
PROCLAMATIONS • PROKLAMASIES

PROCLAMATION NO. 48 OF 2016

*by the**President of the Republic of South Africa***GRATUITY PAYABLE TO ELIGIBLE MEMBERS OF NATIONAL ASSEMBLY,
PERMANENT DELEGATES OF NATIONAL COUNCIL OF PROVINCES, DEPUTY
PRESIDENT, MINISTERS, DEPUTY MINISTERS, PREMIERS, MEMBERS OF
EXECUTIVE COUNCILS AND MEMBERS OF PROVINCIAL LEGISLATURES**

By virtue of the power vested in me by—

- (a) sections 3(1) and 4(1) of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), I hereby determine that a gratuity of an amount to be determined in accordance with the Schedule be paid in the circumstances and subject to the conditions set out in the Schedule to members of the National Assembly, permanent delegates, the Deputy President, Ministers and Deputy Ministers who are eligible in terms of the Schedule; and
- (b) section 6(1) of the Remuneration of Public Office Bearers Act, 1998, I hereby determine that a gratuity of no more than an amount to be determined in accordance with the Schedule be paid in the circumstances and subject to the

conditions set out in the Schedule to Premiers, members of Executive Councils and members of Provincial Legislatures who are eligible in terms of the Schedule.

Given under my Hand and the Seal of the Republic of South Africa at *Cape Town*, this *21st* day of *July*, Two Thousand and Sixteen.


President

By order of the President-in-Cabinet:


Minister of the Cabinet

Schedule

Definitions

1. In this Schedule, a word or expression to which a meaning has been assigned in section 1 of the Remuneration of Public Office Bearers Act, 998(Act No. 20 of 1998), must bear the meaning so assigned, and—

“2019 election” means the national election, scheduled for 2019;

“2019 election date” means the date on which the 2019 election takes place;

“CPI” means, as at any date, the most recently published value of the Headline Consumer Price Index for All Urban Areas as published by Statistics South Africa in statistical release P081, as rebalanced and re-weighted from time to time, provided that if that index ceases to be published, it means the relevant successor index, measuring the rate of consumer inflation in South Africa, expressed as an index;

“Fund” means the Political Office-Bearers Pension Fund registered (number PF 35658) in terms of the Pension Funds Act, 1956;

“exit” means cease to be a contributory member of the Fund, in accordance with the rules of the Fund, by reason of death or otherwise ceasing to be Political Office Bearer;

“Old Rules Benefit” means the benefit which would have been payable to a Political Office Bearer on Leaving the Fund had the benefit been payable in accordance with the rules of the Fund as they stood on 29 February 2016;

“Political Office Bearer” means a member of the National Assembly, a permanent delegate, the Deputy President, a Minister, a Deputy Minister, a Premier, a member of an Executive Council or a member of a Provincial Legislature;

“Relevant Political Office Bearer” means any person who is a Political Office Bearer as at 29 February 2016 or who becomes a Political Office Bearer on or after 1 March 2016 but before the 2019 election date.

Gratuity payable to Relevant Political Office Bearer who exits Fund before 2019 Election or at or as consequence of 2019 Election

2.(1) A Relevant Political Office Bearer who exits the Fund at or as a consequence of the 2019 Election or at any date in the period 1 March 2016 to the 2019 election date will be entitled to a gratuity which is equal to the amount, if any, by which his or

her Old Rules Benefit exceeds the benefit payable from the Fund on exiting the Fund, provided that—

- (a) the comparison of benefits will be calculated gross of tax; and
 - (b) if the person Leaves the Fund by reason of death while a Political Office Bearer, the comparison of benefits will exclude the amount of any benefit payable on death from any insurance policy purchased by the Fund from a registered insurer.
- (2) The gratuity referred to in subparagraph (1) will be in addition to any benefit which becomes due to or in respect of the person from the Fund and to any other gratuity which would otherwise be payable to him or her on ceasing to be a Political Officer Bearer.
- (3) If the benefit payable from the Fund on exiting the Fund exceeds the Old Rules Benefit, no gratuity will be payable.

Re-elected Political Office Bearers

3.(1) A Relevant Political Office Bearer who, as a result of the 2019 election, is elected or appointed as a Political Office Bearer, whether or not in the same capacity held before the 2019 election, will become entitled, when he or she subsequently exits the Fund, to a gratuity which is equal to the amount, if any, by which his or her Old Rules Benefit exceeds the benefit payable from the Fund, provided that—

- (a) the comparison of benefits will be calculated gross of tax;
- (b) if the person Leaves the Fund by reason of death while a Political Office Bearer, the comparison of benefits will exclude the amount of any benefit payable on death from any insurance policy purchased by the Fund from a registered insurer;
- (c) if the person became a Political Office Bearer at or as a result of the 2014 election, and not before or after the 2014 election, and he or she returns as a Political Office Bearer at or as a result of the 2019 election, his or her Old Rules Benefit will be calculated as if he or she had been a Political Office Bearer for more than one full term on the 2019 election date;
- (d) if a person became a Political Office-Bearer after the 2014 election, and not as a direct result of the 2014 election, and he or she returns to Political Office at or as a result of the 2019 national election, his or her Old Rules Benefit will be calculated as if he or she had been a Political Office-Bearer for more than one full term on the 2019 election date, but the gratuity paid to him or her

when exiting the Fund will exclude the portion that represents an Equalisation Amount (as defined in the rules of the Fund as they stood on 29 February 2016) forming part of his or her Old Rules Benefit unless he or she exits the Fund after completing more than five consecutive years as a Political Office Bearer.

(2) The amount of the Old Rules Benefit and the amount of the benefit payable from the Fund must be calculated in terms of subparagraph (1) as if the person had exited the Fund at or as a result of the 2019 election.

(3) The amount of gratuity referred to in subparagraph (1) shall be increased by the change in the CPI from the 2019 election date to the date of exiting the Fund.