

INTEROFFICE MEMORANDUM

Early Retirement: Ivan Pillay

TO	The Commissioner: Mr. Oupa Magashula The Minister: Mr. Pravin Gordhan	CC	
FROM	Ivan Pillay.	REFERENCE	•
TEL NUMBER	(012) 422 5205	DATE	• 25 August 2009
PRIORITY	High		
SUBJECT	Early retirement: Myself.		
RECOMMENDATION			

Forwarded to you for:

- Approval
- For Your Records
- Action as required

- Verification
- Information
- Proof Reading

On completion please forward to:

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Comments:

Internal Memorandum

Dear Oupa

PURPOSE

The purpose of this memorandum is to explain that I have decided to take early retirement as well as to request you to approve / recommend certain related matters that will flow from my decision to take early retirement

DISCUSSION

I have reached the stage in my life where it has become a reality that I have to make some very important decisions about the education of my children. The decisions I have taken will require a considerable capital investment, money that can be raised by means of a bank loan, but which would be prohibitively expensive.

In view of this I have decided to inform you that I intend to retire as soon as clarity can be obtained from your office. As I have already reached the earliest optional retirement age of 55 years in terms of the SARS retirement provisions, the retirement benefits will provide me with a lump sum benefit (which will financially support the decision I have made in terms of the education of my children) as well as a monthly pension. Whilst this may not be ideal in terms of maximum benefits when finally retiring, I am of the opinion that this is the best option available to me as far as my children's education is concerned.

This brings me to the second issue at stake, namely how I view my retirement as raised above. Clearly I am doing this on account of a matter that has nothing to do with my work at SARS. I am still committed to SARS. I am still enthusiastic and will still contribute to the establishment of an even better South Africa for all its citizens. Taking this into account, I will appreciate it if you will consider to approve that, immediately after my early retirement, **I am appointed to my current position but as a contract employee.**

The third matter is slightly more technical and complicated and it concerns my early retirement benefits payable from the GEPF. Although the Rules of the GEPF provides that a member of the GEPF can elect to retire from the age of 55 years and onwards, there is a penalty payable in terms of the benefits. The specific Rules in this regard determines that both the lump sum and monthly pension will be reduced by 0.30% for each month before an early retiree reaches the age of 60 years. As I intend to take early retirement at age 56 years (48 months before reaching the age of 60 years), my pension benefits will be reduced by 14.4%. Section 16 (6) of the Public Service Act (which still applies to SARS) was amended to provide that where early retirement is applied for, Ministers can approve that employers (Departments/SARS) pay the penalties imposed on early retirees in terms of the GEPF rules.

In view of this it will be appreciated if you would recommend to the Minister that SARS pay to the GEPF my early retirement GEPF penalties. It is estimated that the penalties will amount to R1 064 257.

RECOMMENDATION

My recommendations are that you please:

- Take note that I intend to take early retirement
- Consider to approve that I be reappointed on a contract basis; and
- Consider to recommend to the Minister that he approves that the penalty on my pension benefits be paid on my behalf to the GEPF by the employer.

Regards
Ivan Pillay



2009/08/25

Oupa Magashula
Commissioner: SARS
Date:

Comments:

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APPROVED / NOT APPROVED

Pravin Gordhan
Minister: Finance
Date:

INTEROFFICE MEMORANDUM

Early Retirement: Ivan Pillay

TO	The Commissioner: Mr. Oupa Magashula The Minister: Mr. Pravin Gordhan	CC	
FROM	Ivan Pillay.	REFERENCE	•
TEL NUMBER	(012) 422 5205	DATE	• 09 October 2009.
PRIORITY	High		
SUBJECT	Early retirement: Myself.		
RECOMMENDATION			

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Comments:

Internal Memorandum

Dear Oupa

PURPOSE

The purpose of this memorandum is to explain that I have decided to take early retirement as well as to request you to consider to recommend for possible approval by the Minister certain related matters that will flow from my decision to take early retirement. ✓

DISCUSSION

As you know, I have been working in the Public Sector for the past 15 years, 10 years which have been spent with SARS. For the most part of this period, especially my tenure with SARS, I was expected to perform at a very high level accompanied by the accountabilities that go with the performance of such a high level job. This exacted its toll from me in the sense that my health condition is slowly deteriorating. Added to this, my family responsibilities, for a long time, suffered on account of the dedication required by my job. With the aforementioned in mind, although still not easy, I have decided to take early retirement

