Eskom
Pension and Provident Fund

THIS ISSUE: October 2011

PowerTalk

MEET THE CHAIRMAN

Hlengani Mathebula

How do I begin to describe a person who has made such an impact on me - a person as formidable and richly experienced as the Chairman of the Board, Mr Hlengani Mathebula.

Mr Mathebula joined the Fund as Chairman in November 2010 stepping into the void left by the outgoing Chairman, Kennedy Memani. After some time settling in, I got to know him as a person with a straightforward approach to business and a wide strategic view - a person who sums up a situation and is able to differentiate between strategic and operational issues. He believes that every person should carry out the task assigned to him/her, but should also go the extra mile for our customers.

But wait, I am getting ahead of the story.

Hlengani Mathebula hails from a rural background as a young man and after completing his schooling, enrolled at various universities to study for a BA degree. He then went on to obtain other post-graduate qualifications. His study record shows successful achievement in the fields of management development, marketing and leadership at various SA universities. But I got the impression that adding these letters on his CV is not as important to Hlengani as the practice of what one does with those qualifications. He certainly does not believe in resting on the laurels of various degrees and diplomas, but would rather go out and learn further in the school of life and business.

I also happened to learn that Hlengani is a person with the ability to converse in several languages. Besides the "normal" South African languages like English, Afrikaans, Xitsonga, Xhosa and so on, I was surprised to learn that Hlengani can also converse in Classical Greek, Hellenistic Hebrew and French! Truly a remarkable language ability and this points towards his ability and desire to master new knowledge which may be outside other people's normal comfort zones. Not strange then that at one stage in his career he was a part-time lecturer at a local university - no doubt imparting his vast knowledge and experience to his students.

Hlengani started his executive career in the banking sector and lists some significant contributions towards transforming and strategizing our banking sector locally and at international level. He is currently in an executive position at the SA Reserve Bank and likely to exert significant influence over our lives in respect of the economy. Various career experiences include private banking clients, International client wealth solutions, marketing and retail support.

We asked Hlengani to come closer to home and indicate to us his view or vision for the future of the EPPF.

Hlengani is on record as saying that the Eskom Pension & Provident Fund, as one on the largest retirement funds in South Africa and perhaps the second largest Defined Benefit fund, should be the leader in the market. The Fund, he says, should play a leading role in the development of retirement fund trends and should embrace the opportunities offered by proposed changes in the industry. As a market leader, the EPPF should use its influence to shape the market and not just follow what others are doing. A case in point is the Fund's project to achieve compliance with the King III report of company governance, even though this is not compulsory for retirement funds. While most other funds in the retirement fund industry may be waiting for instructions from the regulatory body as to how retirement funds should comply with King III, the EPPF has already achieved significant compliance and is further refining the processes and controls to achieve greater compliance.

Hlengani has very definite strategic objectives for the Fund and stated that he would want to achieve success in at least two major strategic areas: The successful completion of a project to

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achieve compliance with Regulation 28 of the Pension Funds Act insofar as the Fund's property investments through its majority interest in the property holding company Pareto Ltd is concerned; and the conclusion of the Fund's restructuring initiative, with the provision of an alternative fund structure to achieve long-term financial viability, as the core driver. Already the Regulation 28 issue is advancing towards conclusion, while the Fund restructuring project is making good progress. This was his challenge to the Fund and its executive: Let us work together to get these projects finalised once and for all!

Hlengani is also a person who notes the detail of our everyday life and daily work operations. He will not hesitate to call to task those he feels may be neglecting their mandate. At a recent meeting with Fund staff he clearly stated his view and expectation that every member of the EPPF staff has not only a specific job to do, but also a serious responsibility towards somebody out there somewhere who is depending on what we do here. The Fund influences the well-being of so many other people who trust us to be passionate about what we do. And that is the essence of this Chairman: He cares about the well-being of the poor and the rich alike, whether they are pensioners, children or widows, working members or those that may be dependant on a pension that is shared among many people. He expects nothing less than the same approach from everyone else.

We welcome Hlengani Mathebula to the EPPF family and all I can say is: Enjoy the experience!

The EPPF and Global Economic Volatility

Recent financial news media have been reporting on some unsettling fluctuation in the financial markets and one may well ask how all of this affects the Fund and specifically the benefits of each individual. Should the reader be worried or not?

We asked the Fund's Chief Investment Officer, Linda Mateza, to give us a high level perspective.

