

MEDIA RELEASE: Public servants' pensions: PSA filed notice of motion with High Court

DATE: 15 August 2018

EMBARGO: None

ENQUIRIES: communication@psa.co.za

The Public Servants Association (PSA) that represents some 240 000 Public Service employees who belong to the Government Employees Pension Fund (GEPF) that invests its money via the Public Investment Corporation (PIC), has filed a notice of motion with the High Court in the Union's endeavours to protect pension investments.

The PSA has the second largest membership of all unions in the Public Service and has long been concerned with governance issues at the PIC. The PSA has requested certain information dated as far back as 5 September 2017 from the Minister of Finance as well as the Chairperson of the GEPF board that, amongst others, relates to the composition of the PIC board and the bridging loan that was provided to Eskom without any guarantee.

"Unfortunately, none of them responded favourably to the PSA's request for information. This left the PSA with no alternative remedy than to file an application (Notice of Motion). The application is because of the PSA's concern that the PIC is being called upon to provide funds for the 'bail out' of state-owned entities such as South African Airways, the Passenger Rail Agency of South Africa, and, in this case, and most recently, Eskom. The PSA is also concerned that the GEPF board has not properly exercised its fiduciary duties as trustees of a pension fund by permitting the use of its assets, albeit under the investment management of the PIC, for such 'bail outs', in contravention of both the *PFA* and the *Financial Institutions Act*. This application also aims to address concerns that members of the PIC board have been appointed by the Minister without a rigorous process to ensure the prescripts of the *Public Investment Corporation Act, 2004* have been followed for such appointments," said PSA General Manager, Ivan Fredericks.

The PSA's application based on the mentioned reasons was issued on 7 August 2018 out of the Pretoria High Court. If the application is unopposed, it will be heard on 6 December 2018.

"The PSA has made several attempts to address these concerns with no meaningful response from the Minister, the National Treasury, the PIC, Eskom, or the GEPF. The application papers will now be dispatched to various sheriffs' offices for service on the respondents," said Mr Fredericks

END