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GENERAL NOTICES • ALGEMENE KENNISGEWINGS

DEPARTMENT OF FINANCE

NOTICE 399 OF 2019

AMENDMENT OF THE RULES OF THE GOVERNMENT EMPLOYEES PENSION FUND

In terms of section 29 of the Government Employees Pension Law, 1996 (Proclamation No.21 of 1996), the Board of Trustees hereby amends the rules of the Government Employees Pension Law, as set out in the schedule.

Dr Renosi Mokate
Chairperson of the Board of Trustees
On behalf of the Board of Trustees

Proposed Amendments to the Rules of the GEPF:**1. Rule 1 to be amended-the definition of divorce debt to be substituted with the following definition:**

Rule 1: 'divorce debt' in relation to a member means, in respect of a member who divorced prior to 1 August 2019 and whose former spouse was paid a portion of the member's pension interest and which member notified the Fund in the prescribed period that he or she still wishes the divorce debt approach to be applied to him or her, an amount equivalent to the amount of the pension interest assigned to the member's former spouse in terms of a divorce order or decree of dissolution of marriage accumulated from the date of payment to the former spouse to the date on which a benefit is paid to the member in terms of the rules together with the interest from the date of payment to the former spouse at the rate or rates determined from time to time by the Board as the rate or rates of interest payable in respect of monies owed to the Fund, adjusted by any amounts repaid to the Fund by the member to reduce this divorce debt;

2. Rule 12.1.3 to be amended as follows:

Rule 12.1.3 If a member of the Fund becomes a member of a related fund within six months of him or her terminating his or her membership of the Fund, the following provisions apply:

- (a) No benefit is paid to the member on his or her termination of membership of the Fund.
- (b) The Fund pays, subject to the provisions of subparagraph (c), to the related fund the amount that the Fund has at its disposal in respect of the member upon his or her termination of membership of the Fund, as determined by the Board after consultation with the actuary less the amount or reduced pensionable service as contemplated in rule 14.10, if any, applicable to the member, together with the interest as from the date on which the person ceased to be a member of the Fund up to and including the date on which the amount is paid.

3. Rule 14.10 to be substituted with the following rule:**Rule 14.10 Assignment of a share of a member's pension interest to his or her former spouse**

- 14.10.1 If a copy of a divorce order certified as a true copy by a commissioner of oaths is delivered to the Fund then the following provisions will be applicable.
- 14.10.2 Within 45 days after the submission of the divorce order by the former spouse, the Fund must request the former spouse to elect if the amount to be deducted must be—
- (a) paid directly to the former spouse; or
 - (b) transferred to an approved retirement fund on the former spouse's behalf.
- 14.10.3 The former spouse must, within 120 days of being requested to make an election-
- (a) inform the Fund of how the former spouse's share must be dealt with; and
 - (b) if the former spouse elects that the amount must be paid to the former spouse directly, provide the Fund with the details of how that payment must be effected; or
 - (c) if the former spouse elects that the amount must be transferred to an approved retirement fund on his or her behalf, provide the Fund with the details of that approved retirement fund.
- 14.10.4 The Fund must pay or transfer the amount within 60 days of being informed of how the amount must be dealt with in accordance with the former spouse's election.
- 14.10.5 In the event that the former spouse fails to make an election or identify the approved retirement fund to which the amount should be transferred within the 120 day period referred to, the Fund must pay the amount directly to the former spouse within 30 days of the expiry of that period.
- 14.10.6 On the date on which it is given written notice of the former spouse's choice, or on the expiry of a period of 120 days after the Fund's invitation was sent by it to the former spouse, whichever is the earlier, the Fund must -
- 14.10.6.1 record in the books of the Fund the amount of the pension interest assigned to the former spouse in the name of the former spouse ; and
 - 14.10.6.2 record in the books of the Fund against the member's record that any benefit that becomes payable to the member in future will be subject to an appropriate reduction in the member's deemed pensionable service; and
 - 14.10.6.3 inform the affected member accordingly.
- 14.10.7 Notwithstanding rule 14.10.5, in the event that the Fund cannot reasonably ascertain how the payment to the former spouse must be effected, the Fund must retain the amount plus interest as determined by the Board in the Fund, until such time as details

- of how that payment must be effected is made available to the Fund by the member, the former spouse or any other person whom the Fund is satisfied has the necessary authority and capacity to instruct the Fund in that respect.
- 14.10.8 A former spouse is not a member or beneficiary in relation to the Fund and is only entitled to interest, as determined by the Board, from the expiry of the period referred to in rule 14.10.4 until payment or transfer thereof, but not to any other interest or growth.
- 14.10.9 In respect of members who divorce on or after 1 August 2019, the Fund shall, in respect of any benefit accruing to such member and in consultation with the actuary for the purposes of calculating the benefit payable to the member, substitute a member's actual pensionable service with the reduced pensionable service to take into account the pension interest of the member which was assigned to any former spouse of the member.
- 14.10.9.1 In respect of members who divorced prior to 1 August 2019 and whose former spouse was paid a portion of the member's pension interest and which member notified the Fund in the prescribed period that he or she still wishes the divorce debt to be applied to him or her, then the benefit payable to such member must be reduced by the divorce debt.
- 14.10.9.2 If the amount of the divorce debt exceeds the amount of the gratuity and there is an annuity payable to the member, then the divorce debt must be recovered from the gratuity and annuity and the gratuity and annuity be reduced pro rata—
- (a) the capital values of the gratuity and annuity must be determined by the actuary;
 - (b) the values determined by the actuary must be reduced prorate by an amount equal to the balance of the divorce debt then remaining; and
 - (c) the capital values that results from this calculation must be annuitised by the actuary on a basis determined by the board in consultation with the actuary to determine the amount of the gratuity and annuity which will then be payable.
- 14.10.10 The balance of the gratuity, if any, and the annuity, or gratuity and annuity adjusted in terms of rule 14.10.9, as applicable, will be the benefit or benefits to which the member will be entitled to in place of the benefit or benefits to which he or she would have been entitled, but for the operation of this rule.

4. Commencement Date

The amendment to the Rules shall come into operation as from 1 August 2019.