The primary issues that concern us about the global economy are:

- A slowing down of global economic growth.
- Unemployment in most large economies.
- The soaring debt of the developed nations.

Europe remains foremost among investor concerns. The problems in the Euro zone are structural in nature, and it is believed that the divide between the stronger European economies and those of the peripheral countries, such as Greece, Portugal and Ireland, will continue. Italy and Spain have been in the news recently with investors fearing that those two countries may be heading in the same direction as Greece, Portugal and Ireland. This could have adverse implications for European and possibly global financial stability and economic sentiment.

In the United States, the most significant event in recent times saw the rating agency, Standard and Poor's (S&P), downgrading the US government debt from AAA+ (zero risk of default) to AA+ (indicating some risk of default). This development caused a loss of confidence among investors and has resulted in sharp declines in stock markets and continued volatility.

By comparison, the South African economy, along with other emerging economies, has remained robust. Company earnings growth has been strong and, as confidence recovers and interest rates remain low, we expect economic activity to rise along with improving sentiment.

THE STATE OF FINANCIAL MARKETS

The first half of 2011 was characterised by some major unpredictable events (the Japanese Tsunami, Arab Spring, and the European sovereign crisis) that have served to impact on investor confidence.

The more recent equity market weakness has been a consequence of investor concerns about the sovereign debt problems in Europe and the ballooning debt levels incurred by the US government. Investors have become increasingly risk-averse, preferring the safe haven of commodities such as gold. As a result, the gold price has hit record high levels and occasional panic selling has impacted the equity markets.

EPPF INVESTMENT STRATEGY

Against this background of global investment volatility, what then about the EPPF?

Linda points out that the Fund follows an investment strategy based on a long-term Strategic Asset Allocation (SAA). The SAA is based on the Fund's liabilities, and must deliver the Fund's investment objective over the long term. As a result, the investment portfolio is diversified among various different asset classes, such as equities, bonds, cash and property.

The Fund also uses a technique called Tactical Asset Allocation (TAA) as a method to prudently focus the asset allocation on asset classes with better short-term prospects, with the objective of enhancing the returns of the Fund. This happens within pre-determined limits but does allow a measure of flexibility to react to shorter term market conditions.

The Fund however, is a long-term institution and maintains a long-term focus to grow and survive. Our investment philosophy is that, over time, the market adds more value in the long term than short term attempts to "time" or anticipate movements in the market. In practice, market timing more often reduces returns rather than increases returns; as human nature is such that it is very difficult for an investor to sell assets when markets are at their peak and sentiment is positive, or to buy assets when markets are depressed. Consider also that the size of the Fund's investment portfolios is such that movement between investment categories is often not feasible, and the Fund can afford to "ride-out" short term fluctuations.

EPPF PORTFOLIO POSITION

The international component of the EPPF investment portfolio has exposure to cash (US Dollars and Euros), and global equity portfolios. There are no international bonds in this portfolio.

The domestic (RSA) portfolio is invested in a large range of investment categories and, as an overlay strategy, we have implemented limited derivative positions on the domestic equity portfolio to give the Fund some downside risk protection if markets should decline further until December 2011.

In general, the EPPF has a professional and scientific approach to investments and has a significant presence in all the asset classes. In terms of its pre-determined asset allocation strategy, the investment portfolio has been structured to deliver the best investment performance while avoiding undue risk, and specific to the circumstances of the Fund. This strategy can only be successful if the Fund looks at long-term implementation and tries to avoid short-term panic situations. The strategy has proven successful in the past and will continue to do so into the future, subject to regular review as the circumstances change.

The turmoil in the markets is unsettling for all stakeholders, yes; but the following factors are important to keep in mind:

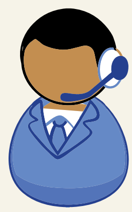
- The EPPF portfolio is well diversified, and any market exposure in a specific investment category, is counterbalanced by the Fund's diversified investments in other asset classes.
- Although returns from the equity markets will continue to be volatile in the short term, the Fund maintains a long-term investment horizon.
- The Fund's equity portfolio is positioned defensively, with blue-chip Mining and defensive Industrial stocks among our Top Ten holdings.

So we came away from our chat with Linda with a feeling of renewed comfort. We are assured that our investments are in safe hands and, given the unpredictability of the markets, we remain confident of sustained long-term financial viability in the Fund.

