

**GEPF Transfer  
Summary**



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# **GEPF Transfer Summary**

## **What is a GEPF transfer?**

A GEPF transfer is when you move your pension benefit from the Government Employees' Pension Fund (GEPF) to another approved retirement fund provider, such as Allan Gray. An advantage of this option is that you pay no tax when you transfer your pension benefit, but you may have to pay tax if you withdraw a cash lump sum or when you retire from your retirement funds.

## Who can transfer from the GEPF to Allan Gray?

We can accept transfers when the member of the GEPF:

- has resigned, or
- been discharged from employment.

We can further accept a non-member former spouse's pension interest benefit after their divorce from the member of the GEPF.

### Resignation

When you resign from government employment you are allowed to take your full benefit as a cash lump sum from the GEPF or have the benefit transferred to an approved retirement fund (as explained on page 4).

### Discharge

When you are discharged from government employment due to reasons not of your own doing such as medical reasons, injury on duty, incapability, job restructuring, etc, your benefit will depend on whether you have fewer than 10 years or more than 10 years of pensionable service.

- If you are discharged after fewer than 10 years of service, you will receive a once-off lump sum (gratuity).
- If you are discharged after more than 10 years of service, you will receive a once-off lump sum (gratuity), and a monthly pension called an annuity.

If you are discharged due to misconduct or illness caused by your own doing, this will be treated as a resignation. You will be allowed to take your full benefit as a cash lump sum from the GEPF or have the benefit transferred to a retirement fund.

## **Divorce order**

When a member of the GEPF divorces their spouse, the non-member former spouse may be entitled to a portion of their pension interest in terms of the divorce order granted by the court. The GEPF will pay this divorce pension interest to the non-member former spouse as a cash lump sum or transfer it to an approved retirement fund of the non-member former spouse's choosing.

## **What approved funds can I transfer my pension benefit into at Allan Gray?**

Allan Gray may only accept transfers from the GEPF into the Allan Gray Pension Preservation Fund or the Allan Gray Retirement Annuity Fund.

## **I have retired from the GEPF, can I transfer my benefit to Allan Gray?**

The GEPF's Fund Rules prevent a member from transferring their benefit once they have retired from the GEPF. The GEPF rules only allow transfers due to resignation, certain discharge benefits and divorce orders.

However, you may transfer your GEPF benefit to the Allan Gray Pension Preservation Fund or to the Allan Gray Retirement Annuity Fund before your retirement date; you may then retire into a compulsory annuity such as the Allan Gray Living Annuity once you reach your retirement date.

## How long does the transfer take?

It can take 8 to 12 weeks to finalise the transfer from the time the GEPF confirms that it has received your documents (provided that all your documents are in order).

## What do I need to submit to the GEPF to start the transfer?

**It is important to note** that once you start the transfer process, you cannot change or cancel the transfer. In addition, the GEPF will only accept original documents, unless otherwise specified. Documents that are faxed or emailed will be rejected.

The following documents need to be submitted to your human resources department:

- A completed Z1525 form\*, signed by you and an Allan Gray representative.
- A certified copy, which is not older than three months, of your ID or passport (if foreign national).
- A completed Z864 form.\*
- A completed Resignation/Discharge Choice form.
- If you are married, a certified copy of your marriage certificate.
- If you have children, certified copies of their birth certificates.

\* Download these forms from the GEPF's website at: [www.gepf.gov.za/index.php/forms](http://www.gepf.gov.za/index.php/forms)

## **What do I need to submit to start a transfer with Allan Gray?**

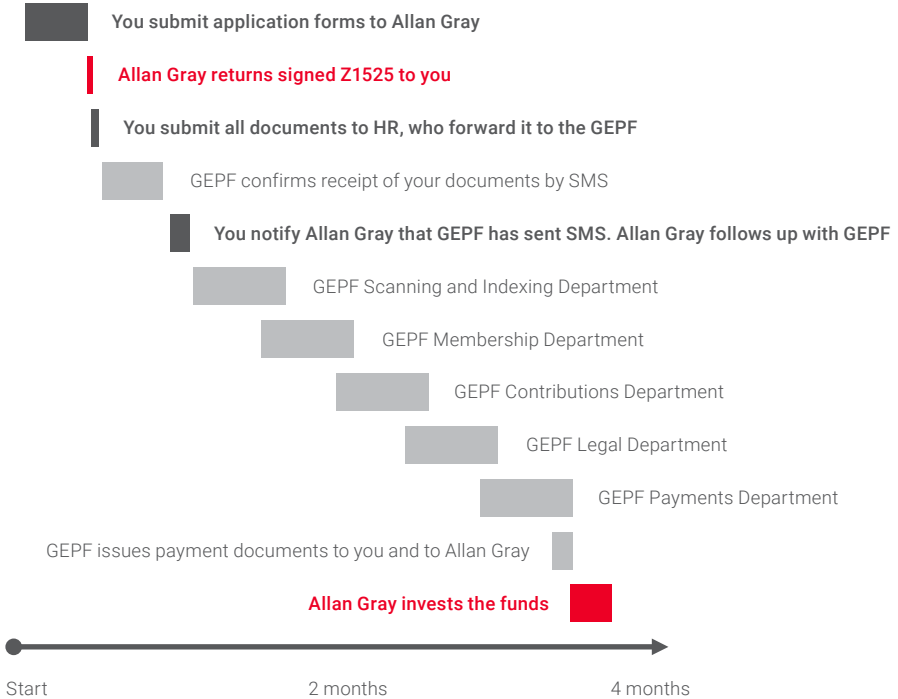
The following documents need to be submitted to Allan Gray in order to start your transfer:

- A completed Allan Gray Pension Preservation Fund or Allan Gray Retirement Annuity Fund application form
- A completed GEPF Transfer Details Form

\* Download these forms from Allan Gray's website at: <https://www.allangray.co.za/forms-and-documents/> or contact your financial adviser for assistance.

