



Nasionale Nuusbrief / National Newsletter

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DIVORCE

The “clean break” principle

A new approach

Implementation: 1 August 2019

An amendment to the existing manner in which retirement benefits are divided (the “clean break” principle) in cases of divorce was announced in PSCBC Resolution 1 of 2019.

The situation until PSCBC Resolution 1 of 2019

At the time of a divorce, the spouse does not have automatic claim to a portion of the pension benefit, even if married in community of property. The claim for pension benefits had to form part of the settlement agreement. In terms of the settlement agreement the GEPF had to pay the benefit to the spouse within 60 days. The debt was then reflected on the members’ pension that was subject to interest charged by the GEPF. The member was obliged to repay the benefit that was withdrawn, plus interest at the repo rate plus 3%, which is currently 10%. This approach seriously eroded the member’s pension benefit.

What changes have been affected by PSCBC Resolution 1 of 2019?

The rules were amended in terms of [GEPF Amendment Bill 23/05/2019](#).

The “debt approach” is substituted with a “reduction of pensionable service”. This means the benefit paid to the member upon retirement will be decreased by reducing the members’ years of pensionable service in terms of an actuarial formula based on the settlement paid to the spouse. This will be indicated on the system as “leave without pay - reduction in service”.

It is a much more lenient approach that does not continue to erode the member’s pension benefits after withdrawal of the settlement amount.

EGSKEIDING

Die “skoon-breuk” beginsel

’n Nuwe benadering

Implementering: 1 Augustus 2019

’n Aanpassing tot die wetgewing waarvolgens pensioenvoordele verdeel word ten tye van egskeiding (die “skoon breuk” beginsel), was aangekondig ingevolge SKBR Resolusie 1 van 2019.

Die situasie voor SKBR Resolusie 1 van 2019

Tydens ’n egskeiding het die gade nie outomaties ’n reg op ’n gedeelte van die pensioenvoordele nie. Selfs al is die persone binne gemeenskap van goedere getroud. Die reg op pensioenvoordele moet ingevolge ’n skikkingsooreenkoms gevestig word. Die GEPF word verplig ingevolge die skikkingsooreenkoms om die ooreengekome gedeelte binne 60 dae te betaal. ’n Skuldbedrag is dan teen die lid se pensioenvoordele geskep en die GEPF het rente daarop gehef. Die lid moes dit terugbetaal teen die repokoers plus 3%, wat tans 10% beloop.

Wat is die gewysigde benadering nav SKBR Resolusie 1 van 2019?

Die reëls is nou gewysig ingevolge [GEPF Amendment Bill 23/05/2019](#).

Die “skuld benadering” word vervang deur ’n “vermindering van pensioenbydraende diens” benadering. Hiervolgens word die pensioenvoordeel wat ten tye van aftrede uitbetaal word, volgens ’n aktuariële formule verminder ten opsigte van verminderde pensioendraende jare na verrekening van die skikkingsbedrag. Dit sal aangedui word as “verlof sonder betaling - vermindering van diens.”

Hierdie benadering is veel minder nadelig op die lid se pensioenvoordele na onttrekking van die skikkingsbedrag.

Must a choice be made between the two approaches?

You are entitled to make a choice between:

- The benefit withdrawal option, i.e. debt approach”;
or
- The reduction of pensionable service

However, if the member does not make a choice by 22 May 2020, the “reduction in service period model” will be implemented automatically.

Moet 'n keuse gemaak word tussen die twee benaderings?

U is geregtig om 'n keuse te maak tussen:

- Die “skuld benadering” of
- Die vermindering van pensioenbydraende diens.

Maar, indien 'n lid nie 'n keuse uitoefen teen 22 Mei 2020 nie, sal die “vermindering in pensioen-bydraende diens model” outomaties geld.