Please feel free to Contact Us …

Call Centre contact numbers:

- The share-call number for Members: **0860 11 45 48**
- Fax number for Members only: 011 709 7529 & 011 709 7475
- Witbank Office contact: Tel: 013 693 3240 & 013 693 3918
- Witbank Office fax number: 011 656 1747



Face-to-Face Walk-In Centres

- Registered Office of the Fund: Moorgate House, Hampton Park South 24 Georgian Crescent East, Bryanston East
- The Fund's Witbank Office at Eskom Park

Monday to Friday, 08h00 to 16h45

Email us:

Please feel free to email us. The EPPF Call Centre email address is: info@eppf.eskom.co.za and the email address for comments about the website is comments@eppf.eskom.co.za

Chief Executive's Overview

We started the financial year in July 2010, with the major equity markets in negative terrain as sovereign debt concerns in Europe unsettled investors' confidence. Sentiment improved in early November 2010 when a second round of help measures were announced in the United States and these measures introduced very large amounts of liquidity into the markets. This in turn drove emerging market equities higher; bond yields lower and emerging market currencies stronger as global investors searched for alternative assets.

Towards the end of November 2010, investor sentiment turned negative again, triggered by concerns over China, and Ireland. The ongoing sovereign debt crisis in parts of Europe (again) created fear among investors, but nevertheless, global equity markets bounced back in December 2010, ending the calendar year on a strong note.

In addition, two major world events had a lasting negative impact on global financial markets: The political turmoil in North Africa and the Middle East, and the earthquake, tsunami and subsequent nuclear disaster in Japan.

Closer to home the Fund began the year focusing on bringing closure to project Fufuwe, the previous IT Systems replacement project and finalising a new IT Roadmap.

In order to create stability within the Fund it was also important to swiftly fill vacancies in key and strategic positions. To this effect Ms Linda Mateza was appointed as the Fund's Chief Investment Officer and Ms Nopasika Lila was appointed as the Fund's Chief Financial Officer during October and December 2010, respectively.

The Fund bid farewell to Mr Kennedy Memani who had been the Chairman of the Fund for a period of 10 years and welcomed Mr Mathebula as the new Chairman.

Investment Returns

The primary investment objective of the Fund is to earn inflation (CPI) plus 4,5% per annum over the long-term. Normally, to be able to identify possible investment challenges, performance evaluation is based on a rolling three-year period. However, markets are cyclical and a more meaningful assessment of the long-term performance can be derived from the 5- and 10-year rolling periods.

I am happy to report that the Fund's investment return for the year to 30 June 2011 was very satisfactory at 16.95% (unaudited) compared to CPI of 5.02% for the same period, resulting in a positive real return of 11.93%.

The Fund's investment returns over various other periods are reflected below:

	1 Year	3 Years	5 Years	10 Years
Actual return	16.95%	9.45%	11.04%	13.99%
CPI	5.02%	5.37%	6.51%	5.84 %
Real return	11.93%	4.08%	4.53%	8.15%

The Fund significantly outperformed the targeted 4.5% real return for the financial year ended 30 June 2011, but fell 0,5% short of achieving the target over a rolling 3-year period. This is still a significant improvement from the rolling 3-year underperformance which was -2.7% for the previous year (30 June 2010). The 5- and 10-year performance remains satisfactory despite the setbacks over the past three years.

The Fund maintained its status as a signatory to the United Nations Principles for Responsible Investing (UNPRI), which is a set of global best practices for responsible investment and appointed Momentum Fiduciary Solutions to provide an oversight role in this regard.

The Fund also finalised and approved a Statement of Responsible Investing Principles, which sets out the Fund's position on responsible investing practices.

Fund Administration

The Fund continued to focus on providing its stakeholders with quality service in a cost effective manner. This was underpinned by a strong focus on cost management and streamlined operational excellence while not compromising on customer service.

Management conducted a review of process flows in the Operations Department in order to align work streams and improve efficiencies. This process has eased the challenges associated with work backlogs and improved turnaround times.

A main concern remains the existence of a large amount of unclaimed benefits and the Fund appointed tracing agents to assist with the process to locate beneficiaries whose benefits remained unclaimed.

The Communication strategy was revised and approved by the Board during the year and some of the major initiatives in this strategy focus on more face-to-face interaction and quicker response times. Our Call Centre continues to grow from strength to strength despite some cyclical challenges.

