



## PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL (PSCBC)

### REPORT NO 10 OF 2016

29 September 2016

We can report that Council met on 28 September 2016 at the Central Bargaining Centre to deal with a range of matters.

**Pension Redress Programme:** Council reported that outstanding documents from applicants are still being received, and the closing date of 31 December 2016 has been communicated. We again urged the employer to finalise the appointment of actuaries to calculate the payouts to successful applicants. The employer agreed, undertaking to provide such to Council in order to facilitate the drafting of a close-out agreement signalling the finalisation of the matter.

**Recognition of Prior Learning:** The employer reported their readiness to present a draft policy on Recognition of Prior Learning (RPL), requesting the secretariat to identify and communicate a suitable date to all parties.

#### PROGRESS REPORT: IMPLEMENTATION OF AGREEMENTS

**The Government Employee Housing Scheme:** Reacting to our complaints regarding the apparent failure of the GEHS to be implemented, the employer insisted that enrolling was under way. As labour, however, we remained doubtful as this is not the message we get from membership. After some debate on the matter, labour decided to declare a dispute. We will provide more information in this regard as the issue unfolds.

**Disciplinary Code:** The task team reported that its engagement had come to an end, tabling the draft code at Council. We will provide members with the draft document for comment to provincial offices as inputs to the negotiation process going forward.

**Improvement of Funeral Benefits:** The GEPF requested to consult with the PSCBC on the amendments of funeral

benefits, in reaction to claims that benefits have been eroded by inflation over the past years. These benefits are currently regulated in terms of clause 3.4 of PSCBC Resolution 12 of 2002. Since these benefits are a matter for negotiation, Council has advised GEPF to meet with the Department of Public Service and Administration (DPSA) before tabling proposals. We will advise members when this will commence as soon as more information is received from the DPSA. These benefits include:

- 1. Removal of Discharge and Resignation Benefits Anomaly:** This benefit, applicable only to members with less than 10 years of service aims to avoid the loss of actuarial interest upon discharge;
- 2. Removal of the Market Value Adjustment:** This benefit has the objective to ensure that the member does not receive less than the actuarial interest due to market movements, upon transfer to another retirement fund;
- 3. Replacing the Orphan's pensions with Child pensions:** The aim of this benefit is to close the gaps in the GEPF benefit structure by aligning it with the rest of the retirement fund industry;
- 4. Establishing a Government Employee Pensions Preservation Fund:** This aims to allow members an option to preserve their pension proceeds with the GEPF upon exit;
- 5. Establishing a Defined Contribution Additional Voluntary Contribution Scheme:** This benefit aims to allow members an option to increase their retirement provision while in active employment;
- 6. Amending the Application of the Clean-Break Principle from the "Debt Approach" to the "Service Adjustment Approach":** The objective of this benefit is to address members' concerns by doing away with the concept of "debt" and inte-

rest" in the apportionment of pensions benefits on divorce;

**7. Review of the Reduction Factors in Favour of Increased Spouse's Pension:** The aim of this benefit is to minimise the phenomenon known as cross-subsidisation;

**8. Application of Actuarial Interest:** It was reported that the GEPF will continue to apply the Actuarial Interest Factors as per the 31 March 2014 Statutory Actuarial Valuation of the GEPF. This is as opposed to reverting back to the Actuarial Interest factors relating to the 31 March 2012 Statutory Actuarial Valuation. The latter is in line with the improvement of the cash resignation benefit with effect from 1 April 2012. This will be at least equal to the member's Actuarial Interest, which will result in the entire resignation benefit being dependent on Actuarial Interest Factors. These Actuarial Interest Factors are in turn dependent on demographic and economic assumptions. This will mean that the resignation benefit will be essentially fluctuating in nature.

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