
ANNEXURE: INTERPRETATION ACTS –EXIT AND CLAIMS

AMENDMENT TO:

GOVERNMENT EMPLOYEES PENSION FUND

SEVERANCE PACKAGE

**GOVERNMENT GAZETTE NO: 27729 NOTICE: 622 OF
2005/07/01**

Please note that all the regulations and formulae contained in this document and relating to the amendment to the Government Employees Pensions Fund are ONLY APPLICABLE TO SEVERANCE PACKAGE APPLICATIONS WITH AN EXIT DATE ON OR AFTER 1 JULY 2005.

Severance Package

Changes to the Formula for Severance Packages contained in the Government Gazette No27729 dated 1 July 2005.

Applications received on or after 1 July 2005

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 the pension benefits offered 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.

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

B PENSION BENEFITS IN TERMS OF GOVERNMENT GAZETTE NO 27729 NOTICE NO 622 DATED 1 JULY 2005

The following benefits are payable

- (i) Members of Government pension funds who have attained the age of 55 years and who have completed at least 10 years' pensionable service, on written choice of the member:
A gratuity equal to his/her actuarial interest payable to the member in own right or into an approved retirement fund of the member's choice;

OR

A gratuity and annuity determined in terms of the formula that applies to the member, without scaling down of pension benefits and without an addition of pensionable service.

- (ii) Members of Government pension funds who have not yet attained the age of 55 years, as well as those who have attained the age of 55 but have less than 10 years pensionable service:

A gratuity equal to his/her actuarial interest payable to the member in own right or into an approved retirement fund of the member's choice

Members who have attained 55 Or More Years Of Age With 10 Or More Years Pensionable Service

Rule	Sub Rule	Formula	Exit Code
E5BI a Own Right E5BI b Approved Retirement Fund E5BI c Annuity & Gratuity		<u>ON WRITTEN CHOICE OF MEMBER</u> EITHER GRATUITY = ACTUARIAL INTEREST payable to the member in own right or into an approved retirement fund of the member's choice <u>Member who has reached the age of 55 years</u> G + [A x A(X)] G = Gratuity member would have received in terms of rules had he retired on that date A = Annuity member would have received in terms of the rules had he retired on that date A(X) = Factor determined by actuary Services If member was a member of Correctional Services, NIA, SASS, SAPS or SANDF then: Pensionable Service shall be increased by a period that is equal to one quarter of the period that exceeds 10 years. Applicable only where these members have more than ten years pensionable service THE ACTUARIAL INTEREST SHALL NOT BE LESS THAN THE RESIGNATION BENEFIT WHICH IS AS FOLLOWS: Resignation Benefit 7.5% x Final Salary x Pensionable Service plus increase by ten percentage points for each FULL year of pensionable service between 5 & 15 years of service. OR GRATUITY AND ANNUITY The formula that applies at the member's pensionable age Gratuity = 6.72% x Final Salary* ¹ X Period of Pensionable Service* ² Annuity = 1/55 x Final Salary* ¹ X Period of Pensionable Service* ² plus Supplementary Amount of R360 . Monthly Pension = Annuity divided by 12 Services	N
	14.4.2b		
	14.2.4a		
	14.4.1a		
	14.2.1a		
	14.2.1b		
	14.2.1c		
	14.2.6		
	14.2.4a		

		<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 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>	
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