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During the year the Fund successfully challenged a ruling by the Pension Funds Adjudicator in the Appeal Court and a ruling was awarded in the Fund's favour. This matter, involving the apportionment of pensioner interest in a divorce settlement, represented a benchmark for the industry and it was of strategic importance for the Fund and the industry.

Looking forward, the Board approved the following key priorities for the 2012 financial year.

Key Priorities	Weighting
Investment Returns	40%
People Development	10%
BBBEE	10%
Fund Restructuring	20%
IT Road Map Implementation	10%
Operational Efficiency	10%

CONCLUSION

The 2010/2011 financial year presented the Fund with various challenges other than those which could be categorised as "routine" In particular the situation regarding the Fund's IT environment and the Fund Restructuring initiative demanded intensive and prolonged interaction with various stakeholders, but these challenges were met and the Fund emerged at the end of the financial year celebrating significant achievements in those areas.

Investments and financial modelling remain a crucial point of the Fund agenda and while the past financial year has seen severe volatility in this regard, management has coped, and with the support of the Board of Trustees the Fund has emerged stronger than ever before.

The future will again present challenges and problems, but management is confident that the administration is well positioned to meet and deal with those as they may arise.

Divorce and the Pension Fund

Divorce proceedings are mostly unpleasant experiences for all concerned and amendments to the Divorce Act has been discussed in previous issues of PowerTalk. However, it remains a topic that still brings much confusion to members. Therefore we revisit this issue to clarify previous amendments and provide a guideline as to how this affects a member's pension interest when a member gets divorced.

The Pension Funds Amendment Act took effect on 13 September 2007 and introduced the "clean-break principle" in respect of divorce orders. This principle means that the portion of a member's pension interest as may be awarded by the Court to the member's former spouse may now be claimed by such former spouse immediately. The other issue that has been cleared up is the tax treatment of pension interests awarded to a non-member spouse.

But first let us look at the requirements of a "valid" divorce order in the sense where the Fund has to comply with the provisions of such an order. These requirements are clearly detailed in the Divorce Act, 70 of 1979 ("the Divorce Act") but it still happens very frequently that the lawyers get it wrong:

The divorce order must adhere to the definition of "Pension Interest":

In the Act, "pension interest", of a member of a pension fund and who is a party to a divorce action means the benefits to which that member would have been entitled to in terms of the rules of that fund if he or she resigned from his office on the date of the divorce;

The divorce order must specify the name of the fund:

The Act clearly requires that the divorce order must clearly name and identify the relevant fund. A general reference to "a fund" or "the fund of which the ex-spouse is a member" or similar, simply is not legal.

The Fund must be advised in writing by the beneficiary (the ex-spouse) of how it should deal with the benefit:

The non-member spouse must instruct the member ex-spouse's fund of **how the fund should pay out benefits** (ie, pay the benefit out in cash or transfer the benefit to another approved fund). This must be done in writing in the format of a claim to the fund and, if the claim is correct in terms of the divorce order, the fund must then pay out the benefits **within 60 days.**

When does a Divorce Order become enforceable against a fund?

Up to 13 September 2007, the portion of a member's pension interest awarded to the ex-spouse, could only be paid to the non-member spouse on the date on which the member's benefit accrues to him/her; that is, when the member actually left service.

However, the new "clean break- principle" changed this position in that an amount awarded to a non-member spouse may now be paid to him/her prior to accrual of the benefit to the member spouse. A provision was inserted in respect of divorce orders pre-dating 13 September 2007. What this means is that:

(a) In respect of divorce orders issued prior to 13 September 2007, the award to the non-member spouse becomes due on 13 September 2007.

(b) In respect of divorce orders after 13 September 2007, the award to the non-member spouse becomes due on the date of divorce.

When Can Non-Member Spouses Claim Their Money?

To clear out some confusion about divorces granted before 13 September 2007 (the date of the Pension Fund's Amendment Act, 2007), the General Financial Services Amendment Act was promulgated and gave clarity on this matter, namely that **from 1 November 2008, no matter on what date the divorce order was granted, non-member spouses were entitled to claim their share of member spouses' benefit immediately.**

Who pays the Tax on Divorce Benefits?