However, I am still enthusiastic about SARS and the tremendous contribution it makes towards the establishment of an even better South Africa for all its citizens. With a view thereto, I am willing to serve in SARS in a different capacity where the demands of such a job will positively support the reasons why I am in the first instance taking early retirement. ✓

Should you favorably consider my proposal to serve SARS in a different capacity, such service will have to be subject that I be appointed as a contract employee. This will allow me more flexibility in terms of making a decision to finally part ways with SARS, should I come to such a decision. The second condition will be that my early retirement is approved in terms of the provisions of section 16(6)(d) of the Public Service Act, meaning that the Minister, in terms of the provisions of the aforementioned section, approve that the penalty imposed on my pension benefits per Rule 14.3.3 (b) of the GEPP Rules, be paid by SARS to the GEPP. Indications are that the penalty will amount to about R1 064 257. R

RECOMMENDATION

My recommendations are that you please:

- Take note that I intend to take early retirement
- Consider to approve that I be reappointed in a different capacity in SARS on a contract basis; and
- Consider to recommend to the Minister that he approves that the penalty on my pension benefits be paid on my behalf to the GEPP by the employer.

Regards

Ivan Pillay

Oupa Magashula

Commissioner: SARS

Date:

Comments:
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INTEROFFICE MEMORANDUM

Early Retirement: Ivan Pillay

TO	The Commissioner: Mr. Oupa Magashula	CC	
FROM	Ivan Pillay.	REFERENCE	•
TEL NUMBER	(012) 422 5205	DATE	• 26 November 2009.
PRIORITY	High		
SUBJECT	Early retirement: Myself.		
RECOMMENDATION			

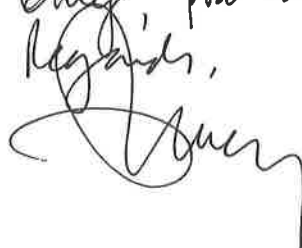
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Comments:

Hi,
 Chief, please respond to me via Patricia Langa. (deLange)
 Regards,


Internal Memorandum

Dear Oupa

PURPOSE

The purpose of this memorandum is to explain that I have decided to take early retirement as well as to request you to consider to recommend for possible approval by the Minister certain related matters that will flow from my decision to take early retirement.

DISCUSSION

As you know, I have been working in the Public Sector for the past 15 years, 10 years which have been spent with SARS. For the most part of this period, especially my tenure with SARS, I was expected to perform at a very high level accompanied by the accountabilities that go with the performance of such a high level job. This exacted its toll from me in the sense that my health condition is slowly deteriorating. Added to this, my family responsibilities, for a long time, suffered on account of the dedication required by my job. With the aforementioned in mind, although still not easy, I have decided to take early retirement

However, I am still enthusiastic about SARS and the tremendous contribution it makes towards the establishment of an even better South Africa for all its citizens. With a view thereto, I am willing to serve in SARS in a different capacity where the demands of such a job will positively support the reasons why I am in the first instance taking early retirement.

Should you favorably consider my proposal to serve SARS in a different capacity, such service will have to be subject to that I be appointed as a contract employee. This will allow me more flexibility in terms of making a decision to finally part ways with SARS, should I come to such a decision. The second condition will be that my early retirement is approved in terms of the provisions of section 16(6)(a) and (b) of the Public Service Act, meaning that the Minister, in terms of the provisions of the aforementioned section approve that the penalty imposed on my pension benefits per Rule 14.3.3 (b) of the GEPP Rules, be paid by SARS to the GEPP. The GEPP has indicated that the penalty amount on my pension benefits that the employer has to pay on my behalf is R1 292 732.68.

RECOMMENDATION

My recommendations are that you please:

- Take note that I intend to take early retirement
- Consider to approve that I be reappointed in a different capacity in SARS on a contract basis; and
- Consider to recommend to the Minister that he approves that the penalty on my pension benefits be paid on my behalf to the GEPF by the employer.

Regards


Ivan Pillay

27/11/2009