



MEDIA RELEASE	PSA concerned over GEPF actuarial report
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The Public Servants Association (PSA) is concerned following the release of the Government Employees Pension Fund (GEPF), actuarial report reflecting the actual position of the assets versus pension liabilities. The report reveals a worrisome downward trend.

“It is becoming abundantly clear that the Pension Fund is on a steep downward spiral and if this trend continues unchecked, the strain on the Fund to honour its long-term responsibilities will continue to increase. In the previous actuarial report in 2016, it was indicated already that the government will in the near future have to increase its contribution rate to the Pension Fund. The actuary now recommends the following increases by the government from 16% to 18,9% and others from 13% to 14,4% of monthly salaries. The burden of the taxpayer will therefore grow,” said PSA General Manager Ivan Fredericks.

“The situation has now been reached a point where the income on investments is not sufficient to provide for current pensions being paid, as well as for the total costs of the Fund. Administration costs, especially investment costs, have been increasing from an unacceptable level since 2014. At present only 59% of the contributions, by serving members of the Fund, for their pensions when they retire have been channeled to the Public Investment Corporation (PIC), to be invested for that purpose. Between 2015 and 2018 contributions collected, R107 billion, was not invested,” said Mr Fredericks.

“It is clear that the government should no longer be allowed to use the GEPF as its personal piggy bank. Politicians should also please stop thinking up new functions which do not belong in Fund. Reckless investments and speculative adventures like Independent Media and Ayo should also stop summarily. Perhaps it is high time that the accountability of asset managers and members of the Board of Trustees, of the GEPF, receive serious attention. The Pension Fund cannot afford anymore risky investments, as seen with Steinhoff, African Banks, VBS bank and other extravagances,” added Mr Fredericks.

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