

**MEDIA RELEASE      PSA welcomes proposed amendments to Public Sector pension legislation**

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The Public Servants Association (PSA) welcomes proposed amendments to various pieces of legislation governing Public Sector pension funds, as published by National Treasury.

These amendments are crucial in effectively implementing the two-pot retirement-system changes in public-sector pension funds, ensuring the long-term sustainability and efficiency of the pension system for public servants.

Amendments have been made to the *Government Employees Pension Fund Law* to enable public servants to access pension savings via the two-pot system. Public-sector employees face the same financial challenges as employees in the private sector. Amendments have already been implemented to the *Pension Fund Act* to enable employees in the private sector to access their pension savings through the two-pot system.

Whilst acknowledging the importance of these legislative changes, the PSA must remind public servants that pension funds are intended for retirement and should not be squandered. It is imperative that measures are in place to safeguard the integrity and purpose of these funds, ensuring that the intended purpose of providing financial security during retirement years is served.

There are several conditions for employees wishing to withdraw monies from their pension savings. These include tax implications, limited annual withdrawals, and capping of amounts that can be withdrawn. This suggests that employees are encouraged to only withdraw from their pension savings as a last resort.

The PSA remains committed to collaborating with relevant stakeholders to ensure that these proposed amendments strike the right balance between flexibility and responsibility, safeguarding the interests of public-sector employees and retirees.

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