

MEDIA RELEASE **PSA outraged by GEPF write-offs of investment losses**

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The Public Servants Association (PSA) is outraged by reports that the Government Employees Pension Fund (GEPF) has written off billions of loans and investments in amongst others Steinhoff, the collapsed VBS Mutual Bank.

The GEPF's Annual Report that was tabled in Parliament on 3 December 2018, indicated that the Fund, with assets of some R1.8 trillion, suffered losses of R7.4 billion for the 2017/18-financial year of public servants' pension investments mainly through Steinhoff heist by its Board of Directors, compared to R995 million the previous year.

"Despite the GEPF regarding these losses as insignificant, the PSA is of the opinion that these losses could have made a significant contribution in alleviating the needs of public servants related to amongst others, housing and medical assistance. Whilst most public servants can hardly afford bonded housing and medical aid contributions, the GEPF simply wipes out R7.4 billion of their hard-earned pension growth," said PSA Acting General Manager, Tahir Maepa.

The PSA indicated that the Union as far back as December 2017 warned both the PIC and the GEPF to exercise due diligence when dealing with public servants' pension investments. "The PSA is extremely disappointed that the PIC and the GEPF have opted not to join a class action against Steinhoff International Holding to recoup money lost public servants money lost to "accounting irregularities" in December 2017. In addition, the GEPF deems it appropriate to simply write off losses," said Mr Maepa.

"The PSA will demand a written response from the GEPF to explain the reasoning behind its decision to simply write off losses without any effort of recovery. The PSA will also in view of these developments strengthen its efforts to ensure that competent, uninfluenced individuals are entrusted with the duty to ensure that public servants' pension investments are treated with the diligence that a portfolio of this extent deserves," said Mr Maepa.

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