



*Please make the contents of this communication available to ALL NAPTOSA members at your site as well as any other interested teachers and public service staff.*

## Unfortunate half-truths about GEPF benefits

Since Wednesday morning NAPTOSA has been inundated with telephone calls from members who had heard that amendments had been made to their pension benefits which would affect them negatively. NAPTOSA regrets that, once again, half-truths regarding the GEPF are being proclaimed.

### What are the real facts?

- 1. Public servants, including educators, with more than 10 years' service who wish to retire (normal retirement, early retirement or retirement due to medical reasons)**

There has been NO change to benefits. The formula used to calculate the gratuity (lump sum) and (monthly pension) has not been amended since the publication of the GEPF Rules in 1996.

- 2. Public servants who resign, are discharged or wish to retire, including early retirement) with less than 10 years' service**

The formulae used to determine a member's "actuarial interest" for benefit payment purposes, includes either an F(Z) factor (for persons younger than 55) or an A(X) factor (for persons over the age of 55). Actuarial interest is the amount held for each member in the Pension Fund and it is also the amount paid out on resignation, discharge or retirement with less than 10 years' service. The F(Z) and A(X) factors change in line with any changes in the demographic (such as longevity) and economic (such as expected inflation and investment returns) assumptions made by the Pension Fund's actuaries. This is to ensure that the Fund will have enough money to pay benefits should an unexpected high number of GEPF members decide to resign or are discharged over a short period.

These F(Z) and A(X) factors were updated in 2010 (significant increase), 2012 (slight increase) and 2014 (slight decrease).

It is correct that, due to the decrease in the 2014 actuarial F(Z) and A(X) factors the benefit payable to members who resign, are discharged or retire with less than 10 years' service, has been reduced.

- 3. While changes to the F(Z) and A(X) are not a matter for negotiation, the GEPF should have consulted with unions, which they failed to do before implementing the changes in 2010, 2012 and 2014. After strenuous complaints GEPF recently met with the unions to explain the changes.**

Members are assured that those who retire with more than 10 years' service are not affected.

## Learners to "modulate their matric"

Some secondary schools may already have been informed of the "modulating" of their matric by learners and how principals should deal with the matter. These "discussions" by district officials emanate from a proposal below made public by Minister Motshekga, after the meeting of the Committee of Education Ministers (CEM) held on 18 September 2015.

"The decision taken by CEM to progress learners who did not pass Grade 11 to Grade 12 was discussed by CEM. These progressed learners have been closely monitored by all provinces and it was agreed that these learners would receive special remedial support. However all provinces noted that during monitoring these learners who were progressed throughout the year, serious challenges have emerged. The monitoring has revealed that despite the remedial attention these learners are receiving they are still not coping with the Grade 12 curriculum and therefore a decision was taken to allow these learners to modulate their matric. Those who did not perform well in the June and September trial exams will be offered the option to only focus on the subjects they are ready to write this year and focus on the remaining subjects in 2016 to ensure that they get the support and content knowledge required to allow them to attain a matric certificate. Provinces have committed to engage with these learners as well as their parents to inform them of this decision. Parents and learners will be advised based on the performance of learners in the trial examinations on the best way forward."

NAPTOSA Gauteng's view is that every learner should have the maximum opportunity write and pass Grade 12 examinations. Any suggestion to the contrary has to be questioned in terms of its educational soundness.

Greg Titus - Acting PCED

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