

MEDIA RELEASE PSA alarmed by reported loss of R18 billion in pension-fund investments

DATE 22 June 2026

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The Public Servants Association (PSA) has noted with extreme concern reports that approximately R18 billion of pension funds invested by the Public Investment Corporation (PIC) on behalf of the Government Employees Pension Fund (GEPF) in 23 companies have been lost.

These allegations, if confirmed, represent a devastating failure of governance, oversight, and fiduciary responsibility in the management of public servants' retirement savings. Public servants entrust their pension funds to responsible authorities with the expectation that these funds will be safeguarded, prudently invested, and preserved to secure their financial future. The reported loss of such a significant amount raises serious questions about accountability, risk management, investment decision-making processes, and governance structures within the relevant institutions.

The PSA welcomes the Chairperson of the PIC Board's report, which indicates that some of these investments have been referred to the Special Investigating Unit for investigation. The PSA also calls for an urgent, independent forensic investigation into how these investments were approved, managed, and ultimately lost, full transparency on the identities of the companies involved, the nature of investments, and the role played by all decision-makers, as well as the identification and holding accountable of people or entities responsible for any negligence, misconduct, or breach of fiduciary duties.

The loss of pension funds directly undermines the financial security and dignity of public servants, many of whom rely solely on these savings after years of dedicated service. The PSA emphasises that pension funds are not speculative instruments and must be managed with the highest level of prudence and care. Any reckless or politically influenced investment decisions are unacceptable and must be decisively addressed.

The PSA further calls for a comprehensive review of investment policies and governance frameworks governing public-sector pension funds, strengthening oversight mechanisms to prevent similar losses, and inclusion of worker representation and oversight in investment decision-making processes to ensure that the interests of fund members are always protected.

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