

FOR PSA MEMBERS: BRANCH FOR ASSOCIATE MEMBERS – PUBLIC SERVICE PENSIONERS

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Protecting your interests: Keeping an eye on GEPF and PIC

The PSA was one of the first unions to react when accounting irregularities in the accounts of the **Steinhoff International Holdings** emerged at the end of 2017. We warned the Government Employees Pension Fund (GEPF) and the Public Investment Corporation (PIC) to exercise due diligence when dealing with public servants' pension investments as far back as December 2017.

- We believe that the GEPF Board failed to exercise its fiduciary duties by using GEPF assets for risky investments exacerbated by bridging loans to struggling state-owned enterprises.
- We strongly criticised the GEPF's write-offs of loans and investment losses, amongst others in the collapsed VBS Mutual Bank.
- We expressed our extreme disappointment that the GEPF decided not to join the class action against Steinhoff International Holdings to recoup lost GEPF funds.
- We expressed apprehension over the actual position of the assets versus the pension liabilities as set out in the March 2019 GEPF actuarial report, which exposed a fund under strain to honour its long-term responsibilities.
- We pointed out that the PIC may have made several irresponsible or politically-motivated investments under the guise of social-responsibility investments.
- We have continuously raised concern on the formation of the PIC board and the *carte blanche* given to it by the GEPF at various platforms, including at Parliament's Standing Committee on Finance in June 2018.
- We have a High Court application in which we comprehensively argue that we have a significant interest in how GEPF assets are invested; arguing a lack of meaningful action by the Finance Ministry, the PIC and the GEPF about concerns we have raised.
- We welcomed the appointment of the Commission of Inquiry into allegations of impropriety regarding the PIC by the President in October 2018.

The PSA will continue putting pressure on the GEPF and the PIC to put measures in place that will ensure that all funds in their safekeeping are responsibly invested and accounted for.

Read more about this important matter in PSA Magazine 3/2019 that will be available on 1 July 2019.

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