Again, the question of tax created some confusion and new legal arrangements were put in place to remove any uncertainty. This resulted in the Revenue Laws Amendment Act that clarifies the way that benefits awarded to a non-member spouse on divorce, are taxed:

- If the divorce order was granted **before 1 March 2009**, and the non-member elects to take the benefit in cash, the ***member*** will pay the tax on the benefits paid to the non-member spouse, at the member spouse's average rate of tax. The member spouse is, however, able to recover the tax payable from the non-member spouse, but is not able to recover the "tax-on-tax".

  The non-member spouse also has the option to transfer the settlement amount to a Retirement Annuity Fund or to a Preservation Fund, and the amount transferred will be tax-free.

- If the divorce order was granted **after 1 March 2009**, the non-member spouse will pay the tax on this benefit. If it is transferred to another retirement fund, retirement annuity fund or a preservation fund the amount transferred will be tax-free.

These benefits will be taxed as if the recipient is a separate taxpayer in terms of the new tax dispensation on withdrawal benefits. The tax will be worked out according to the ruling tax tables on withdrawal.

But the burning question remains: How does a divorce settlement affect a member's retirement benefit?

Because the EPPF is a defined benefit (DB) fund, benefits are determined by the number of ***years of service*** and the ***final average salary.*** This formula complicates our situation, as we have to reduce the formula basis to make provision for the divorce money that has been paid out "in advance."

To achieve this for members who were divorced after the amendment came into effect, the Fund has to reduce the number for years of service and as a result this reduces the benefits, following the settlement to the non-member spouse.

In summary ...

Divorce is never a good idea but whereas the new divorce legislation tries to ensure that the divorce settlement could be carried out immediately, our members will see the effect of this in their revised benefit status. Normally this comes as a severe shock to members to see how their benefit has been eroded, but then, one has to consider the interests of the other party as well. Immediate payment protects the value of the settlement to the other party, and both parties can get on with their lives after the "clean break".

Example:

Mike Little, a member of the EPPF got divorced before 1 March 2009, and in terms of the divorce order, his ex-spouse is entitled to 40% of his pension interest. He joined Eskom 30 years ago at the age of 31 and is now 60 years old. How will this affect his monthly pension and the one-third cash lump sum?

Example of settlement calculation:

Let us assume Mike's full "pension interest" is R 704 000.

The divorce settlement was for R 282 000 to the ex-spouse, who wants this benefit to be paid in cash. As this is all before 1 March 2009, the member will pay tax (at the ex-spouse's average rate). For the sake of our example, let's assume tax payable was calculated by SARS at 30%.

The full deduction from Mike's retirement benefit, including tax was calculated as:

R282 000 + R121 413 = R403 413

How does this affect Mike's retirement benefit?

On the basis of the full settlement amount (R403 413), the Fund's Actuary will calculate a new "deemed start date" for our member Mike, taking into account the settlement amount and other factors. The immediate effect is that where Mike had a value of R704 000 on the date of divorce, this value after the calculation of the ex-spouse's portion and tax, has been reduced to R300 587, or 42% of what he had. This can be a scary realization!

In our example, the amount of R403 413 represents 11 years of service and to carry this reduction of benefits into the future, Mike's start date in the Fund, when he started contributing to the Fund, will now be adjusted to a new "deemed" start date to take off the 11 years. This reduces the number of years of service and as a result, when Mike retires somewhere in the future, his monthly pension calculation at retirement will be reduced by 11 years.

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Trustee Elections

Helping you make an informed decision …

Trustee elections will again be held in March 2012 and you, the members of the Fund, have the opportunity to elect candidates to serve on the EPPF's Board of Trustees. To help you make an informed decision on the nomination and election process, it is important to take note of some guidelines.

