the period whereby it is increased, will not exceed 55 years <u><i>Where the period to which the member was appointed to Office is not completed the additional one half additional period will not apply</i></u>	

2.10.7 Exceptions

2.10.7.1 Attorney General

Refer to the National Prosecuting Authority Act, 1998 for all the following provisions

Section	Description
---------	-------------

- | | |
|----------|--|
| 14(1) | The retirement age of Directors of Public Prosecutions is 65 years |
| 43(1)(a) | Anyone holding office as an Attorney General in terms of the Attorney General Act, 1992, shall subject to (b) deemed to have been appointed as a Director in terms of the laws applicable to his office |
| 43(1)(b) | The President shall as soon as reasonably possible after commencement of this section, appoint each Attorney General referred to in (a) as a Director in the Office that, and for such period as the President, after consultation with the Attorney General concerned, may determine, but such term shall not extend beyond the date on which the Attorney General concerned will attain the age of 65 years. |
| 43(1)(d) | If the term of office of a Director appointed under (b) expired before he has attained the age of 65 years, he shall be entitled to pension benefits determined and calculated under all circumstances as if he was employed as a Director General in the public service, who served as Director General for five years |

2.10.7.2 Attorney General Less than Ten Years of Pensionable Service

Rule	Sub-rule	Formula	Exit Code
<p>14.1.1a Ill health</p> <p>14.1.1b Abolish</p> <p>14.1.1c Efficiency</p> <p>14.1.1e Pres App</p> <p>14.1.1f Injury Duty</p>	<p>14.1</p> <p>14.1.2</p>	<p><u>Discharge</u> Gratuity (No age restriction) 15.5% x Final Salary x Pensionable Service</p> <p>Plus: one third of the amount calculated</p>	C
<p>14.3.1a Pension on Retirement Date</p> <p>14.3.1b Before Retirement Date - Conditions of Service</p>	14.3.2	<p><u>Retirement</u> Gratuity = Resignation Gratuity OR Actuarial interest (WHICHEVER IS GREATER)</p>	

2.10.7.3 Calculation Discharge & Retirement 10 Or More Years Pensionable Service – Heads Of Departments

DEPARTMENTAL HEADS			
Rule	Sub-rule	Formula	Exit Code
14.3.1a		On or after the Pension Retirement Date	C
14.3.1b		Before Pension Retirement Date in terms of Service Conditions	
14.1.1a		Ill Health	C
14.1.1b		Abolishment of Post	
14.1.1c		Promote Efficiency	
14.1.1e		Presidential Appointment	
14.1.1f	14.3.3	Injury on Duty	
	14.2.1a	Gratuity = 6.72% x Final Salary x Pensionable Service	
	14.2.1b	Annuity = 1/55 x Final Salary x Pensionable Service plus	
	14.2.1c	Supplementary Amount = R360	
	14.2.5	Monthly Pension = Annuity divided by 12	
		Calculation of Pensionable Service	
	14.2.3(b)(i)(AA)	<u>One third of the member's pensionable service or unexpired period of service (whichever period is shorter) with a maximum of five years must be added to the member's pensionable service for the above</u>	
	14.2.4(a)	Period member contributed to the Fund while he was appointed to an Office shall not be included in calculating the additional one third of member's pensionable service mentioned above one half of the completed period or the extended period during which office was held and	
	14.2.3b(ii)&(i ii) &(iv)BB	Provided that the total of the member's pensionable service , the period whereby it is increased, will not exceed 55 years	
	Public Pros Act 43(1)(d)	<i>The term of office should, under all circumstances, be calculated as if he or she had served for five years (even if this is not the case</i>	

2.10.8 Magistrates

SPECIAL NOTE: SUPREME COURT APPEAL

In the matter between Government Employees Pension Fund and Hendrik Petrus Strydom (Case 271/2000)

Summary

Magistrates – whether entitled unilaterally to resign – Government Employees Pension Fund Rules, rule 14.3 1(b) and (d) – Interpretation

The court a quo upheld the respondent's contention that the proviso [to rule 14.3.3(b)] had no application to the calculation to the respondent's entitlement under the rules and that his entitlement was to be calculated in terms of rule 14.3.3(a) which did not provide for any deduction.

Section 13 of the **Magistrates Act** (Act 90 of 1993) reads as follows;

“A magistrate shall vacate his or her office on attaining the age of 65 years...”

