Eskom
Pension and Provident Fund

MEMBER GUIDE

Invested in our *members*

MEMBER
GUIDE

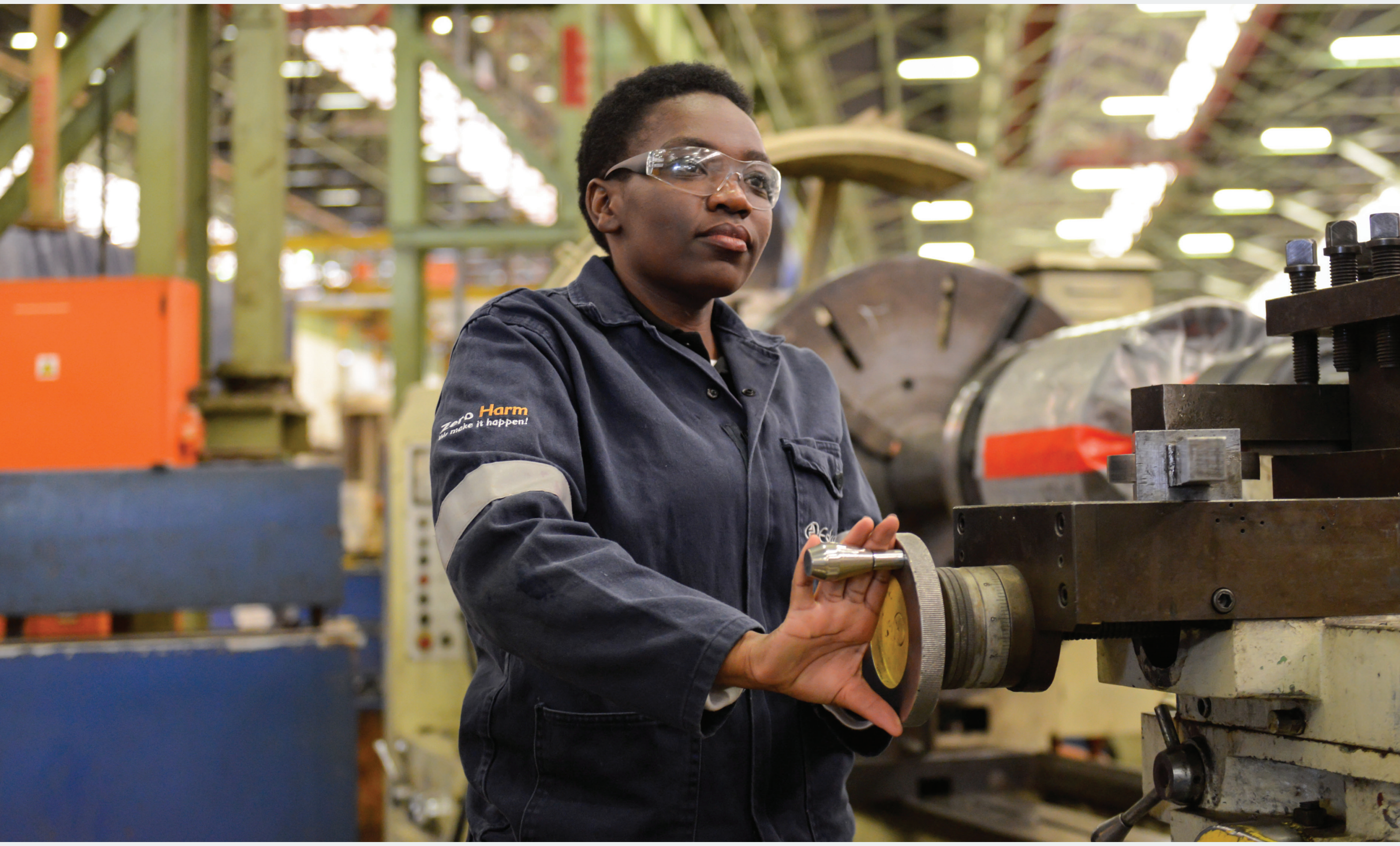
Welcome to the Eskom Pension and Provident Fund (EPPF)

Retirement planning is an important part of long-term personal financial planning. Eskom plays a role in assisting its employees with retirement planning by providing a financial-saving vehicle for retirement planning, ill health cover and retirement savings preservation through the EPPF.

The EPPF makes every effort to maintain a long and fruitful relationship with all its members at various stages of their lives.

This journey starts on the day that a member joins the EPPF and continues until resignation, retirement or in the unfortunate event that a member passes away.

This guide is a summary of the benefits provided to members as set out by the rules of the EPPF. However, in order to keep up to date with all information relevant to members, visit the EPPF website on www.eppf.co.za to read up on updates and notices.



About the EPPF

The EPPF was established in 1932 and has grown from a small base to being one of the largest funds in the retirement industry.

The Fund is the largest self-administered pension fund registered in terms of the Pension Funds Act of 1956, and is approved as a pension fund in terms of the Income Tax Act of 1962.

As a defined benefit (DB) fund, the EPPF provides retirement, withdrawal, death and disability benefits to its members.

In terms of the EPPF's DB structure, a standard formula is used to define the benefits which become payable to members as certain events happen. The formula is based on the in-service member's years of service, pensionable salary and an actuarial factor.

However, in the case of withdrawal of benefits (such as in the case of resignation) the calculation of a member's fair value or contributions plus interest – whichever is greater – is paid.

Management of the EPPF

The EPPF is governed by a Board of Trustees (the Board) comprising 14 board members. Some board members are elected by members and pensioners, while others are employer appointed.

Board of Trustees

7 — **Members appointed by the employer.**

3 — **Elected by in-service members who are bargaining unit employees, with one representative elected from each of the trade unions recognised by the employer.**

2 — **Elected by in-service members who are non-bargaining unit employees.**

2 — **Elected by pensioners.**

The Board is responsible for the management and performance of the EPPF. It provides strategic direction and leadership, ensures good corporate governance and ethics and determines EPPF policy.

The Board has various committees to which it delegates functions and the authority to make decisions on its behalf. The Board, however, remains responsible for each decision made by the various committees and is ultimately the final level of authority within the EPPF.

The committees comprise members of the Board, members of EPPF management, as well as external expert members, where required. The committees of the Board are as follows:

- Audit and Risk Committee;
- Benefits Committee;
- Human Resources and Remuneration Committee;
- Strategic Investment Committee;
- Legal and Governance Committee; and
- Communications Committee.

The Board also delegates the detailed planning, implementation and the day-to-day running of the business to the Chief Executive of the EPPF, who is also the Principal Officer. The Chief Executive is supported by the Executive Management team to carry out the business of the EPPF.

Membership of the EPPF

The following people are eligible to be members of the EPPF:

65-

- **In-service contributing members who are permanent employees of Eskom Holdings SOC Limited (Eskom) and its subsidiaries and the EPPF who are younger than age 65.**
- **Deferred pensioners, who are former in-service members that left the service of Eskom or its subsidiaries and the EPPF at that date elected to defer their pension benefits with the EPPF.**
- **Former employees of Eskom and its subsidiaries who retired from in-service and became pensioners that receive a monthly pension from the EPPF.**
- **Widows, widowers and eligible children of deceased members and deceased pensioners who are in receipt of a pension.**

Benefits Counselling

With effect from 1 March 2019, the Pension Funds Act of 1956, through the Default Regulations, has made it compulsory for all funds to implement benefits counselling. This counselling is made available when joining a fund, at resignation and three months before retirement. During the counselling, members must be provided with options, fees and costs, to empower them to make good decisions regarding their pensions.