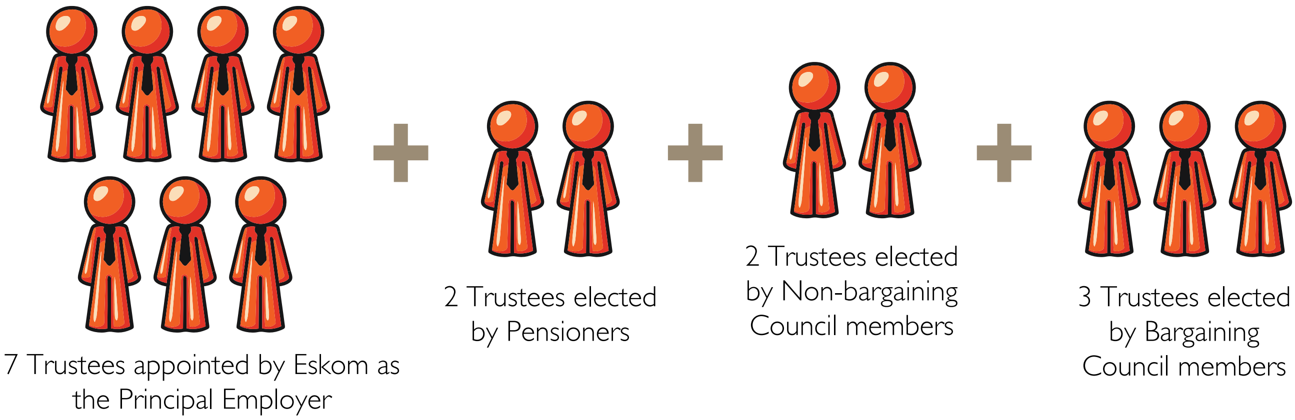
The Fund is governed by a Board of Trustees consisting of 14 members, who are appointed by the employer and elected by the members and pensioners of the Fund. These Board members are responsible for ensuring that the Fund is managed in a manner that secures the interests of its members and complies with the provisions of the Pension Funds Act, 1956. The EPPF policy provides for a term of 4 years, and maximum of two terms for each board member.

In pursuit of the Fund's objectives, the Board of Trustees shall:

- Take all reasonable steps to ensure that the interests of members in terms of the rules of the Fund and the provisions of the Act are protected at all times.
- Act with due care, diligence and good faith.
- Avoid conflicts of interest, and
- Act with impartiality in respect of all members and beneficiaries.

THE BOARD OF TRUSTEES

In terms of the Pension Funds Act, every pension fund shall have a board that has to manage and direct the fund - at least 50 percent must be elected by members of the fund. The EPPF's Board of Trustees, consists of:



The EPPF's Role in the Trustee Elections

An Independent Electoral Officer, who is appointed by the Fund, will oversee the nomination and election process and ensure that the process is conducted fairly.

The Fund's role is to also attend to the significant administrative process involved, such as designing and distribution of nomination forms and ballot papers to members and pensioners. On receipt of these nominations and ballot papers, the administration team captures these forms under the supervision of the Independent Electoral Officer. The Fund ensures that the administration and control of the election process runs smoothly and efficiently and that milestones are adhered to at all times.

THE MILESTONES FOR THE ELECTORAL PROCESS ARE:

September 2011
Production and distribution of preliminary information documents & information

November 2011
Validation and recording of nominations

Who may stand for election?

CANDIDATES' ELIGIBILITY

In order to qualify to be nominated as a candidate in the trustee elections, a person must have certain personal attributes, qualifications, and experience. However, there are also other requirements for a person to be eligible for election as a trustee:

- Any candidate should not have served in the board for two consecutive terms already.
- Any candidate must be a pensioner or member of the EPPF, except in the case of unionized candidates.
- A candidate should not have been dismissed from employment at any previous employer.

NOMINATION PROCESS

The process to elect a Board of Trustees is fairly straight forward, but takes place over a considerable period of time. In short, the following will happen:

- Nomination forms are posted to all the members and pensioners. In the case of contributing members the Fund makes use of internal mail channels, while for pensioners the national postal service is used.
- Members will confer and decide on who to nominate as their preferred candidate.
- Pensioners will also confer and to nominate their candidates.
- Non-unionized and unionized contributing members will similarly nominate their candidates.
- All the nomination forms are sent back to the EPPF, and the details of each nominated candidate is verified and if in order, recorded onto the system.

BALLOT PAPERS

- Following completion of the nomination process, ballot papers with the final list of candidates are designed and populated.
- The ballot papers are then distributed to members and pensioners with a request to vote for the candidate/s they prefer.
- The ballot papers will include a self-addressed envelope in which the completed ballot paper is to be returned to the Fund.
- The Fund will receive the ballot papers and keep them in a safe place.

ELECTION RESULTS

- Ballot papers are captured and counted as they come into the fund.
- Results of the candidates with the highest votes are compiled.
- Election results published or made known.
- A new Board of Trustees is introduced to members.