Rule 14.3.1d read with 14.3.3(b)

These rules do not apply to Magistrates whose retirement age is 65 years. Accordingly no reduction will be made to the benefit payable to Magistrates who have attained the age of 55 years but not attained the age of 65 years **because of the fact that they do not have the right to retire at 55 years**

2.10.8.1 Transfers - Magistrates

Rule	Sub Rule	Formula	Exit Code
14.4.1	14.4.1a	A member (Magistrate) who resigns has a choice of GRATUITY For formula see: Calculation - Resignation Benefit	M
	14.4.1b	OR TRANSFER BENEFIT For formula see: Calculation - Actuarial Interest	
	14.4.1(b)(i)	The amount mentioned in 14.4.1a above providing the amount is deposited to an approved retirement fund immediately on the member becoming entitled thereto and	
	14.4.1(b)(ii)	The difference between the member's (Magistrate's) actuarial interest in the fund and the amount of the resignation benefit as mentioned in 14.4.1a, if any <i>Interest shall be added to the benefit to account for any delay in payment</i> BUT Section 26 of the Law is applicable A benefit payable in terms of this Law shall be paid to the member (Magistrate) within a period of 60 days after which the Board receives a duly completed statement in the prescribed form or if the Board receives such statement before the date on which a benefit is payable to the member (Magistrate) concerned in terms of this LAW, within a period of 60 days after the date on which the benefit is so payable <i>Condition</i> The transfer shall be made to the approved retirement fund specifying that with reference to the transfer benefit any subsequent lump sum benefit payable by the fund or any successor fund to the member (Magistrate) and/or the member's (Magistrate's) beneficiaries shall be limited to one third of the transfer benefit, with interest The balance of the member's (Magistrate's) transfer benefit (after deduction of the lump sum) shall be applied for the purchase of an annuity, albeit immediately or upon the member's (Magistrate's) ultimate retirement.	

2.10.8.2 Actuarial Interest – Magistrates

SUMMARY OF RULES FOR CALCULATION PURPOSES	
Final Salary	Average salary over the last 24 months
Pensionable Service	<p>Period member (Magistrate) was employed and contributed to the Fund</p> <p>Periods of Bought Service included/Leave Without Pay deducted.</p> <p>Any other period where a member (Magistrate) contributed to another Fund that was amalgamated into the GEPF on 1 May1996 including the scaling up or down whichever is applicable according to the "previous Fund"</p>

CALCULATION - ACTUARIAL INTEREST - MAGISTRATES		
Rule	Sub-rule	Formula
14.4.2	14.4.1a	<p>Resignation Benefit</p> <p>$7.5\% \times \text{Final Salary} \times \text{Pensionable Service}$</p> <p>plus increase by ten percentage points for each FULL year of pensionable service between 5 & 15 years of service.</p> <p>Amount of the actuarial interest shall not be less than the Resignation Gratuity</p>
	<u>14.4.2a</u>	<p><u>Magistrate who has not reached the age of 55 years</u></p> <p>$N(\text{adj}) \times \text{FS} \times F(Z) \times [1 + (0.04 \times \{60 - Z\})]$</p> <p>N = all periods of pensionable service</p> <p>FS = final salary</p> <p>F(Z) = factor determined by the actuary</p> <p>Z = age member reaches his pension retirement age</p> <p><u>Note</u></p> <p><u>Z is 60. (For the purposes of this specification)</u></p> <p>For Magistrates the retirement age is a maximum of 65 years of age</p>
	14.4.2b	<p><u>Member (Magistrate) who has reached the age of 55 years</u></p> <p>This is applicable for less than 10 years or 10 years and more pensionable service.</p> <p>$G + [A \times A(X)]$</p> <p>G = Gratuity member (Magistrate) would have received in terms of the rules had he retired on that date</p> <p>A = Annuity member (Magistrate) would have received in terms of the rules had he retired on that date</p> <p>A(X) = Factor determined by actuary</p>
	14.3.3b	<p><u>This rule does not apply to Magistrates whose retirement age is 65 years. Accordingly no reduction will be made to the benefit payable to Magistrates who have attained the age of 55 years but not yet attained the age of 65 years</u></p>

2.10.8.3 Retirement Or Discharge - Magistrates

2.10.8.3.1 Less than Ten Years of Pensionable Service

Reason for Termination	
Rule	Discharge
14.1.1a	Ill Health Retirement not occasioned by member's own fault
14.1.1b	Abolition of Post
14.1.1c	Promote efficiency
14.1.1d	Incapable
14.1.1e	Presidential Appointment
14.1.1f	Injury on duty
14.1.1g	Early Retirement
Rule	Retirement
14.3.1a	On or after Pension Retirement Date
14.3.1b	Before pension retirement date in accordance with conditions of service
14.3.1c	Lapse of service Contract