Members are encouraged to use benefits counselling to their advantage, as guidance is provided, and it is an opportunity for them to ask the right questions. While guidance is given and information is shared, the counselling is not categorised as advice as our consultants do not play the role of a financial advisor. The counselling is designed to allow members to make a well-informed decision and is available face-to-face (with our Retirement Fund consultants) or telephonically. You may at any time ask for counselling should you wish to.

Contributions

Monthly contributions

As an in-service member you contribute a monthly, fixed percentage equal to 7.3 % of your pensionable salary. The employer contributes 13.5% of your pensionable salary..

The definition of "pensionable salary" differs between certain categories of employees and in-service members are advised to ascertain their pensionable salary through the Human Resources department.

As a DB fund, all income in the form of contributions and investment income is allocated to a pool of assets which the EPPF uses to fund the benefits paid to members on withdrawal, retirement or on the death in accordance with the rules of the EPPF Fund.

Additional Voluntary Contributions Scheme

The EPPF offers members who wish to make additional savings towards their retirement the opportunity to make Additional Voluntary Contributions (AVCs). AVCs are credited to your in-service member account and tracked as an individual benefit.

You have the option to make Additional Voluntary Contributions on a monthly, once-off or ad-hoc basis. You may also increase or decrease your Additional Voluntary Contributions at any time.

Additional Voluntary Contributions are deducted from your salary through your payroll department. While you may contribute as much as you can afford, only pension contributions to a maximum of 27,5% per annum of the gross remuneration or a maximum of R350 000 are tax deductible per year.

If your contributions in any single tax year should exceed the maximum allowable contribution for tax purposes, you will have the option to carry over the tax deduction to subsequent years or claim a tax deduction against your pension fund lump sum at retirement.

This provides a continuous tax-saving incentive when making additional voluntary contributions. Your Additional Voluntary Contributions are added to your benefit calculation on withdrawal, retirement, ill-health retirement or death and increase the value of your benefit.

If you would like to transfer a retirement fund benefit from a previous employer to the EPPF when you join, an application to this effect must be submitted. You can apply for the transfer to EPPF through the relevant HR department and, if the transfer is approved, the cash value of that transfer will be accepted by the EPPF. This benefit will then be treated as an Additional Voluntary Contribution.

The pensionable portion of incentives or performance bonus payments from the employer are also treated as AVCs. As part of the conditions of service, you contribute 7.3% of your performance bonus, and the employer contributes 13.5% of your bonus on your behalf. As mentioned above, these contributions form part of your AVCs, consequently growing your AVC balance.

All AVCs earn interest on a monthly basis, at a compound interest rate. The interest rate for AVCs is declared by the Board on a quarterly basis based on actual EPPF investment performance over the preceding three-year rolling period, adjusted to provide a smoothing effect over time. The updated interest rates are available on the EPPF website at www.eppf.co.za.

Should you wish to make use of this investment alternative, AVCs can now be implemented via the Eskom online platform, Zenzele, or on our website at www.eppf.co.za. Each year in-service members who make AVCs receive a benefit statement reflecting the value of their accumulated AVCs and the interest earned thereon, together with a tax certificate.

The tax certificates form part of the member's annual submissions and tax calculations to the South African Revenue Service (SARS).

Benefits Payable on Withdrawal

If you resign, are retrenched or dismissed, you become eligible to access your withdrawal benefit.

When considering your options around your pension fund benefit on withdrawal from service, a good first step is to know the value of your benefit. You can generate an estimate of your benefit from our website www.eppf.co.za, or through our call centre on 0800 11 45 48 and info@eppf.co.za.

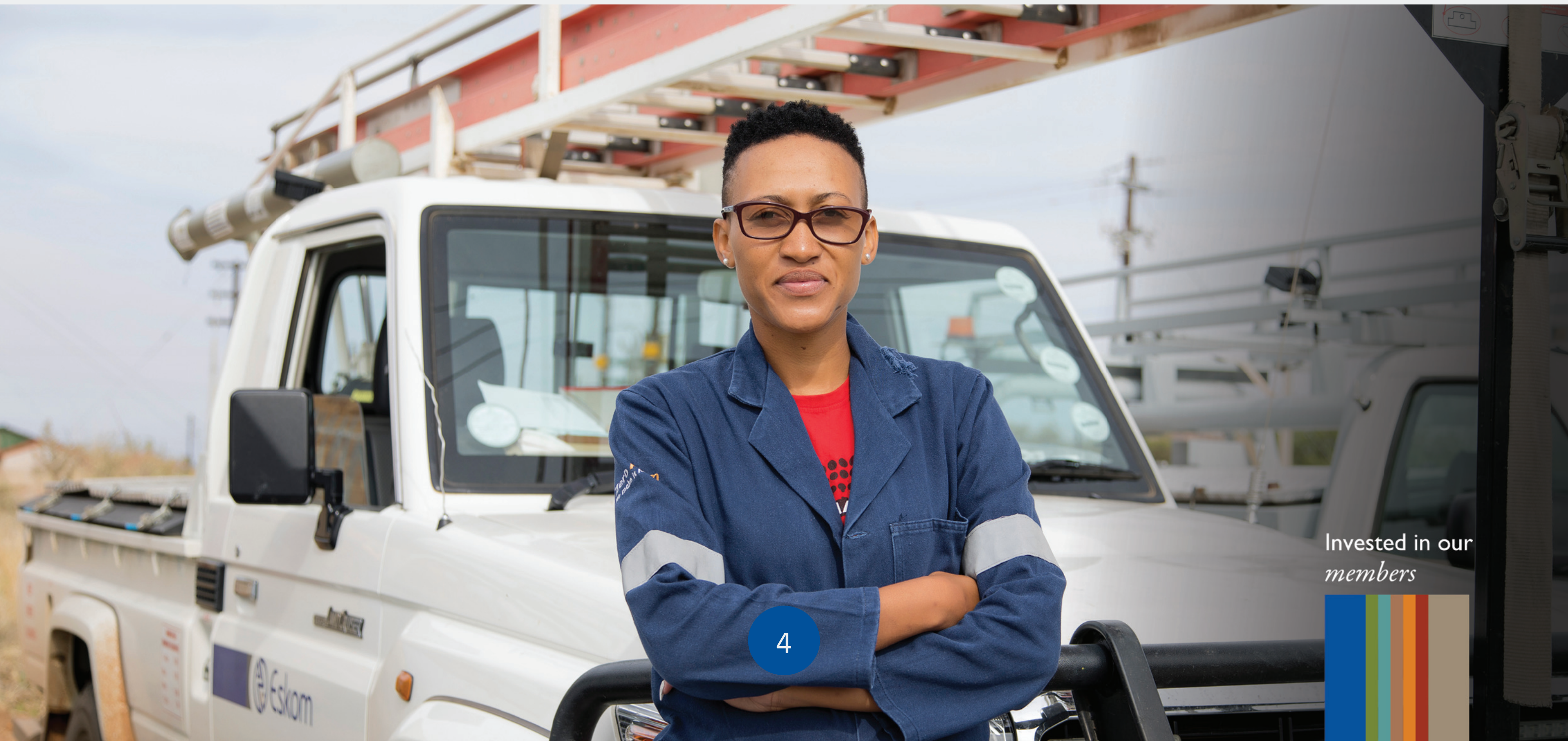
The benefits payable on the various forms of withdrawal are discussed below.