## What happens during the transfer?

Start





## **What do I need to do during the transfer?**

### **Step 1**

Send completed Retirement Annuity or Pension Preservation Fund forms and GEPF Transfer Details to Allan Gray

### **Step 2**

Allan Gray returns Z1525 form to you. You sign the form and send it to GEPF along with supporting documents (see list on page 5)

### **Step 3**

You notify Allan Gray that the GEPF has sent you an SMS confirming receipt of your documents. If your documents are incomplete in any way, the process will need to be restarted.

## Can I withdraw a cash lump sum after the transfer has been finalised?

Once your GEPF benefit has been transferred to either the Allan Gray Pension Preservation Fund or the Allan Gray Retirement Annuity Fund, the following fund rules and legislative restrictions will apply regarding withdrawals:

### Allan Gray Retirement Annuity Fund

**Before retirement**, you may only withdraw if you:

- Have less than or equal to R15 000 market value of your interest in the fund across all investment accounts and there is no active debit order contribution to the fund.
- Have emigrated from South Africa, as recognised by the South African Reserve Bank (SARB) for the purposes of exchange control, and your emigration application was submitted on or before 28 February 2021 and approved by the SARB on or before 28 February 2022; or you have not been a South African tax resident for an uninterrupted period of at least three years on or after 1 March 2021.
- Are a non-resident who has left South Africa because your work or visit visa has expired, as contemplated in the Income Tax Act.

**At retirement**, you are allowed to take up to a third of your account as a cash lump sum. The balance must be used to buy a compulsory annuity, such as a living annuity or a guaranteed annuity. You may take your full benefit as a cash lump sum if your fund value is less than or equal to R247 500 at retirement.

### Allan Gray Pension Preservation Fund

**Before retirement**, you are allowed to take up to a third of your account as a cash lump sum.

**At retirement**, you are allowed to take a further cash lump sum which is limited to a third of your account's value. The balance must be used to purchase a compulsory annuity, such as a living annuity or a guaranteed annuity.

## **How long will the withdrawal take?**

The withdrawal process takes 10 business days to finalise, provided all requirements are met. Once Allan Gray has received your completed withdrawal form, the consultant will start the process of withdrawing your funds.

## **What do I need to submit to the GEPF if I have got a benefit from a divorce order?**

For divorce orders, the non-member former spouse needs to submit the following documents to the GEPF:

- Certified copy of the final divorce order.
- Certified copy of the settlement agreement.
- Certified copy of the marriage certificate.
- Cover letter providing contact details of the non-member former spouse: cell number, landline number, email address, and postal address.

Once the GEPF is satisfied that the order requires that it pay pension interest to the non-member former spouse, it will send a Choice form to the former spouse. Once the former spouse receives this form, they need to submit the following documents to the GEPF:

- A completed choice form
- A certified copy of their ID
- A certified copy of any document providing proof of their tax number

## What tax will I pay when I make a withdrawal?

When you make a withdrawal before retirement, you will be taxed according to SARS withdrawal tax tables.\* If you joined the GEPF before 1 March 1998, a portion of any cash withdrawal you make may be tax-exempt as the benefits of the GEPF were tax-free before that date. The tax-free portion applies if you take a cash lump sum directly from the GEPF or if you transferred directly from the GEPF to Allan Gray on or after 1 March 2006.

The pre-1 March 1998 tax-free portion of your cash lump sum will also apply if you transferred from the GEPF to another retirement fund and thereafter to Allan Gray, but only if the second transfer occurred on or after 1 March 2018. If a benefit is paid to the non-member former spouse (in the case of a divorce order), the tax-free benefit also applies.

Your tax-free portion is calculated at the time you leave the GEPF as follows:

(Completed years before 1 March 1998 / total completed years while contributing to a public sector fund) \* GEPF benefit

The following is taken into account when calculating the tax-free portion when you retire or make a withdrawal:

- Any lump sum retirement benefits received from 1 October 2007.
- Any lump sum withdrawal benefits received from 1 March 2009.
- Any severance benefits received from 1 March 2011.

You can request a SARS tax directive simulation from Allan Gray, which will give you an estimate of the tax you may have to pay if you retire or withdraw.

\* Visit the SARS website to see these tables: [www.sars.gov.za](http://www.sars.gov.za) or speak to your financial adviser for assistance.

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**Information for retirement fund members**

The Allan Gray Retirement Annuity Fund and Allan Gray Pension Preservation Fund are administered by Allan Gray Investment Services (Pty) Ltd, an authorised administrative financial services provider and approved pension funds administrator under section 13B of the Pension Funds Act 24 of 1956. Allan Gray (Pty) Ltd, also an authorised financial services provider, is the sponsor of the Allan Gray retirement funds. The underlying investment options of the Allan Gray individual products are portfolios of collective investment schemes in securities (unit trusts or funds).



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