BRIEF SUMMARY OF RULES FOR CALCULATION PURPOSES	
Pensionable Retirement Date	Members (Magistrates) who have reached the age of 65 years
Final Salary	Average of pensionable emoluments over last 24 months of pensionable service but not less than as at <u>30 April 1997</u>
Pensionable Service	Period member (Magistrate) was employed and contributed to the Fund Periods of Bought Service included/Leave Without Pay deducted. Any other period where a member (Magistrate) contributed to another Fund that was amalgamated into the GEPF on 1 May1996 including the scaling up or down whichever is applicable according to the "Previous Fund"

CALCULATION: RETIREMENT/DISCHARGE- MAGISTRATES LESS THAN 10 YEARS OF PENSIONABLE SERVICE			
Rule	Sub-rule	Formula	Exit Code
<u>14.1.1d</u> Incapable <u>14.1.1g</u> Approved Early Retirement	14.1	<u>Discharge</u> Gratuity (<i>No age restriction</i>) 15.5% x Final Salary x Pensionable Service	A
<u>14.1.1a</u> Ill health <u>14.1.1b</u> Abolish	14.1	<u>Discharge</u> Gratuity (<i>No age restriction</i>) 15.5% x Final Salary x Pensionable Service	B
<u>14.1.1c</u> Efficiency <u>14.1.1e</u> Pres App <u>14.1.1f</u> Injury Duty	14.1.2	Plus: one third of the amount calculated	D

CALCULATION: RETIREMENT/DISCHARGE- MAGISTRATES LESS THAN 10 YEARS OF PENSIONABLE SERVICE			
Rule	Sub-rule	Formula	Exit Code
<u>14.3.1a</u> Pension on Retirement Date <u>14.3.1b</u> Before Retirement Date - Conditions of Service <u>14.3.1c</u> Service Contract		<u>Retirement</u> Gratuity = Resignation Gratuity OR Actuarial interest <i>(WHICHEVER IS GREATER)</i>	A

2.10.8.3.2 Ten Years or More Pensionable Service

Reason for Termination

Rule	Discharge
------	-----------

- | | |
|---------|--|
| 14.1.1a | Ill Health Retirement not occasioned by member's own fault |
| 14.1.1b | Abolition of Post |
| 14.1.1c | Promote efficiency |
| 14.1.1d | Incapable |
| 14.1.1e | Presidential Appointment |
| 14.1.1f | Injury on duty |
| 14.1.1g | Early retirement |

Rule	Retirement
------	------------

- | | |
|---------|---|
| 14.3.1a | On or after Pension Retirement Date |
| 14.3.1b | Before pension retirement date in accordance with conditions of service |
| 14.3.1c | Lapse of service Contract |

CALCULATION DISCHARGE & RETIREMENT – MAGISTRATES 10 OR MORE YEARS PENSIONABLE SERVICE**MAGISTRATES**

Rule	Sub-rule	Formula	Exit Code
14.1.1d Incapable 14.1.1g Early Retirement Approved by Public Service Commission 14.3.1a On or after Pension Retirement Date 14.3.1b Before Retirement Date Date Service Conditions 14.3.1c Lapse of Service Contract	14.3.3 14.2.1a 14.2.1b 14.2.1c 14.2.5	Gratuity = 6.72% x Final Salary x Pensionable Service Annuity = 1/55 x Final Salary x Pensionable Service plus Supplementary Amount = R360 Monthly Pension = Annuity divided by 12	A
14.1.1a Ill Health (Not own fault) 14.1.1b Abolition of Post 14.1.1c Promote Efficiency 14.1.1e Presidential Appointment 14.1.1f Injury on Duty	14.2.1a 14.2.1b 14.2.1c 14.2.5 14.2.3b(i) (AA)	Gratuity = 6.72% x Final Salary x Pensionable Service Annuity = 1/55 x Final Salary x Pensionable Service plus Supplementary Amount = R360 Monthly Pension = Annuity divided by 12 <u>One third of the member's pensionable service or unexpired period of service (whichever period is shorter) with a maximum of five years must be added to the member's pensionable service for the above cases.</u>	B D

2.10.8.4 Death Of A Magistrate**2.10.8.4.1 Calculation of Gratuity**

BRIEF SUMMARY OF RULES FOR CALCULATION PURPOSES	
Pensionable Retirement Date	Member (Magistrate) who has reached the age of 65 years
Final Salary 1#	<i>Average over the last 24 months of member's pensionable emoluments</i>
Final Salary 2*	<i>Average over the last 24 months of the member's pensionable emoluments but not less than as at 1 May 1997</i>
Pensionable Service	<p>Period member (Magistrate) was employed and contributed to the Fund</p> <p>Periods of Bought Service included/Leave Without Pay deducted.</p> <p>Any other period where a member (Magistrate) contributed to another Fund that was amalgamated into the GEPF on 1 May 1996 including the scaling up or down whichever is applicable according to the "previous Fund"</p> <p><u>Plus an additional period of service</u></p> <p><i>One third of Pensionable Service or Unexpired service up to 65 years or five years whichever is less (See Rules 14.2.3b and 14.2.3b.i.AA)</i></p>

