

For immediate release.

Date: 15 March 2021

GEPF pensioners will receive a 3.2% annual pension increase as of 1 April 2021.

Pretoria – Government Employees Pension Fund (GEPF) announced today that an annual pension increase of 3.2% is to be provided to its pensioners with effect from 1 April 2021.

This pension increase is based on the 3.2% inflation rate for the 12 months ending 30 November 2020, in line with policy and past practice, thus making the increase equal to 100% of Consumer Price Index (CPI) and higher than the 75% of CPI provided in terms of GEP Law and Rules.

Pensioners who retired on or before 1 April 2020 will receive the full 3,2% increase as of 1 April 2021, while pensioners who retired after 1 April 2020 will have their pensions increased proportionally for each month of retirement between the date of retirement and 31 March 2021, with effect from 1 April 2021.

It must be noted that increases such as this increase which is above what is provided for in GEP Law and Rules are granted at the discretion of the Board of Trustees of the GEPF taking the Fund's investment performance into account.

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Note to Editors

GEPF is governed by the Government Employees Pension (GEP) Law of 1996, as amended, and the rules that accompany it. These rules, along with GEPF's Pension Increase and Funding Level policies, give firm guidelines on how the Fund must decide the annual increase that is paid to pensioners. These documents state that GEPF's Board of Trustees may approve a pension increase after consideration was given to the financial conditions of the Fund and the effect of the proposed increases on the Fund.

BOARD OF TRUSTEES

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This minimum funding level states that the Fund's assets must be able to cover at least 90% of its liabilities. This means that what the Fund owns (its assets) must be able to cover the cost of at least 90% of what it owes in terms of the current and future pension payments that it is committed to pay (its liabilities). According to the rules, the Fund may thus only approve an increase that it can afford.

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