

**MEDIA RELEASE:** R7.4 billion pension write-offs: PSA disappointed with GEPF response

**DATE:** 14 December 2018

**EMBARGO:** None

**ENQUIRIES:** communication@psa.co.za

---

The Public Servants Association (PSA) is extremely disappointed with the response it received from the Government Employees Pension Fund (GEPF) following the Union's enquiries regarding the Fund's decision to write-off of R7.4 billion in investment losses.

The PSA that represents more than 242 000 public sector employees demanded a written response from the GEPF's Principal Executive Officer, Mr Abel Sithole. In the response received by the PSA on 11 December 2018, the GEPF indicated that "the GEPF is a defined-benefit fund, which exists to provide pensions and related benefits that do not include housing and medical assistance. The Fund's investments have no direct bearing on the benefits to members, pensioners and beneficiaries."

"The PSA is saddened by such remarks. It is clear that the GEPF has no consideration of the potential financial impact on members. The PSA is of the view that the R7.4 billion is a substantial amount to be lost and if the GEPF's funds are managed in a more financially-sound manner, members would stand to substantially benefit from such investments," said PSA General Manager, Ivan Fredericks.

"The PSA will ensure the matter is tabled at the Public Service Coordinating Bargaining Council (PSCBC) to insist that the GEPF does not easily write off such substantial monies without efforts made to recoup the losses. Surely, the response of the GEPF is indicative of arrogance and undermines the value of the amount that was lost. It furthermore exposes the lack of appreciation that this is private money that doesn't belong to government," said Mr Fredericks.

END

