

RESOLUTION NO 2 OF 2018

**AGREEMENT ON THE COMPENSATION METHODOLOGY OF THE REDRESS OF
DISCRIMINATORY PENSION PRACTICES**

1. OBJECTIVE

To allow for the closing out of the pensions redress process as agreed to in clause 7 of PSCBC Resolution 7 of 1998 and PSCBC Resolution 12 of 2002 to address specific discriminatory practices related to pensions within the public service.

2. SCOPE

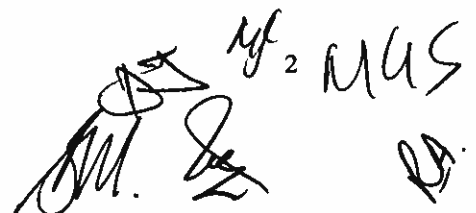
2.1 This agreement binds the parties to the Council.

2.2 The State as employer and the employees who-

- (a) are employed by the State,
- (b) was employed by the State on 2 September 1998 with the signing of PSCBC Resolution 7 of 1998; and
- (c) fall within the registered scope of the Council.

3. NOTING

- 3.1 Parties agreed in PSCBC Resolution 7 of 1998 that the GEPF should increase the pensionable years of service or implement other measures for employees disadvantaged by specific past racial or gender discrimination practices related to pensions;
- 3.2 PSCBC Resolution 7 of 1998, limited the funding of the improvements to the reduction of the GEPF funding level by 1%. Therefore placing a clear limit on the amount available for funding the improvements.
- 3.3 Qualifying applicants had to be in service on the date of signing of PSCBC Resolution 7 of 1998, being 2 September 1998;
- 3.4 Council gave effect to clause 7 of PSCBC Resolution 7 of 1998 by the signing of PSCBC Resolution 12 of 2002;
- 3.5 Council agreed to and implemented the provisions of PSCBC Resolution 12 of 2002 by giving effect to the objectives as was listed in the agreement;
- 3.6 Council extended the close out of the agreement on various occasions over a ten year period as to ensure maximum opportunity for potential beneficiaries to apply for the redress of discriminatory pension practices as listed in PSCBC Resolution 12 of 2002;
- 3.7 Council set up various structures on National Departmental /Provincial level and conducted intensive campaigns as to broadcast the pension redress programme among possible beneficiaries;
- 3.8 Council signed PSCBC Resolution 3 of 2012 to close-out the application process of the pension redress program as to allow for the verification of applications and costing of the pension redress; and
- 3.9 As at the 30 June 2018, the accumulated reserve account was R8.704 bn.

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3.10 The costing in respect of the pension redress programme has been concluded and there is not sufficient funds available from the balance of the funding set aside in terms of PSCBC Resolution 7 of 1998 to compensate all qualifying applicants in respect of the pension redress programme at a 100% compensation level.

3.11 The reduction factor to be applied should be based on the funds available of the 1% set aside at the time in terms of PSCBC Resolution 7 of 1998.

4. AGREEMENT

4.1 Parties therefore agree that, the GEPF actuaries have finalised the calculation of a reduction factor to 68.4 % which will be applied across the board, i.e. for exited members and those still in service, with 30 June 2018 as the cut-off date for the calculation of benefits due;

4.2 Parties further agree that, in giving effect to PSCBC Resolutions 7 of 1998 and 12 of 2002, the Government Employees Pension Fund (GEPF) will increase the years of pensionable service of qualifying applicants who are still in service based on the applicable reduction factor as to remain within the funding limitations set out in clause 7.2 of PSCBC Resolution 7 of 1998;

4.3 The qualifying applicants in terms of the pension redress programme who have exited the public service will receive a cash lump sum, in lieu of payment for the redress programme, based on the applicable reduction factor as to remain within the budgetary limitations set out in clause 7.2 of PSCBC Resolution 7 of 1998;

4.4 The Government Pensions Administration Agency (GPAA) will seek approval of the provisions of clause 4.3 from the Board of Trustees of the GEPF upon this agreement enjoying a majority;

4.5 In the interim, the Government Pensions Administration Agency (GPAA) will start adjusting the increased pensionable service of qualifying applicants who are still in service within 3 months from this agreement enjoying a majority; and

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M. J. 3
MAS
D.

4.6 The Government Pensions Administration Agency (GPAA) will inform all qualifying applicants of the outcome of the adjustments to service periods made or cash benefits payable.

5. **DISPUTE RESOLUTION**

If there is a dispute about the interpretation or application of this agreement any party may refer the matter to the Council for resolution in terms of the dispute resolution procedure of the Council.

6. **IMPLEMENTATION OF AGREEMENT**

6.1 This agreement shall come into effect on the date it enjoys majority support and shall remain in force unless terminated or amended by agreement in writing;

6.2 In the interpretation and application of this agreement, words used in the agreement and defined within the constitution of Council will have the meaning as defined in the constitution;


6.3 In the event of any conflict between a provision of this agreement and a provision of any other agreement of the Council, the provision of this agreement, takes precedence; and

6.4 The Council will monitor the implementation of this agreement.



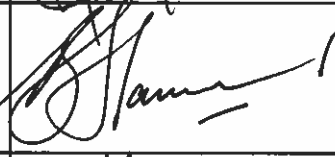



THIS DONE AND SIGNED AT CENTURION OF THIS 26TH DAY
OF OCTOBER 2018

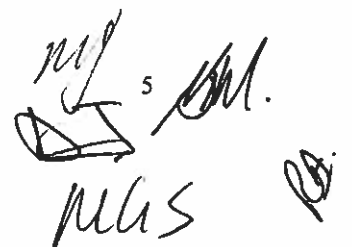
Handwritten signatures and initials:
MS
JST
J.M.
4 MMS

ON BEHALF OF THE EMPLOYER

	Name	Signature	Date
State as Employer	Reneo Adams.		18/10/2018.

ON BEHALF OF TRADE UNION PARTIES

Trade Union	Name	Signature	Date
DENOSA	SIMON HLUNGWANI		18/10/2018
HOSPERSA	Masale GODFREY SELEMAISA		18/10/2018
NAPTOSA	BASIB. L. Manuel		2018.10.22
NEHAWU	Decemba MAYISO		25/10/2018
POPCRU	NKOSINATHI THELESI		2018.10.18
PSA			
SADTU	Mugwena Maluleke		2018/10/26
SAPU			


MUS