

FOR IMMEDIATE RELEASE

THE GOVERNMENT EMPLOYEES PENSION FUND PENSIONERS WILL RECEIVE A 5.5% ANNUAL PENSION INCREASE AS OF 1 APRIL 2022

PRETORIA, 07 MARCH 2022 – The Government Employees Pension Fund (GEPF) announced that an annual pension increase of 5.5% will be granted to its pensioners as at 1 April 2022.

This pension increase is based on the 5.5% inflation rate for the 12 months ending 30 November 2021 thus making the increase equal to 100% of Consumer Price Index (CPI) and higher than the 75% of Consumer Price Index (CPI) provided in terms of GEP Law and Rules.

Pensioners who retired on or before 1 April 2021 are to receive the full increase of 5.5 % as of 1 April 2022. Pensioners who retired after 1 April 2021 are to receive a proportionate increase based on the number of the months they have been in receipt of pension by 31 March 2022.

The GEPF has granted this increase to enable pensioners to keep up with rises in inflation. These increases are based on the affordability of the Fund at the given time. An affordable increase is one that can be granted without placing a strain on the sustainability of the Fund including current needs and future financial health of the Fund in order to continue paying benefits that are promised to our members.

When setting the pension increase, we consider:

- the investment returns earned over the year,
- the level of inflation over the same period,
- how both relate to the assumptions adopted in the statutory valuations and more importantly,
- how the increase will impact the financial position of the Fund.

BOARD OF TRUSTEES

Dr R Mokate (Chairperson) | Mr E Kekana (Vice Chairperson) | Mr S Cele | Col J Coetzer | Mr T Gamedze | Ms J Kandailal
Dr F le Roux | Ms K Makhupola | Mr S Mngomezulu | Mr T Mokwena | Adv M Ndaba | Lt Gen L Ntshiea
Dr M Pillay | Maj Gen M Sitshongaye | Mr P Snyman | Mr A Thompson

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

Pensioners will receive individual letters illustrating the new values of their pensions as of 1 April 2022.

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.

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.

For more information, please contact:

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