

FOR PSA MEMBERS: **PUBLIC SERVICE COORDINATING BARGAINING COUNCIL (PSCBC)**

18-03-2024

## Proposed Public-Sector Pension Fund amendments

Members will recall that the PSA reported about proposed pension funds amendments in a previous *Informus*. The amendments would provide for the introduction of savings withdrawal for pension and retirement funds in the private sector, commonly referred to as the “two-pot system”.

The withdrawal benefit does not apply to public servants as the Government Employees Pensions Fund does not make provision for early withdrawal from the Fund. Government was not ready to amend the provisions of the *Government Employees Pension Law (GEP)* at the time. The *GEP Law* needs to be amended before the savings withdrawal can be introduced.

Unions at the Public Service Coordinating Bargaining Council (PSCBC) demanded that the withdrawal of the pension savings apply to public servants as well, as they also experience financial hardships.

Members will be pleased to note that National Treasury has now published the proposed amendments to provide for the introduction of the savings-withdrawal benefit for public servants. The amendment will ensure that the proposed two-pot system is implemented for the Public Service with effect from 1 September 2024. The PSA expects that the draft document will be tabled at the PSCBC meeting for consultation with unions before it is implemented.

As much as the PSA welcomes the proposed amendments, members are advised to be cautious and use the benefit responsibly.

Members will be informed of developments.

Employees who want to join the PSA can visit the PSA’s website ([www.psa.co.za](http://www.psa.co.za)), send an email to [ask@psa.co.za](mailto:ask@psa.co.za) or contact PSA Provincial Offices.

Reuben Maleka  
GENERAL MANAGER