Benefits payable on resignation

In terms of the Pension Funds Act and the rules of the EPPF, the benefit payable to you on resignation is your Minimum Individual Reserve (MIR). Your MIR is defined as either the greater of:

- **Your accumulated contributions, plus interest on the contributions; or**
- **Your fair value is based on the pre-retirement formula;**
- **Your additional voluntary contributions, if any, including interest; and**
- **Your performance bonus contributions, if any, including interest.**

The fair value calculation is based on the actuarial formula used for retirement, which takes into account your final average salary for the last 12 months, your years of service, the FSCA earnings yield rate and a predetermined actuarial factor..



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However, if you elect to defer your benefit in the EPPF, the benefit payable after deferring will be based on the member Actuarial Reserve Value (ARV) calculation at the time of exit, subject to the greater of your MIR benefit at the time being greater than the ARV benefit. This means that if you decide to defer your benefit in the EPPF, a higher resignation benefit value may be awarded, and this would mean an ultimate higher retirement value when you retire.

The options available on withdrawal are discussed under the section Option on withdrawal below.

Withdrawal after age 55

If you withdraw (and plan to continue to work) and want to take your benefit in cash after age 55 but before reaching age 65, the EPPF requires proof of alternative employment, self-employment or any other documentation which may be required to comply with SARS requirements.

Without proof of alternative employment, your withdrawal will be treated as a retirement.

Retrenchment

The MIR payable to you on retrenchment is the greater of:

1

- **Your accumulated contributions, plus interest;**
- **Your fair value; OR**

2

- **Three times your member contributions.**
- **Your additional voluntary contributions, if any, plus interest; and**
- **Your performance bonus contributions, if any, plus interest.**

Retrenchment after age 50 and with 10 year's service

If you are aged between 50 and 65 and have been a contributing in-service member for a minimum of 10 years and you are retrenched, you may go on early retirement without penalties. This must, however, be mutually agreed with the employer.

Retirement in this instance does not carry any penalties as the employer carries the cost of any penalties on your behalf. In addition, the employer could also provide for additional potential service and would carry such a cost on your behalf.

Benefit payable on dismissal

If you are dismissed, the benefit payable is the same as the benefit payable on resignation.

Options on Withdrawal

Regardless of the nature of withdrawal, several options are available to you on withdrawal. It is prudent to preserve your benefit when you withdraw from the EPPF in order to secure as great a financial provision for your retirement as possible. The various options available on withdrawal are discussed below.

Deferring a part of or the full benefit in the EPPF

You have the option to defer your full benefit, or a portion thereof in the EPPF.

The following three options are available on deferment:

- **Defer the full value of the benefit in the EPPF;**
- **Take a maximum of the tax-free amount in cash and defer the balance in the EPPF; or**
- **On retrenchment, you also have the option to take a cash refund equal to your accumulated member contributions, less tax and defer the balance in the EPPF.**

Tax tables for the relevant tax year are available on the SARS website at www.sars.gov.za

Once you defer your benefit, the following conditions are applicable:

- The decision to defer a transfer value is irrevocable once made;
- The deferred benefit may not be ceded or used as security for a loan
- No further contributions can be made once a benefit is deferred
- If you return to the service of the employer after your withdrawal and deferment, your deferred benefit remains separate and is retained as a deferred benefit in the EPPF until your retirement
- Interest on deferred benefits is compounded on a monthly basis and the Board reviews and declares a rate of interest on a quarterly basis. Interest rates can be viewed on the EPPF website at www.eppf.co.za
- You may retire and take a pension on your deferred benefit based on the value of your deferred benefit at any time from age 55, but no later than the month in which you turn 65

- On retiring, you may take a maximum of one third of your benefit in cash. The balance must be used to provide a compulsory life-long pension from the EPPF

Another significant advantage of the deferred scheme is that there are no administration costs associated to deferring a benefit with the EPPF and there are no additional management fees. All members with deferred benefits receive a deferred benefit statement every year which reflects the original transfer value and the interest accumulated thereon. You may also check the online member portal.

Electronic Communication:

You have the option to receive the annual deferred statement and all other correspondence from us by email or SMS. To activate this service, simply complete a "Consent to Receive Correspondence by Email and SMS" form and submit it to the EPPF. The form can be obtained from the EPPF's website, www. eppf.co.za.

Transfer a part or the whole benefit to another approved fund

You have the option to transfer your full benefit, or a portion thereof, to another approved fund in South Africa. Approved funds include another employer's pension or provident fund, a pension preservation fund, preservation provident fund or a retirement annuity.

Transfers to another employer's pension fund, a pension preservation fund or a retirement annuity are tax-free. Transfers to a preservation provident fund or an employer's provident fund are taxable.

Transferring your benefit directly from the EPPF to another retirement-investment vehicle outside South Africa is prohibited. If you would like to do so, you must withdraw the benefit and take it in cash first, then invest the benefit in another retirement funding arrangement outside South Africa. Such a withdrawal would be subject to the tax applicable on withdrawal in South Africa.

Taking the entire benefit in cash

You may elect to take your entire benefit from the EPPF in cash. However, this is subject to more punitive tax rates and reduces the amount left for retirement savings more significantly. Details of tax payable on withdrawal for the relevant tax year are available on the EPPF website at www.eppf.co.za.

Payment of a cash benefit to a South African bank account

When you withdraw from service and exit the EPPF, you must complete an Application for Withdrawal form. You must ensure that all the details are completed correctly and the relevant documentation is provided, as specified on the form.

Your form must be submitted to the EPPF through your Human Resources office.

Payment of a cash benefit to a bank account outside South Africa

When you withdraw from service and wish to transfer your benefit to a bank outside South Africa, you must complete the following forms:

- Application for Withdrawal form
- International Banking form

The original International Banking form must be completed by the bank to which you want to transfer your benefit or by your foreign exchange service provider and be submitted to the EPPF.

