



Political Office-Bearers
Pension Fund

March 2025

NEWSFLASH to members of the Political Office-Bearers Pension Fund

Increase in insured death benefits – with effect from 1 April 2025

The Trustee Board is pleased to advise members that the insured benefit payable on the death of a serving member will be **increased from 4.0 times the member's yearly pensionable salary, to 5.0 times the yearly pensionable salary, with effect from 1 April 2025** – this means that the higher multiple will apply in the case of a member who dies on or after 1 April, while in office. This is in addition to the member's "Fund credit" (the member's retirement savings balance in the Fund).

The benefit normally payable on the death of a member's spouse will also be **increased from 0.75 times the member's yearly pensionable salary, to 1.0 times the yearly pensionable salary, again with effect from 1 April 2025.**

The other terms and conditions applying to the insured benefits remain unchanged. As a reminder, the pensionable salary is 60% of the gazetted remuneration package.

The Fund insures the death and disability benefits provided to members, and the life insurance benefit on the death of a member's spouse as well as the family funeral benefits, with leading insurance companies. The cost of these benefits (the premium rates charged by the insurance companies) is reviewed each year, and the Fund gets competitor companies to quote premium rates to ensure that the Fund is securing a good deal for its members. (For this reason, the insurer for the benefits payable on the death of a member or spouse will change from Sanlam to Momentum, as from 1 April. Momentum is also the insurer of the disability and funeral benefits.)

The death benefits were reduced in January 2023 after the insurance premium rates for these benefits doubled over a two-year period during the Covid-19 epidemic. Now that the effects of the epidemic have faded away, the premium rates for the insured death benefits have reduced significantly compared with the very high levels they reached in 2022-23. The insured benefits payable on the death of a member or a member's spouse were therefore increased w.e.f. 1 August 2024, and a further reduction in the premium rates means that they can be increased again (to the levels that applied before the Covid-19 epidemic) as from 1 April this year.

Registration Number : 12/8/35658/1 Website : www.pobpf.co.za

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The insurance premiums for these benefits are funded from the contributions that flow to the Fund each month (member contributions of 7.5% of monthly pensionable salary, and employer contributions of 22.5% - all these contributions form part of your monthly remuneration package). Out of the 22.5% contribution, 4.5% is earmarked for the insured benefit premiums.

These premiums and insured benefits are compulsory – there is no “opt out” option. The insured benefits fall away as soon as a member leaves office.

More details on the insured benefits provided for members are available on the Fund’s website www.pobpf.co.za. Remember that the payment of Fund benefits on the death of a member is governed by Section 37C of the Pension Funds Act (there is an explanation of this under Member Guides on the home page of the website – “Guide to the allocation of death benefits”).

It is also very important for members to complete the nomination forms for the Fund death benefit and the funeral benefit payable on the death of a member while in office – these forms are also available on the website.

(Ms) K A Ramolobeng, MP
Chairperson, Board of Trustees