

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 732**

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

(1) Why has the Transnet Second Defined Benefit Fund (TSDBF) and the Transport Pension Fund only paid out a bonus of 8.33% in December 2015 while the fund, in particular the TSDBF, had a surplus of R3,9 billion and actuaries indicated that a 10% bonus was affordable;

(2) Why has the next bonus, which is payable in the middle of 2016, been limited to 8.33% despite the affordability of a 10% bonus;

(3) Whether a certain investment firm (name furnished) currently has any links with the specified pension funds; if so, what is (a) the nature, (b) the extent thereof and (c) reason was the specified firm appointed? NW 848E

**REPLY:**

1. The surplus is based on an actuarial valuation of a guaranteed statutory increase of 2% per annum, as the bonuses are not guaranteed.

While the actuary had indicated that a 10% bonus was affordable the actuarial surplus would reduce to a very insignificant amount or to nil should a CPI linked pension increase (in addition to the statutory increase of 2% per annum) be implemented in future together with a 13th cheque. To improve the affordability of implementing such an increase policy, the Board of Trustees resolved to pay a 13th cheque (8.33%) as per the practice of the Board of Trustees since 2010.

1. The Board of Trustees has not taken a resolution proposing payment of a further bonus in 2016.
2. (a) The firm was appointed by the Board of Trustees to implement a Liability

Driven Investment mandate with the objective to enhance investment returns;

(b) An amount of R 9 billion was allocated by the Board of Trustees; and

(c) The firm was appointed by the Board of Trustees based on the outcome of a

tender process.