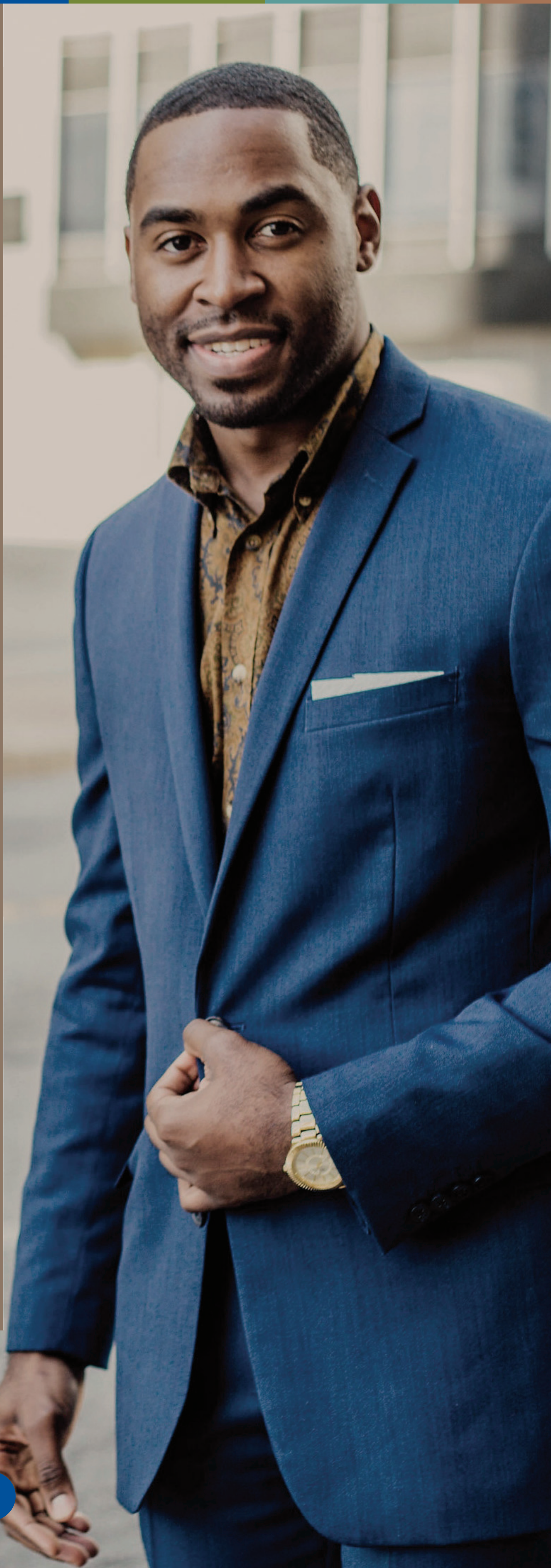
Take note: A benefit being paid to a bank account outside South Africa may take longer to process than a benefit being paid to a local bank account, owing to the EPPF awaiting the original, completed International Banking form from your bank or foreign exchange service provider. If you know you plan on transferring your benefit to a bank account outside South Africa, it is advisable to send the International Banking form to your bank at least two or three months prior to your exit, so that it reaches the EPPF timeously.

Alternatively, if you are able to keep your South African bank account active after withdrawing, the EPPF can pay your benefit to your South African account and you may then transfer the benefit once it has been paid to you.

Documents required on withdrawal

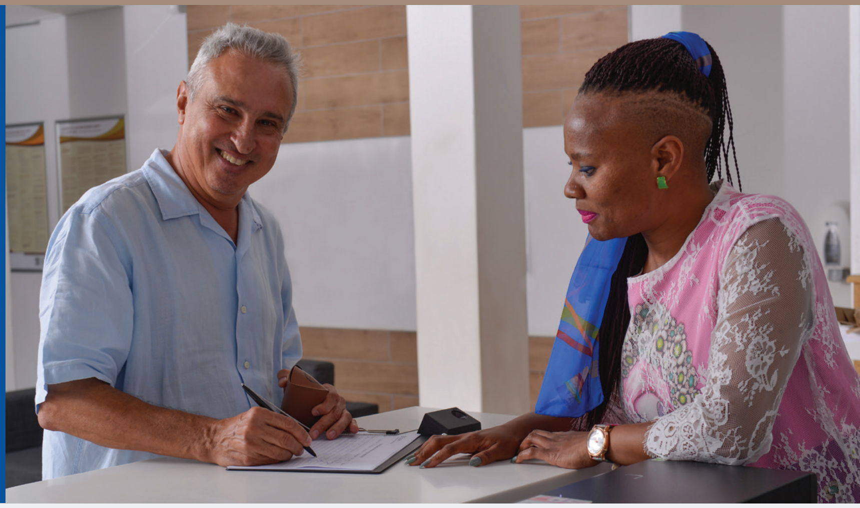
On withdrawal from service, the following documentation must be provided to the EPPF, together with the withdrawal application form:

- Original, certified copy of your identity document or passport
- Original certified copies of the divorce order (if applicable)
- An original, stamped letter from the bank with your bank account details, or an original bank statement, together with the bank's stamp on the form (if the benefit will be paid to a South African bank account)
- An original International Banking form (if the benefit will be paid to a bank account outside South Africa)
- If you elect to defer your benefit in the EPPF, a Deferred Pensioner Beneficiary Nomination form must be completed, if you are transferring to another fund



Benefits Payable on Retirement

You have the option to retire at any time from the age of 55 but no later than the end of the month in which you turn 65.



The retirement benefit is calculated in accordance with the following formula:

Final average salary × Years of service (in months) × Pension rate ÷ 600

The various types of retirement are discussed below.

Early retirement with penalties

YYour retirement benefit **will be penalised** if you retire between age **55 and 63**, which will reduce the payable pension by **3.9%** per year for every year until age 63, or by 0.325% per month until age 63.

