

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 3010**

**DATE OF PUBLICATION: 21 August 2015**

**3010. Adv A de W Alberts (FF Plus) to ask the Minister of Public Enterprises:**

(1) Since her reply to question 483 on 4 May 2015, what is the status of the process around the rule of a 2% increase for pensions paid to members of the Transnet Second Defined Benefit Fund and the Transport Pension Fund which will make it possible for these pension funds to pay increases of more than 2% to their members if the funds are available;

(2) Why did Transnet not pay the customary bonus to pensioners earning R15 000 and less per year and, if it is still going to be paid, when will this bonus be paid;

(3)(a) What travel benefits/concessions (i) were and (ii) are available for trips by (aa) train and (bb) aircraft for pensioners belonging to the Transnet Second Defined Benefit Fund and the Transport Pension Fund and

(3)(b) Why were the amendments introduced? NW3549E

**RESPONSE:**

1. The proposed rule amendments, which have been approved by the Board of Trustees of the Transnet Second Defined Benefit Fund and the Transnet Sub Fund of the Transport Pension Fund as well as the Transnet Board of Directors, are currently being considered by myself and the Minister of Finance.

(2) The ex gratia payments made by Transnet to qualifying pensioners of the Transnet Second Defined Benefit Fund and the Transnet Sub Fund of the Transport Pension Fund are discretionary amounts. No decision has been taken by Transnet to make a payment in the 2015 calendar year.

(3)(a) Travel benefits/concessions available for trips by (aa) train and (bb) aircraft for pensioners belonging to the Transnet Second Defined Benefit Fund and the Transport Pension Fund, are, to the extent provided for, contained in each individuals service conditions with Transnet at date of retirement.

(b) The travel benefits/concessions of retired employees of Transnet have not been amended. Employees on Management levels in Transnet relinquished their travel benefits/concessions in lieu of a percentage remuneration adjustment from approximately October 2006 until April 2007, when their remuneration was changed from a basic pay plus benefits dispensation to a total cost to company approach. As their conditions of employment had changed they were required to sign new contracts of employment. Thus, from the date of conversion, they also no longer qualified for travel benefits/concessions after retirement. Management level employees who joined Transnet from 2007 onwards were not entitled to free travel benefits. Despite these changes, employees on Non-Management levels have retained their travel benefits/concessions, both during their employment and upon retirement and these benefits have not been amended.