CALCULATION - DEATH OF A MAGISTRATE - GRATUITY			
Rule	Sub-rule	Formula	Exit Code
14.5	14.5.1	Member (Magistrate) who died with less than 10 years service	G <i>(death with dependants)</i>
	1.9	The best of the following three calculations: FINAL SALARY 1# Or	H <i>(death without dependants)</i>
	14.4.2	ACTUARIAL INTEREST Or	I
	14.4.1	RESIGNATION BENEFIT	<i>(injury on duty)</i>
14.5	14.5.2	Member (Magistrate) who dies with ten or more years pensionable service	G <i>(death with dependants)</i>

CALCULATION - DEATH OF A MAGISTRATE - GRATUITY			
Rule	Sub-rule	Formula	Exit Code
	14.1.1a	The sum of the following two calculations 6.72% x Final Salary 2* x Pensionable Service	H (death without dependants)
	14.2.1b	1/55 x Final Salary 2* x Pensionable Service x 5	I (injury on duty)
	14.2.3(b)(i)(A) A)	<u>One third of the member's pensionable service or unexpired period of service (whichever period is shorter) with a maximum of five years must be added to the member's pensionable service for the above.</u>	

2.10.8.4.2 Calculation of Spouse's Pension (Deceased Magistrate)

Definitions	
Rule	Description
1.19	" spouse ", means a person who can provide proof that to the satisfaction of the Board of Trustees that he or she was the lawful husband or wife of a member or pensioner at the time of the member's or pensioner's death, or, if he or she was not the lawful husband or wife of that member or pensioner, that he or she was the spouse of that member or pensioner according to indigenous law or custom or tenets of any Asiatic religion
1.22	" unexpired period of service ", the period between the date on which a member ceases or would cease to be a member of the Fund and the date on which he or she would have attained the age of 60 years {or 65 years in case of a member who holds an office referred to in rule 14.2.3.(b)(iii)(BB) at the commencement date, and who vacates such office at the end of such term of office}

Other Rules

Rules	Details	Description
18.4	Other Spouses	If a member or pensioner leaves behind more than one spouse the Board decides to which of them and, if to more than one, in which ratio the spouse's pension shall be paid: Provided that such ratio shall not be changed thereafter
14.5.4	Remarriage of Spouse	A spouse's pension that is payable to a spouse in terms of rule 14.5.3, shall not be affected in the case of remarriage
14.5.5	Spouse's Pension Payable	A spouse pension payable in terms of these rules {14.5} shall be payable with effect from the first day of the month immediately following the date on which the member or pensioner concerned dies.
	From	

2.10.8.4.3 Death of Magistrate (Spouse's Pension)

BRIEF SUMMARY OF RULES FOR CALCULATION PURPOSES	
Pensionable Retirement Date	Member (Magistrate) who has reached the age of 65 years
Final Salary	Average salary over last 24 months of pensionable service but not less than as at 30 April 1997

BRIEF SUMMARY OF RULES FOR CALCULATION PURPOSES	
Pensionable Service	<p>Period member (Magistrate) was employed and contributed to the Fund</p> <p>Periods of Bought Service included/Leave Without Pay deducted.</p> <p>Any other period where a member (Magistrate) contributed to another Fund that was amalgamated into the GEPF on 1 May1996 including the scaling up or down whichever is applicable according to the "previous Fund"</p> <p><u>Plus the unexpired period of service up to the age of 65 years for Magistrates</u></p>

CALCULATION - DEATH OF A MAGISTRATE - SPOUSE'S PENSION			
Rule	Sub-rule	Formula	Exit Code
14.5	14.5.3	Qualification If at the time of death the member's (Magistrate's) period of pensionable service and unexpired service is equal to 10 years or more then a spouse's pension is payable.	G <i>(death with dependants)</i> I <i>(injury on duty)</i>
	14.2.1b	Annuity 50% of {(1/55 x Final Salary x Pensionable Service) + R360}	
	14.2.1c	<i>For the purpose of this calculation "pensionable service" includes the member's unexpired period service</i>	
	14.5.6	Spouse's Monthly Pension Annuities are payable in equal monthly installments paid on or before the last day of each month <i>In other words:</i> (Annuity divided by 12)	