

For Immediate Release



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www.gepf.co.za

Media Statement

Attention : Newsrooms
Embargo : For immediate Release
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GEPF introduces a new Child Pension benefit.

Pretoria - Government Employees Pension Fund (GEPF) Board of Trustees has approved the introduction of a Child Pension benefit replacing the previous Orphan's Pension benefit with effect from 01 June 2018.

The introduction of the Child Pension benefit addresses the exclusion of children from qualifying for an Orphans Pension benefit because they had a surviving parent, i.e. the previous Orphans Pension requirement was that if a GEPF member or pensioner dies and there is no surviving parent (natural or adoptive) to take care of the eligible child/children, the child/children can then only qualify for the Orphans Pension up to the age of 18 years of age, and up to age 22 years if still a fulltime student.

The new Child Pension does not require for both parents to have passed away in order for the child to qualify for the pension.

"This positive development is aimed at bridging the gaps that have been identified in the implementation and processing of the previous orphan's pension. The concern for orphan's pension application was that both parents had to be deceased for a child to qualify for the pension. This was considered to be exclusionary, particularly in the situation of single parents whose partners could not be traced or confirmed either dead or alive," explained GEPF Principal Executive Officer, Mr Abel Sithole.

It is important to note that similar to the Orphans Pension, the Child Pension is only applicable for those eligible children whose parent/s were members of the Government Employees Pension Fund prior to their death.

In order to not negatively impact on those children currently receiving the Orphans Pension, the GEPF has automatically converted such beneficiaries to child pensioners. There will be no need for these beneficiaries to apply for the Child Pension benefit as their benefits will be recalculated in terms of the new rules, but only from the date on which the new legislation comes into effect (1 June 2018). In terms of the Child Pension rules, most of the new orphans will now receive a higher monthly pension up to the age 22 years regardless of whether the child is a student or not, and qualifying disabled children will also receive Child Pension regardless of their age.

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As with the previous Orphans Pension, payment to minors will be made to the guardians of the children and the GEPF will notify the guardian to change banking details 3 months prior to the 18th birthday of the child. If the banking details are not changed, payment will be suspended (Section 21 of the GEP Law prohibits us from paying benefits to a third party. Children between the ages of 18-22 will receive payment into their own accounts.

Payments for a child that is a major and cannot administer their affairs, requires a curator or guardian to be appointed by the High Court and the Master of the High Court must issue an appointment certificate.

Child Pension is a taxable benefit. If the child does not have a tax number, the GEPF will register the child as a taxpayer with SARS and inform the child/guardian of the tax number. Tax certificates will be issued annually by the GEPF.

Child Pensioners will also qualify for a child funeral benefit if they pass away. The standard funeral benefit rules will apply which means that a child between the ages of 18 and 22 who is fulltime student will qualify for a funeral benefit.

The new Child Pension application form (CHP1) is available on the GEPF website at www.gepf.co.za and at all GEPF Offices.

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Issued by Government Employees Pension Fund

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About the Government Employees Pension Fund

The Government Employees' Pension Fund is one of the largest pension funds in the world, with over 1.2 million active members and over 400 000 pensioners and beneficiaries.

Our core business, governed by the Government Employees' Pension Law (1996), is to manage and administer pensions and other benefits for government employees in South Africa. We work to give members and pensioners peace of mind about their financial security after retirement and during situations of need by ensuring that all funds in our safekeeping are responsibly invested and accounted for and that benefits are paid out efficiently, accurately and on time.

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