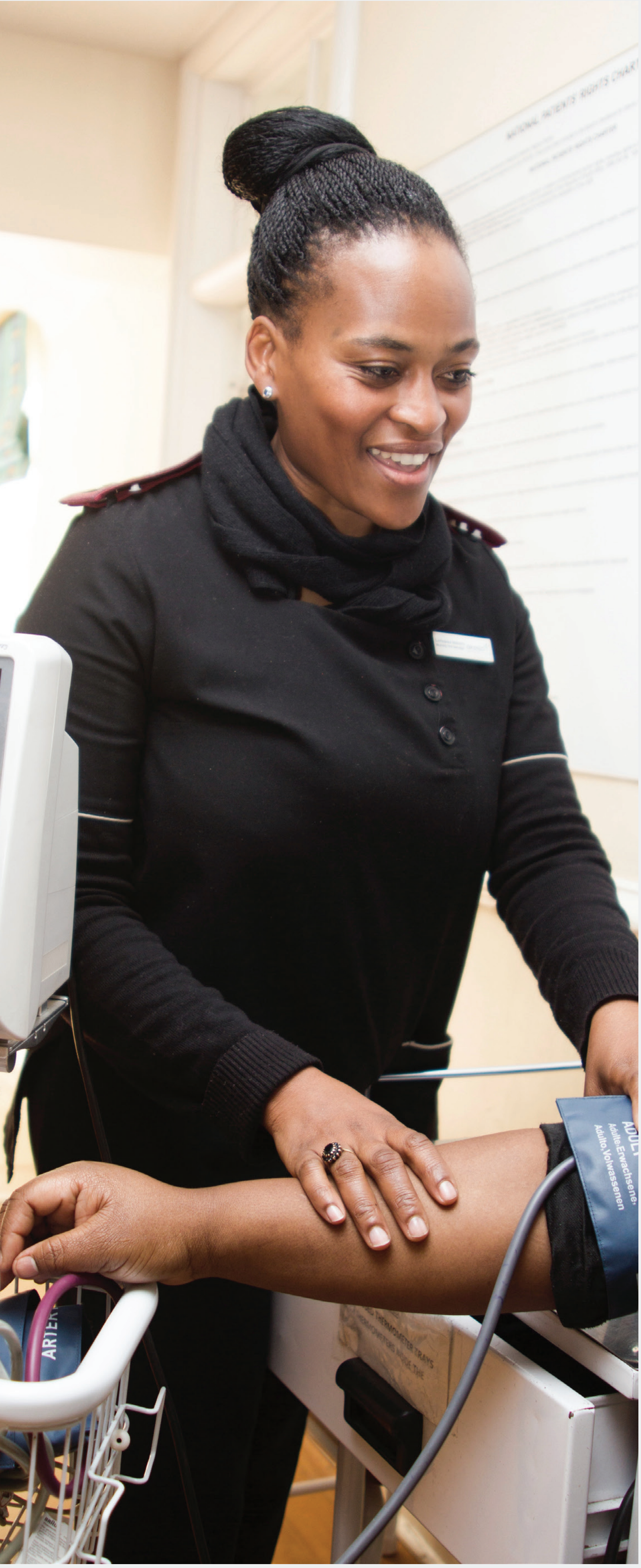
Early retirement without penalties

From the age of **55 to 63** you may go on early retirement without penalties **by mutual agreement** with your employer. In this instance your employer would pay for the cost of early retirement (i.e. the penalty).

You become eligible to retire without penalty from age **63 to 65**.

Normal retirement

You are required to retire latest, at the end of the month in which you reach **65 years of age.**



Ill-health / disability retirement

In the event that you become permanently physically disabled or incapacitated and are no longer able to work in your own or any other suitable position, you may qualify for ill-health / disability retirement. This will be subject to the recommendation of the EPPF's Medical Panel and the approval of the Board.

The benefit on ill-health / disability retirement is calculated using the retirement benefit calculation formula. The service portion of the formula is calculated as follows:

i. The actual pensionable service accrued up to the actual date of ill-health / disability retirement

+

ii. 75% of the future service that would have been completed from the date of the ill-health / disability retirement to the normal retirement date

If you had a pre-existing condition which was known prior to joining the service of the employer and membership of the EPPF and then apply for ill-health disability retirement within the first five years of service, the benefit payable is either of the following:

A reduced benefit equal to 50% of the benefit under the section Ill-health/disability retirement above if you qualify to go on Ill-health & deferred benefit

OR

- **A benefit equal to the actuarial value as at the date of exit, which you must defer in the EPPF and access at a later retirement date. The deferred benefit can only be accessed from age 55 and all the rules of a deferred benefit discussed under the section**
- **Deferring a part of or the full benefit in the EPPF would be possible**

Options on Retirement

When you retire, your benefit is used to provide a compulsory lifelong pension from the EPPF. You will have the following options on retirement:

- Take the full pension with no lump sum. This option gives you the maximum monthly pension payable
- Take up to a maximum of one-third of the retirement benefit as a cash lump sum. The balance of your benefit must be used to provide a compulsory monthly pension from the EPPF. This option reduces your monthly pension

The tax tables applicable on retirement are available at www.sars.org.za.

The EPPF provides increases to pensioners once per annum, and may also on an annual basis declare a special bonus to pensioners, when it is affordable to do so.

The EPPF policy regarding pension increases is to target, but not guarantee, an increase rate equal to the annual inflation rate as published by Statistics South Africa.

Bonuses are, however, not guaranteed in terms of the rules of the EPPF and may be granted at the discretion of the Board. Bonus payments are determined by several factors, including the investment performance of the EPPF.

Retirement of a Deferred Pensioner

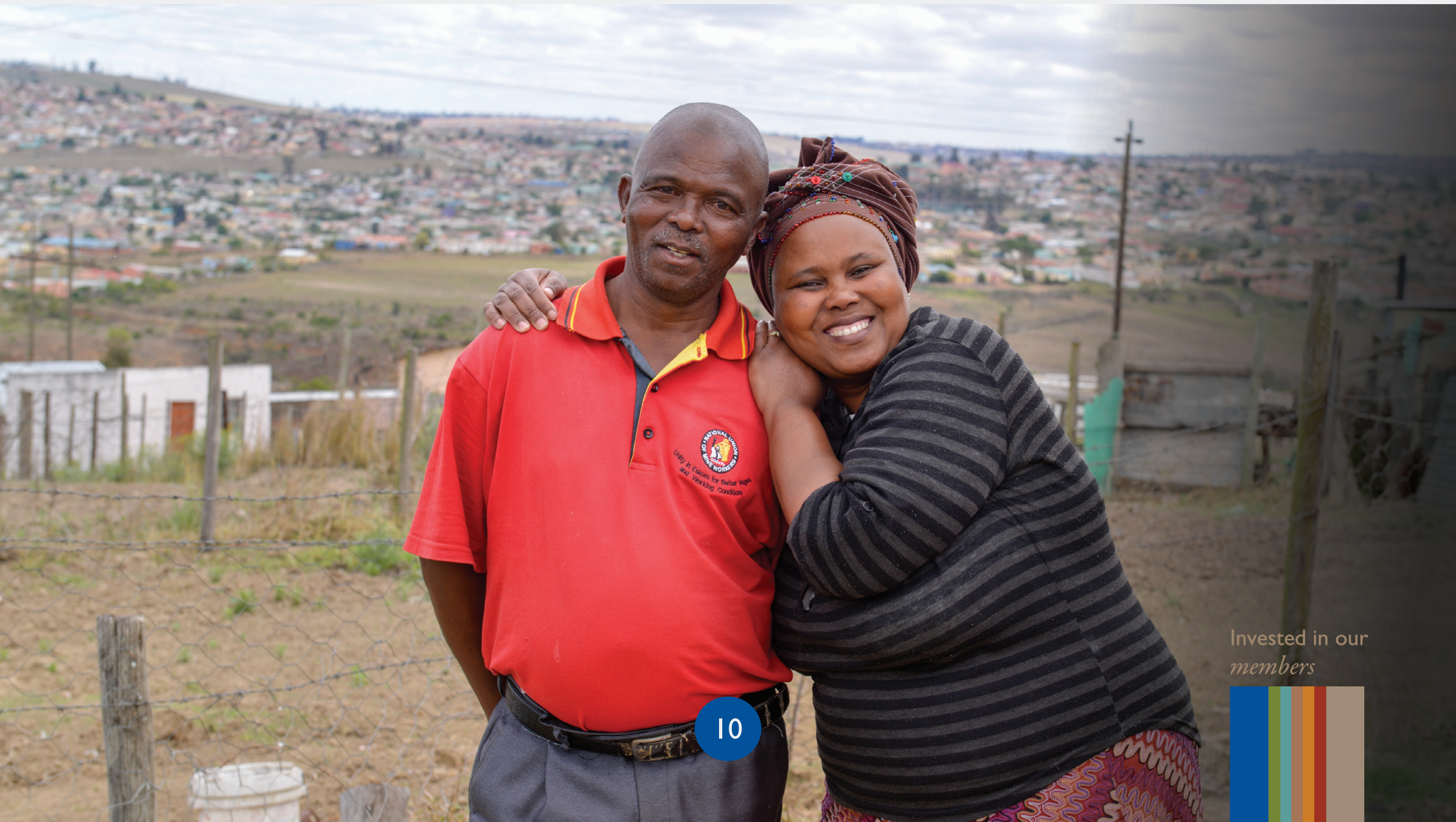
A deferred pensioner may access their deferred accumulated value at any time from age 55 and no later than the month in which they turn 65. The accumulated value consists of the original deferred transfer value plus interest accumulated thereon.

