

Association for Monitoring and
Advocacy of Government Pensions

(AMAGP)

NPO Registration No: 198-822



STATEMENT

Issued by A P Stemmet
On behalf of : The AMAGP
Cape Town

1 August 2019

WHERE ARE MY BENEFITS?

A pension fund exists to pay benefits but is this still true of the GEPF?

Currently the GEPF has more than 400 000 beneficiaries with 1,2 million public servants who are saving monthly towards their retirement with an expectation to receive their pension timeously when they retire. Many do not provide for bridge - over finance to keep them going for months as their pension law states that they will receive their pension within sixty days. This unfortunately increasingly not happening.

However, many find out on the due date that what the law says and what happens in practice are two very different things. Their pension fund simply ignores the law and no payments are made as expected.

It is obvious that the Government Employees Pension Fund (GEPF) is falling apart.

When we say this we do not even refer to what was so far revealed at the commission of inquiry led by Judge Mpati. We refer to the inability to carry out their duties as prescribed by law as well as in the declared mission of the GEPF.

Section 3 of the GEPF Law of 1996 is very clear: "The object of the fund shall be to provide the pensions and certain other related benefits as determined in this law to members and pensioners and their beneficiaries".

In the declared mission of the GEPF we find the following: ". . . . our mission is to . . . Provide for efficient delivery of benefits...."

Obviously the GEPF is not anymore able to carry out their own mission or comply with legal prescriptions. Complaints by pensioners or their widows are streaming in at an alarming rate. During the past week a local newspaper alone carried four complaints of people waiting for their benefits to be paid out. Many more are received directly by members of AMAGP and we are sure also by staff organizations.

A glaring example is that of a ninety year old deceased fighter pilot whose widow has been waiting, and is still waiting, eleven months after his death. This is outrageous!

This past week associated members of the GEPF (retired academics) complained that they have not yet like other pensioners received their 5,2% increase which was due on 1 April 2019. The GEPF is responsible for the administration of their pensions.

To approach the GEPF telephonically or in writing is a waste of time. Nobody has the time to wait for up to an hour for a telephone to be answered. If you do get through to a telephone operator you will most probably be asked not to send an email but send a fax because "we receive thousands of them and do not have the time to read them all.' This is truly an outrageous response to people already traumatized by having to deal with the clear ineptness of the GEPF to render good service delivery to their members.

It is not as if the problem is a new one. During November 2016 a member of the Board of Trustees said that the GEPF was busy updating their administrative system and was going to create an ombudsman type of branch in their organization to deal with complaints. When asked for the date of implementation he said "August", but wisely did not say of which year. We are still waiting.

In his analysis of the 2017/2018 Annual Report of the GEPF, our retired auditor member included a chapter named DELIVERY OF BENEFITS. He revealed a shocking situation. He pointed out that only 71% of benefits were paid on time which of course causes severe discomfort and trauma to retired people. They cannot pay accounts, cannot buy basic food and cannot get medical help as they do not get their monthly pensions. This also creates an additional burden for the pension fund because of interest payments the fund must then make to members. These payments must by law be paid within sixty days. As it is, the interest paid to members already runs into millions.

To show how serious the problem really is this analysis is not summarized. The full chapter is enclosed. It must, however, be pointed out that it only deals with the situation up to 31 March 2018. In the hope of the promised improvement in the administration of the pension fund, the AMAGP did not previously publish this chapter of his report like we did with all the other chapters after it was received during 2018. We waited in vain for the promised improvements in administration and service delivery to the Fund's beneficiaries. The full report was, however, made available on our website.

Judging by the daily stream of complaints still being received one cannot but be extremely concerned. Clearly things have seriously deteriorated since 31 March 2018. What is even more horrifying is that in a few weeks' time this already failing administration of the GEPF will have to deal with 30 000 early retirements announced by the government. We seriously question the capability of the present administration to handle this matter smoothly without some intervention by government. The probable reality is that the normal number of fund members going on pension will then have to deal with an even more flawed administration of their applications and pay-outs.

It is difficult to suggest a solution for the short term. The obvious solution for the long term is that the present trustee members should be held fully accountable, not only for the millions lost in interest paid in late payments. They should also be held accountable for the billions lost because of neglecting their oversight role and responsibilities regarding bad investments. This, however, is a matter for another day.

It is abundantly clear that the Board of Trustees of the GEPF is not in control of the pension fund. They should follow the example set by their colleagues of the former PIC : they must resign.

****AMAPGP registered membership has now reached the 2000 mark and is growing by the day . More than 10 000 members are also active on AMAGP's Facebook Page****

Enquiries:

Adamus P Stemmet

Spokesman: AMAGP

Durbanville

082 320 9245

adamusp2602@gmail.com