Under supervision of the Independent Electoral Officer

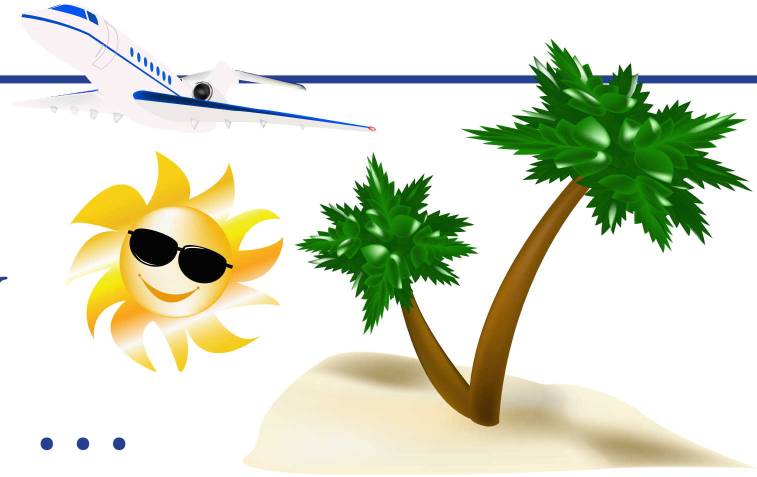
With your assistance, let's make this a fair election and vote for the right people …

December 2011
Production of ballot papers

January 2012
Distribution of ballot papers

March 2012
Validation and recording of votes cast

March 2012
Election report with results



Avoid holiday overspending …

We all know how hard it is to be disciplined with money – particularly at the end of the year when most companies are giving out year-end bonuses and most people have gone through a tough financial year, what with all the expenses of daily living just lining up to claim a bit of our hard-earned cash. … But before you relax your financial discipline and splash out on the festivities, take a few minutes to think about the ever-increasing cost of living - increasing food and petrol prices for example. If you are in line for a bonus, and you are serious about improving your financial well-being, why not take half of your bonus and use it to pay off some of your debt – like your house or car. Let that be a very wise festive season gift to yourself!

Buying those items on your holiday wish list can take its toll on your wallet and many of us may also resort to the use of credit cards to pay for holiday expenses. Yes, this may be enticing as the majority of credit card companies offer cash back rewards and/or loyalty points for every rand you spend, but many people still end up with some serious additional debt after all the festivities have subsided. If you want to control your debt and stay on top of your finances this holiday season, you may need to simply not use your credit cards altogether for holiday expenses.

Here are some ideas to limit expenses and especially credit card spending over the holidays:

- Make a list and check it twice. Make a list of items you have to purchase, check that it is all within your budget, and then exercise discipline and strictly avoid buying anything not on your list. Impulse purchases that haven't been budgeted for can make you turn to credit cards for some extra help.
- Research the price of the item and shop around. Comparing what retailers are selling a certain item for and looking for online deals can help you get a better idea of the actual market price of an item.
- Leave your credit cards at home. One of the best ways to prevent credit card spending over the holidays is to avoid taking your credit cards to the store in the first place. Plan to buy on a cash/debit-card only basis through the holiday season and you will help yourself stay in control of debt.
- Avoid signing up for in-store credit cards. Many stores offer a large discount on your initial purchase (generally only applicable to a minimum amount of spend) when you sign up for an in-store credit card. Don't sign up for in-store credit cards just to get a discount. You may find similar items on sale at other stores and you need to get into the habit of paying with cash/debit-card.
- Set a weekly budget. You will probably hit the stores at least a few times a week over the holidays so create a realistic spending budget so that you know how much money to set aside each week. Knowing how much you are going to spend can help you make better financial decisions and prevent any dependency on credit cards.
- Consider reducing your credit card limit. If you find that your impulsive buying behavior continues to override common sense, then consider asking your bank to reduce your credit card limit. That way, your spending will be limited even when your impulse takes over.