The following options become available when a deferred pensioner retires:

- Take the full pension with no lump sum. This option gives the maximum monthly pension payable;
- Take up to a maximum of the tax free lump sum if applicable. The balance of the benefit must be used to provide a compulsory monthly pension from the EPPF. This option also reduces the monthly pension.
- Take up to a maximum of one-third of the retirement benefit as a cash lump sum. The balance of the benefit must be used to provide a compulsory monthly pension from the EPPF. This option reduces the monthly pension; or

The tax tables applicable on retirement are available on the SARS website on www.sars.org.za.

To apply for retirement in respect of the deferred benefit, deferred pensioners are required to complete an "Application for Retirement Benefits" form and submit it directly to the EPPF.



Documents Required on Retirement

As with all forms of retirement, the following documentation must be submitted by a deferred pensioner applying for retirement benefits to the EPPF together with the form:

- Application for Retirement form
- Original certified copy of identity document or passport
- Original certified copy of the spouse's identity document or passport, (if applicable)
- Original certified copy of the certificate of marriage or customary union, if applicable
- Original certified copies of birth certificates,adoption papers or identity documents of children below age 21 (if applicable)
- Proof of continuous medical aid membership (if applicable)
- Original certified copies of any divorce order (if applicable)
- A stamped letter from the bank with your bank account details or an original bank statement, together with the bank's stamp required on the form
- An originally completed International Banking form, if you would like to receive your pension in a bank account outside South Africa
- Two passport-sized photographs for a pensioner card

Death Benefits

Your dependants and / or beneficiaries will become eligible to receive a Death Benefit if you should pass away while an in-service member, deferred pensioner or a pensioner. The method of payment and distribution of the benefits are described below:

Distribution of lump sum death benefits: Pension Funds Act Section 37C

In the event that an in-service member or a deferred pensioner passes away before retiring, the qualifying dependants of the member / deferred pensioner will be eligible to receive a lump sum benefit in addition to a monthly pension (in-service member) or a lump sum only (deferred pensioner).

Lump sum death benefits are distributed in terms of Section 37C of the Pension Funds Act as follows:

In order to determine the allocation of a lump sum benefit payable on the death of an in-service member or a deferred pensioner, the EPPF must conduct investigations to determine the dependants and / or beneficiaries to whom the lump sum must be allocated. The findings are submitted to the Board, which determines the allocations.

In the allocation of lump sum death benefits, priority is given to a member / deferred pensioner's Legal dependants. This includes the spouse, and eligible children.

A spouse is:

- A person to whom a member / deferred pensioner is married in terms of the South African Marriage Act
- A person to whom a member / deferred pensioner is married in terms of the tenets of a religion
- A person to whom a member / deferred pensioner is married in terms of customary law
- A person to whom a member / deferred pensioner is married in a civil union
- A permanent life partner

Eligible children are:

- Biological or legally adopted children under age 21;
- Posthumous children who are born after a member deferred pensioner passes away; and
- Permanently physically or mentally incapacitated children over age 21. The incapacity must have occurred before the age of 21 while the main member was still alive.

The allocation of benefits may also be awarded to Factual dependants such as parents or siblings for whom you provided for financially. Factors which are considered in the allocation of the lump sum benefit include the dependants' ages, the extent of dependency, the nature of the relationship with the member, future potential earning capability and the lump sum amount available for distribution.

If you pass away without dependants, the benefit is distributed to beneficiaries who you may have nominated, but who were not financially dependent on you (nominees); provided that your estate is not insolvent. If you elected to have your benefit distributed to nominees and your estate is insolvent, then the Board must first pay an amount to the estate to bring it to solvency before the remaining benefit can be paid to the nominees. If there are no nominees, the full lump sum benefit is paid to your estate.

It is therefore advisable to complete and continuosly update a Beneficiary Nomination form, by listing your dependants and/ or beneficiaries first and then your nominees, if any. The Board makes its determinations in line with the legal requirements of the law, your Beneficiary Nomination Form and any other additional available information. Completing your Beneficiary Nomination form expedites and eases the process of distributing your benefit.

In-service members must complete the In-service Member Beneficiary Nomination Form and submit it to their human resources office.

Deferred Pensioners must complete a Deferred Pensioner Beneficiary Nomination form and submit it to the EPPF on withdrawal and deferment.

The relevant Beneficiary Nomination form must be updated whenever necessary, at various life changing events such as marriage, divorce, birth or adoption of children or on the death of any of your dependants. The form is used to assist the EPPF in conducting the Section 37C investigations and determine the benefit allocation.

The Beneficiary Nomination forms can be obtained from the EPPF website on www.eppf.co.za.

Note: In terms of the Pension Funds Act, the EPPF has up to 12 months, if necessary, to conduct and conclude death benefit investigations and lump sum payments. In certain circumstances, however, it may take more than 12 months to conclude the investigations and the lump sum payments.

Benefits payable on death

When an in-service member, a pensioner or a deferred pensioner who has retired and has started to draw a pension, passes away, a monthly pension becomes payable to the member's qualifying spouse and eligible children. The following conditions are applicable to the monthly pensions payable:

- The qualifying spouse will receive a pension for life; However, if a deferred pensioner passes away after retirement, the payment of a continued monthly pension is limited to the surviving spouse to whom the deferred pensioner was married to at the date of retirement
- The eligible children's pensions are payable until the children reach the age of 21
- If there is a physically or mentally incapacitated child, the child may be awarded a monthly pension for life, subject to certain conditions and
- In the event of more than one household with more than one spouse and eligible children, the pension cannot exceed 100% of the total pension and is split equally according to the number of spouses and eligible children.

Death of an in-service member

Death in service with dependants - spouse/s and eligible children

When an in-service member passes away while still in service and leaves a spouse/s and/or eligible children, a lump sum and monthly pension becomes payable as follows:

A lump sum equal to twice the annual pensionable salary is payable. The portion of the lump sum which is due to the eligible child/children may be invested in the EPPF instalment lump sum account

+

A monthly pension equal to 60% of the pension that you would have received at age 65 had you not passed away, becomes payable to the eligible spouse/s. If there is more than one spouse, the 60% is split equally amongst the spouses

If there is one eligible child, a further pension equal to 30% of your pension is payable. If there are two or more eligible children, the children's pension increases to 40% of your pension and will be split equally among the eligible children

The monthly pension payable cannot exceed 100% of the pension to which the deceased member would have been entitled if the deceased member had remained in service until age 65.

Other factual dependants or nominees may be considered in the allocation of the lump sum benefit, but will not be eligible for a monthly pension.

