## DPE Stationery:DPE logo.jpg INFORMATION MEMORANDUM

**TO : Mogokare Richard Seleke**

**DIRECTOR-GENERAL**

**FROM : Justin De Allende**

**PLO**

**RE :** **PARLIAMENTARY QUESTION NO 343**

**DATE : 20 March 2017**

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To provide the Minister with a response to Parliamentary Question Number 343

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| **COVER MEMO AND THE PACKAGING OF PQ BY:**  **Department of Public Enterprises** | | |
| **……………………………….**  **Act. Deputy Director-General: TE**  **Date:** | | **COMMENTS:**  **………………………………………..** |
| **…………………………………**  Mogokare Richard Seleke  **Director-General**  **Date:** | **APPROVED/DECLINED/COMMENTS**  **…………………………………………..**  **…………………………………………..**  **………………………………………….** | |



**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 343**

**DATE OF PUBLICATION: 3 MARCH 2017**

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

1. What surplus is required in the (a) Transport Pension fund and (b) Transnet Second Defined Benefit Fund to pay put a bonus of 10% to all pensioners where the rules make provision for that;
2. Whether considerations will be given to pay between two and four bonuses per year to pensioners, given their high age and low life expectancy; if not, why not; if so, (a) what consideration is currently being given to that and (b) when this will happen;
3. Whether the present pending group action against the respective pension funds and Transnet play any role in this consideration; if so, what are the relevant details? NW396E

**Transnet’s Reply:**

1. The cost/surplus required of two bonuses of 10% for the Transnet Second Defined Benefit Fund is R326m, and R43m for the Transport Pension Fund respectively. The trustees determine bonus payouts.
2. The respective Board of Trustees of both Funds have not given consideration to pay more than 2 bonuses per year. The current policy of the Funds aims to pay 2 bonuses per financial year.
3. The payment of bonuses is non-vesting in terms of the Rules of the Funds, and is considered on an annual basis subject to actuarial certification and the overall risk environment facing the Funds at the time (including the pending class action). The class action is not the only factor considered in the payment of bonuses. The other factors that play a critical role in the consideration of paying bonuses are, amongst others, the following:

* The investment performance of the assets.
* Impact on the actuarial surplus.
* Impact on the solvency reserves. NW396E

**Mogokare Richard Seleke Lynne Brown, MP**

**Director-General Minister of Public Enterprises**

**Date: Date:**