CLIENT RELATIONSHIP MANAGERS PROGRAMME

Client Relationship Managers	Eskom site	October	Contact No.	Addresses
Bilal Mavundla	Jan Furse	3	072 343 0316	
	Groblersdal	4		Eskom Office, Globlersdal
	Acornho ek	5		Eskom Office, Main Road, Arconhoek
	Thulamahashe	6		Eskom Office, Thulamahashe
	Nelspruit	7		Eskom Office, Brown Street, Nelspruit
	Giyani	17		Eskom Office, Giyani
	Malamulele	18		Eskom Office, Malamulele
	Thohoyandou	19		Eskom Office, Thohoyandou
	Polokwane	20		Eskom Office, Polokwane
	Phalaborwa	21		Eskom Office, Phalaborwa
Busi Kunene	Ladysmith	11	071 870 8579	7 Francois Road, Ladysmith
	Newcastle	12		36 Voortrekker Street, Newcastle
	Pongola	18		1232 Dewaal Street, Pongola
	Empangeni	19		26 Turnbull Street, Empangeni
	Shelley Beach	25		Lot 966 Cornerstone Road, Shelley Beach
	New Germany	26		25 Valley View Road, New Grmany
	Mkondeni	27		01 Portland Road, Mkondeni
Jacqui Seima	Lethabo Power Station	20	083 555 8819	Lethabo
	Vereeniging	21		Cnr Lesley & Kguger street, Vereeniging
	Bethlehem	12		6 A Bruwer Street,Bettlehem
	Bloemfontein	13		120 Hendry Street, Bloemfontein
	Welkom	14		Thabong TSC, 29 12th Street,
	Klerksdorp	25		No 1 Golden Avenue
	Taung	26		Main Street, Taung
	Vryburg	26		17 Market Street, Vryburg
	Mafikeng	27		Energy Centre,Dr James Moroka Drive
	Rustenburg	28		43-45 Boom Street, Rustenburg
Muziwandile Gambu	George	24	082 299 3203	Bateleur Park, Cnr Cathedral & Cradock Street
	Worcester	25		Louise Lange Street, Industrial Area
	Koeberg	26		R27 Trunk Road, Melkbostrand
	Bellville	27		60 Voortrekker Road, Bellville
	Brackenville	28		Evkom Road, Brackenfell
	Benoni	3		Eskom Office, Benoni
	Megawatt Park	4		Megawatt Office Park, Sunninghill
	Megawatt Park	5		Megawatt Office Park, Sunninghill
	Menlyn Park	6		Eskom Office, Menlyn
	Simmerpan	7		Cnr Power & Lake Road, Germiston
Sandiso Mgwebi	Butterworth	3	084 579 7725	20 Scanel Street, Butterworth
	East London	4		Sunnilaws Park, Cnr Bonza Bay & Queenera
	Mthatha	5		Eskom Tescor Office - Zimbane Complex
	Queenstown	6		12 Prince Alfred Street, Queenstown
	Grahamstown	11		Eskom Customer Service, Grahamstown
	Uitenhage	12		Eskom TSC, Uitenhage
	Port Elizabeth	13		Mutual Bldg, Cnr Cape Rd & Langenhoven Drive

The Beneficiary Nomination Form ...

Making sure that the right people receive your death benefit from the Fund

Every year you are encouraged to complete a Beneficiary Nomination Form. If you pass away while still a member of the EPPF, the Trustees will pay a death benefit from the Fund to your dependants and beneficiaries. In terms of the Pension Funds Act (Section 37C)* the Trustees must decide who will receive the benefit and the Trustees must look at all your dependants, beneficiaries and nominees before they make the final decision about how the benefit is to be shared. To guide the Fund in paying your benefits to the right people, you must nominate dependants and/or nominees to receive your death benefits.

To ensure that the Trustees are aware of who you want to receive your death benefit from the Fund, you need to do the following:

- Say who should share in your death benefit by filling in their names on a Beneficiary Nomination form.
- Make sure you include all the people who depend on you financially.
- Fill in and submit a new form whenever your circumstances change (for example when you get married or divorced or when a child is born).

You can get the Beneficiary Nomination Form from the Fund or on the Fund's website, www.eppf.co.za.

*Section 37C of the Pension Funds Act sets out how death benefits from retirement funds have to be shared out to the beneficiaries of fund members.

Dependants

The Pension Funds Act defines a Dependant as:

- A person who a member is legally liable to pay maintenance.
- A person, who in the option of the Trustees, on the death of the member was in fact dependent on the member for maintenance.
- A spouse of the member, including a party to customary union according to Black law and custom or to a union recognized as marriage under the tenets of any Asiatic religion.
- A child of a member including a posthumous child, an adopted child and a child born out of wedlock.
- A person who the member would have been legally liable for maintenance had the member not died.

Nominees

A person whom the Trustees do not regard as being dependent on you, but who you wish to nominate to receive a portion of your benefit.

If you do not complete a Beneficiary Nomination Form or it is not fully completed it could take up to 12 months before any death benefit is paid from the Fund.

Eskom Pension and Provident Fund