

GENERAL NOTICES • ALGEMENE KENNISGEWINGS

THE PRESIDENCY NOTICE 549 OF 2018

Enquiries: Mr. PM Makapan
Tel: 012 308 1707
Fax: 012 300 5735
E-mail: Peterm@presidency.gov.za



The Presidency
Private Bag X1000
PRETORIA
0001

INDEPENDENT COMMISSION FOR THE REMUNERATION OF PUBLIC OFFICE BEARERS

RECOMMENDATIONS ON PENSION AND MEDICAL AID BENEFITS OF THE FORMER PRESIDENT, MR JG ZUMA

1. The Independent Commission for the Remuneration of Public Office Bearers (Commission) is, amongst other things, required, in terms of section 2(5) (a) and (b) and section 2(6) of the Remuneration of Public Office Bearers Act, No. 20 of 1998 (Remuneration Act) to make recommendations to the National Assembly on the pension and medical aid benefits payable to the President upon his or her retirement. In turn, the National Assembly bears the responsibility to determine such benefits in terms of existing law.
2. The Commission's recommendations to the National Assembly on the pension and medical aid benefits of retired President TM Mbeki were published on 17 April 2008 in *Government Gazette* No. 30982.
3. The National Assembly passed a resolution on 26 September 2008, after considering the recommendations of the Commission and resolved that:
 - 3.1 In terms of section 2(5)(a) of the Remuneration of Public Office Bearers Act, 1998 (Act No 20 of 1998), upon the President's retirement from office with effect from the day following the day that he vacated office, a taxable pension benefit be paid to him equal to 100% of the total annual remuneration (salary and allowance) payable to him the day prior to his retirement, such pension benefit to be increased annually in keeping with the pension increases granted to public office bearers;
 - 3.2 In terms of section 2(5)(b) of the said Act, upon the death of the President or a former President, with effect from the day of his death, a taxable pension benefit be paid to his widow equal to 50% of the pension benefit payable to the President or former President at the time of his death, such pension benefit to be increased annually in keeping with the pension increases granted to public office bearers;
 - 3.3 In terms of section 2(6) of the said Act, after the retirement of the President, the State shall contribute the full amount payable to a medical aid scheme in respect of membership of the scheme by the President or his widow or dependent as the case may be; and
 - 3.4 The resolution by the National Assembly of 5 November 1998 be amended in accordance with paragraphs 1(1) to 1(3) above, with retrospective effect from 5 November 1998.
4. The effect of paragraph 3.4 was that former President NR Mandela received the same pension and medical aid benefits.

Commissioners: Judge CJ Musi (Chairperson); Ms MJ Ramagaga (Deputy Chairperson); Ms TN Mgoduso, Dr R Nienaber; Dr LM Mbabane; Mr AL Pheto; Mr G Barnard and Dr SM Sibandze

Head of Secretariat: PM Makapan

5. On 11 November 2010, the Commission submitted its recommendations on the pension benefits of former President KP Motlanthe to the National Assembly. The recommendations were published in Government Gazette No. 33768 on 12 November 2010. The Commission's recommendations were informed by the Presidency's request for the Commission to advise it on the pension benefits that are to be paid to former President Motlanthe.
6. The National Assembly passed a resolution on 20 September 2011, after considering the Commission's recommendations. It resolved that:

"Former President Motlanthe shall receive the pension benefits as determined by the resolution of the National Assembly on 26 September 2008 and he shall not receive a salary for his services as Deputy President, except those benefits and privileges which are necessary to enable the Deputy President to carry out his functions".
7. On 03 August 2018, the Commission received a letter from the Presidency requesting it to make a recommendation to the National Assembly on the pension benefits of former President JG Zuma.
8. Section 2(5) of the Remuneration Act provides that:
 - a) Upon his or her retirement, the President shall be paid such pension and other pension benefits as may be determined from time to time by resolution of the National Assembly, after taking into consideration the recommendations of the Commission,
 - b) On the President's death, such pension and other pension benefits as may from time to time be determined by resolution of the National Assembly, shall be paid to his/her widow, widower, dependent or nominee, including his or her estate, as he or she may elect.
9. Section 2(6) of the Remuneration Act provides that the State shall contribute to a medical aid scheme of which the President, a former President or his or her widow or widower or dependent is a member, such an amount as may be determined by resolution of the National Assembly.
10. After due consideration of all the relevant factors, including, applicable legislation, fairness, consistency, the available resources of the State, affordability, and National Assembly's resolutions dated 26 September 2008 and 20 September 2011, the Commission recommends the following in respect of former President Zuma:
 - 10.1. In terms of section 2(5) (a) of the Remuneration Act, upon the President's retirement from office with effect from the day following the day that he vacated office, a taxable pension benefit be paid to him equal to 100% of the total annual remuneration (salary and allowance) payable to him the day prior to his retirement.
 - 10.2. In terms of section 2(5) (b) of the said Act, upon the death of the former President, with effect from the day of his death, a taxable pension benefit be paid to his widow or widows, dependent or nominee, including his or her estate, as he may elect, equal to 50% of the pension benefit payable to the former President at the time of his death.

Commissioners: Judge CJ Musi (Chairperson); Ms MJ Ramagaga (Deputy Chairperson); Ms TN Mgoduso, Dr R Nienaber; Dr LM Mbabane; Mr AL Pheto; Mr G Barnard and Dr SM Sibandze

Head of Secretariat: PM Makapan



- 10.3. The increase to the above benefits should be linked to the increase of the sitting President's salary.
- 10.4. In terms of section 2(6) of the said Act, the State shall contribute the full amount payable to the medical aid scheme of which the former President or his widow/s or dependent/s is a member.
11. The Commission is currently reviewing the salaries, allowances and benefits of the Executive and Legislature (Provincial and National). The sustainability and desirability of the current pension dispensation for former Presidents will also be reviewed.

Signed at Pretoria on 10/09/2018



MS M. J. RAMAGAGA
DEPUTY CHAIRPERSON