Death in service with dependants – eligible children only

If you should pass away while still in service and leave eligible children only, a lump sum and monthly pension become payable as follows:

A lump sum equal to twice your annual pensionable salary is payable. The lump sum may be invested in the EPPF instalment lump sum account until the child/ children reaches age 21

+

A monthly pension equal to **60%** of the pension to which you would have been entitled if you had remained in service until age 65, if there is one eligible child. If there are two or more eligible children, the pension increases to 100%, and is split equally amongst them. The children's pension must be paid to a guardian

Other factual dependants or nominees may be considered in the allocation of the lump sum benefit.

Death in service without dependants

If you should pass away while still in service but do not leave a spouse/s or any eligible children, a lump sum benefit is payable equal to the greater of:

Your annual pensionable salary at the date of death;

+

10% of your final average salary per year of pensionable service;

+

Twice your annual pensionable salary

No further benefit is payable.
This benefit is payable as a lump sum and may be distributed to factual dependants or nominated beneficiaries as described above.

Death of a pensioner

Death after retirement with dependants – spouse/s and eligible children
If a pensioner passes away after retirement and leaves an eligible spouse/s and eligible children, a lump sum and monthly pension become payable as follows:

A lump sum equal to **R3000** is paid to the surviving eligible spouse/s and/or eligible children

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A monthly pension equal to 60% of the deceased pensioner's pre-commuted pension is payable to the eligible spouse/s. If there is more than one spouse, the 60% is split equally amongst the spouses

\+

If there is one eligible child, a further pension equal to30% of the deceased's pension is payable. If there are two or more eligible children, the children's pension increases to 40% of the deceased pensioner's pension and is split equally among the eligible children

The monthly pension payable cannot exceed 100%.
The pension payable is calculated based on the full pension ("pre-commuted pension") which was payable to the pensioner at the retirement date, before taking any portion as a cash lump sum. Therefore, even if the pensioner took a portion of the payment in cash at retirement, the pension payable to the spouse/s and eligible children is calculated as though no cash was taken, and includes all the increases the pensioner received up to the date of the pensioner's death.

Death after retirement with dependants – eligible children only

If a pensioner passes away after retirement and leaves eligible children only, a lump sum and monthly pension become payable as follows:

A lump sum equal to **R3000** is paid to eligible children;

\+

A monthly pension equal to **60%** of the deceased pensioner's pre-commuted pension is payable if there is one eligible child. If there are two or more eligible children, the pension increases to 100%, and is split equally amongst them. The children's pension will be paid to a guardian

The monthly pension payable cannot exceed 100%.
The pension payable is calculated based on the "pre-commuted pension" which was payable to the deceased pensioner at the date of retirement. Even if the deceased pensioner took a portion of the payment in cash at retirement, the pension payable to the deceased's eligible children is calculated as though no cash was taken, and includes all the increases that the deceased received up to the date of death.

Other factual dependants or nominees may be considered in the allocation of the R3 000 lump sum benefit.
The pension payable is calculated based on the pre-commuted pension which was payable to the deceased pensioner at the date of retirement. Even if the deceased pensioner took a portion of the payment in cash at retirement, the pension payable to the deceased's eligible children is calculated as though no cash was taken, and includes all the increases that the deceased received up to the date of death.

Death after retirement with no dependants

If a pensioner passes away after retiring and leaves no surviving spouse/s and no eligible children, the following benefit will be payable to his /her estate:

A lump sum equal to **R3000**;

+

A benefit equal to the greater of:
The member's annual pensionable salary at the date of retirement

+

10% of the deceased's final average salary per year of pensionable service

−

The pension benefits already received since retirement until the date of death.

OR

Twice the pensioner's annual pensionable salary at the date of retirement

−

the pension benefits already received since retirement until the date of his / her death

No further benefit is payable.
This benefit is payable in terms of Section 37C of the Pension Funds Act.

Death of a deferred pensioner

Death after deferment, but before deferred retirement

If a member defers their benefit in the EPPF and passes away before receiving a pension, a lump sum equal to the total accumulated value (transfer value, plus interest) is paid in accordance with Section 37C of the Pension Funds Act.

Death after retirement with dependants – spouse and eligible children

If a member who was a deferred pensioner passes away after retirement, the following benefit is payable to the spouse/s and eligible children:

- A monthly pension equal to 60% of the pension the late member was receiving at the date of death is payable to the eligible spouse/s. If there is more than one spouse, the 60% is split equally among the spouses
- If there is one eligible child, a further pension equal to 30% of the pension the member was receiving at the date of death is payable. If there are two or more eligible children, the children's pension increases to 40% of the pension the member was receiving at the date of death and is split equally among the eligible children

The monthly pension payable cannot exceed 100%. The eligible spouse/s must be a spouse/s to whom the member had been married to at the date of commencement of pension. If a deferred member married after they began to receive a pension from the EPPF, the surviving spouse will not qualify to receive a pension upon the member's death.

Death after retirement with dependants – eligible children only

If a deferred pensioner retires and then passes away thereafter, the following benefit is payable to eligible children only:

A monthly pension equal to 60% of the pension the member was receiving at the date of death is payable if there is one eligible child. If there are two or more eligible children, the pension increases to 100% of the pension that the member was receiving at the date of death and this is split equally among them.

The children's pension will be paid to a guardian.

Death after retirement with no spouse/s and no dependants

If a deferred pensioner passes away and leaves no eligible spouse/s and no eligible children, the pension will cease at the date the member's death.

No further benefits will be payable.

Documents Required on Death

On the death of an in-service member, pensioner or deferred pensioner, dependants and/or beneficiaries must complete the Application for Death Benefits form and provide the following documentation, where applicable:

- Original, certified copy of deceased's death certificate
- Original, certified copy of deceased's identity document or passport
- Original, certified copy of marriage certificate or customary union certificate
- Proof of permanent life partnership
- Original, certified copy of the spouse's identity document or passport, (if applicable)
- Original, certified copies of birth certificates, adoption papers or identity documents of children below age 21
- In the case of a major child with permanent or physical incapacity; an original, certified copy of the identity document of that child and medical evidence of permanent incapacity having occured before age 21
- Original, certified copies of any divorce order
- A stamped letter from the bank with the dependant's bank account details or an original bank statement, together with the bank's stamp required on the form
- A passport-sized photograph of the widow/er pensioner for a pensioner card
- General court orders and maintenance orders
- Proof of continuous medical aid membership

If an in-service member passes away, the Application for Death Benefits form and relevant documentation must be submitted to the employer human resources office, which will submit the documentation to the EPPF.

If a pensioner or deferred pensioner passes away, the Application for Death Benefits form and relevant documentation must be submitted to the EPPF or the employer human resources office, which will submit the documentation to the EPPF.

Divorce and Pension Benefits

If you should divorce your spouse while in service, your pension fund benefit in the EPPF may be taken into account as part of the divorce settlement. In terms of the "Clean Break" principle established by law, any portion of a member's pension interest that is ordered to be paid to the non-member spouse, must be paid immediately and the EPPF is legally obliged to do so once all documentation has been received.

