



FOR PSA MEMBERS: MPUMALANGA, NORTH-WEST AND NORTHERN CAPE PROVINCIAL OFFICES

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Government Employees Pension Fund (GEPF) information

Actuarial Interest Factors: Know Your Pension Value

The Public Servants Association (PSA) ensures members fully understand how their pensions are calculated. A key tool used by the Government Employees Pension Fund (GEPF) is the Actuarial Interest Factor (AIF).

What is an AIF?

AIF determines the present-day value of your future pension. It acts as a standard formula, providing fairness and transparency across all members. It answers the question: "What is my pension worth today, based on my service and salary?"

How is the AIF calculated?

- Actuaries consider: Current salary and years of service – Your contributions and service determine the base value.
- Projected salary growth – Expected increases until retirement are included.
- Time value of money – Money today is worth more than in the future.
- Life expectancy and fund assumptions – Ensures the fund remains sustainable for all members.

Applications for AIF

- Resignation Benefits – Calculates your lump sum if you leave before retirement.
- Retirement Benefits – Determines both the commuted cash portion and the monthly pension.
- Death or Ill-health Benefits – Protects dependents with fair and accurate payouts.

Why it matters?

- Transparency – Members understand how benefits are calculated.
- Fairness – Everyone is treated equally.
- Efficiency – Quick, consistent calculations.
- Security – Supports the fund's long-term financial health.

Example

A member with 20 years' service and a R300,000 salary resigns. Using the AIF, the fund calculates a fair lump sum without complex individual computations.

PSA Commitment

The PSA fights for clear pension calculations, member education, and protection of your retirement benefits. Your pension is earned. The AIF ensures it is calculated fairly and scientifically.

PSA: Protecting your rights, securing your future.

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GENERAL MANAGER