



Please don't act promiscuous with our state pension money.

Open letter to the Chairperson of the Government Employees Pension Fund

14 Nov 2023

Dear Mr Mogajane

I have read the 'Chairperson's Review' in the 'GEPF Annual Report 2023' as well as the press release 'GEPF Chairperson Dondo Mogajane announces launch of Transformation Policy' dated 10 October 2023.

My response is: Please Sir, do not act promiscuous with our state pension money.

I note the lofty ideal as per the 'Review' that you believe that the GEPF has a crucial role to play in the growth and transformation of the South African economy to empower not only fund members, pensioners and beneficiaries but also *'the disadvantaged members of our society and those who struggle to access funding and investments to play their part in our economy'* I further note that the Transformation Policy has as purpose a variety of objectives that, if properly analysed, are governmental political objectives with but one example: *'to deliver positive financial and social outcome for South Africa's previously disadvantaged populations, directly addressing historical disparities'*

I implore you, Sir, to read the founding legislation of the GEPF called the Government Employees Pension Law (GEPL) and especially sect 3: *'The Object of the Fund'* This limits the provisioning of benefits by the Fund to fund members, pensioners and beneficiaries. It does not allow the use of the fund to benefit *'the disadvantaged members of our society'* or *'South Africa's previously disadvantaged populations'* and all the other targets as set out in the Transformation Policy.

I also draw your attention, Sir, to GEPF rule 4.1.19 which determines that each trustee shall *'...take all reasonable steps to ensure that the interests of members in terms of the rules of the Fund and the provisions of the Law are protected at all times...'* It further reads that each trustee shall *'act at all times with due care and diligence and in good faith'* In legal jargon this is known as the fiduciary duty which rests on all trustees of the Fund.

With the greatest of respect, in adopting the Transformation Policy and especially adopting a policy that aims to provide benefits to a long list of beneficiaries not listed in the founding legislation, the Board of the GEPF stand in breach of the very same founding legislation. And please, do not try to hide your unconstitutional, unlawful and unreasonable action behind the statement that the Board's *'primary concern is to act in the best financial interests of the Fund and its beneficiaries'* The rest of the same sentence *'as well as the socio-economic transformation objectives of South Africa'* renders your policy unconstitutional, unlawful and unreasonable.

The GEPF is not a state department which, by law, must execute the policies of government. The GEPF is a pension fund whose sole object is to build the fund to the benefit of its members, pensioners and beneficiaries. The Fund has no loyalty or obligation to government or the disadvantaged members of our society or previously disadvantaged populations. To uplift the latter is the function of government – not the GEPF. GEPF funds are not to be used to fund government policies.

I once again plead with you, Sir, do not act promiscuous with our state pension money.

Respectfully

Albert van Driel Chairperson: AMAGP