During the divorce proceedings it will be up to you and your spouse (non-member spouse) to agree on the percentage, if any, which the non-member spouse may claim. This agreement will be made an order of the court, and will be so specified in the divorce order. The member of the EPPF or the former spouse must advise the EPPF of the divorce order.

A divorce order that is legally binding on the EPPF, must comply with strict prescriptions as required by the Divorce Act and a copy must be provided to the EPPF. If the order is binding, the following documentation must be provided on submission of a claim:

A divorce order will be binding if it complies with the following:

- It relates to an in-service member
- The name of the fund (EPPF) is specified in the order;
- The order assigns a specific amount or percentage of pension interest
- It specifically refers to the member's pension interest in the fund (EPPF)
- It orders the fund to make payment to the non- member spouse directly or transfer the amount to a fund elected by the non-member spouse
- A completed Divorce Settlement Application form, which can be obtained from the EPPF member portal at www.eppf.co.za;
- An original certified copy of the divorce order, together with the settlement agreement
- The claimant's bank details (an original bank statement or a letter from the bank with a bank stamp)
- An original certified copy of the claimant's identity document

The following standard documents are requested when applying for a trust advance:

1. A signed request letter from the guardian and from the child if he/she is 18 years and above
2. A copy of the guardian's latest three months' bank statement.
3. A quotation from the school, store or anything they need assistance with on a letter head with a stamp.
4. A copy of the guardian's ID and the child's birth certificate or ID.
5. The school's bank details with the school stamp.

In terms of current Income Tax regulations, the amount paid to the non-member ex-spouse will be taxed in the hands of the recipient and therefore the claimant must be registered as a tax payer with the South African Revenue Service in order for the EPPF to be able to pay the benefit.

Once all completed documentation has been submitted to the EPPF, and provided all the documents are in order, the benefit will be paid within 60 days.

If a portion of an in-service member's pension interest has to be paid to the ex-spouse in terms of the divorce order, the years of service factor used in the retirement formula will be affected and the in-service member's deemed start date will be adjusted. This will reduce the member's benefits payable on withdrawal, retrenchment, retirement and death.

For a deferred pensioner, the accumulated value (transfer value, plus interest) in the EPPF is reduced by the amount paid to the former spouse. However, the divorce settlement amount can only be deducted if the divorce order was obtained before the benefit was deferred.

Take note:

A benefit being paid to a bank account outside South Africa may take longer to process than a benefit being paid to a local bank account, due to the EPPF having to wait for the original, completed International Banking form. If you would like to receive your pension in a bank account outside South Africa, it is advisable to send the International Banking form to your bank at least two or three months prior to your retirement, to ensure it reaches the EPPF timeously.

Death Notifications:

A member's (in-service member, pensioner, deferred pensioner) dependants and/or beneficiaries need to contact the EPPF to advise of a member's death in order for the EPPF to begin the process of investigation and distribution of the benefit.

Complaints and Disputes

The EPPF has a complaints procedure.

Should you have an enquiry which has not been resolved through the normal enquiry channels, you may lodge a complaint with the EPPF.

A complaint must be made in writing either by post to the EPPF, or by email to complaints@eppf.co.za. A complaint so lodged must be considered and replied to in writing by the EPPF within 30 days after the receipt thereof.

If you are not satisfied with the reply, or if the EPPF fails to reply in 30 days after the receipt of the complaint, you have the option to lodge the complaint with the Pension Funds Adjudicator. The Pension Funds Adjudicator may be contacted on www.pfa.org.za or +27 12 748 4000.

EPPF Communication Channels

We have various communication channels through which you can receive assistance.

Retirement Fund Consultants

The EPPF Retirement Fund Consultants regularly visit various Eskom offices to provide members, deferred pensioners and pensioners with face-to-face assistance with any enquiries they may have. These consultants also conduct member education sessions about the EPPF on a regular basis.

Call Centre and Walk-in Centre

We encourage you to call our toll-free call centre for any enquiries on **0800 11 45 48**.

Walk-in centres are available at the EPPF head office in Bryanston, Johannesburg and in Eskom Park, Emalahleni (Witbank) as well as East London, Cape Town, Durban and Polokwane. The call centre and walk-in centres operate from **08:00 to 16:45** from Monday to Friday.

Please contact us in order to update any changes in personal and/or contact details.

Addresses for the EPPF Walk-in Centres are as follows:

Call Centre and Walk-in Office

- **Bryanston walk-in office:**
  EPPF Office Park, Isivuno House
  24 Georgian Crescent East
  Bryanston East
  Johannesburg
  2191
  Tel: 011 709 7400

- **Emalahleni walk-in office:**
  House No. 27
  Eskom Park
  Visagie Street
  Emalahleni
  1035
  Tel: 013 693 3240 / 013 693 3918

- **East London walk-in satellite centre:**
  Sunilaws Office Park, Block A
  Corner Quenera Drive & Bonza Bay Road
  Beacon Bay
  East London
  5241
  Tel: 043 703 5772

- **Limpopo walk-in satellite centre:**
  66 Hans Van Rensburg Street
  Polokwane Central
  Polokwane
  0700
  Tel: 015 230 1392

- **Cape Town walk-in satellite centre:**
  Eskom Regional Office
  60 Voortrekker Road
  Bellville
  7530
  Tel: 021 915 2721

- **Durban walk-in satellite centre:**
  Eskom Regional office
  25 Valley View Road
  New Germany
  3620
  Tel: 031 710 5206

Written Enquiries

Written enquiries can be submitted in one of the following manners:

- Email: **info@eppf.co.za**
- Online Contact Form:
  Go to **www.eppf.co.za**;
  Go to the "Contact Us" section
  Click on "Send Us a Message"
  to send an email via our website; or
- Fax: **0866 815 449**
- Post: **Private Bag X50, Bryanston, 2021.**

Note: When contacting the EPPF, a member must always quote his/her unique number or ID number.

- To report fraud or corruption contact the Vuvuzela Hotline on 0800 212 320

Eskom Pension and Provident Fund

Website: www.eppf.co.za
Toll Free Number: **0800 11 45 48**
Landline: **+27 11 709 7492**
Fax Number: **0866 815 449**
Email: **info@eppf.co.za**
Postal Address: **Private Bag X50, Bryanston, 2021**

Third Party Contact Details

Eskom Compulsory Death Benefit

Contact: **T Mahiti or P Nkuna**
Tel: **011 800 8597 / 011 800 2612**
Fax: **086 668 6065**
Email: **tembisa.mahiti@eskom.co.za or piet.nkuna@eskom.co.za**

Sanlam contact details | Voluntary Burial Scheme

Queries related to the new scheme and your benefits must be directed to Sanlam at:

Telephone Number: **0860 276 885**
Email: **eskomqueries@sanlamsky.co.za**

Existing record amendments and claim submissions

Telephone Number: **0860 302 922**
Fax Number: **0860 276 884**
Email for claims: **eskomclaims@sanlamsky.co.za**
Email for servicing: **eskomservicing@sanlamsky.co.za**

Indwe | Car and household insurance claims

Call Centre: **0860 843 244 / +27 11 912 7300**
Email: **hobackline@indwerisk.co.za**
Homeowner new claims: **newclaims@indwerisk.co.za**

Eskom
Pension and Provident Fund

Invested in our *members*