



Project 'My Secure Pension': Who is willing to contribute R100 per month to free the state employees' pension fund from toxic political control?

AMAGP has calculated that an amount of more than R35billion of the Government Employees' Pension Fund (GEPF) has been lost to politically friendly investing. The reason: the two acts of Parliament that created the Government Employees Pension Fund and the Public Investment Corporation created an environment where, in practice, the Minister of Finance has total control over these two entities. (Note: R1billion = nine zeroes = one thousand million)

On the other hand, the private pension fund environment is regulated by the Pension Funds Act (PFA), which contains a variety of principles that safeguard these funds from abuse e.g.: i) funds must be invested 'in the best interest of the fund' ii) funds 'may not be invested in the business of the employer' and iii) others. These safeguarding principles are not replicated in the Government Employees Pension Law (GEPL) or the Public Investment Corporation Act (PICA). To the contrary, the GEPL specifically determines that the GEPF trustees shall determine the investment policy of the GEPF in consultation with the Minister of Finance. In practice the Minister thus determines the policy.

A judicial commission (popularly known as the Mpati-commission) investigated allegations of improprieties at the PIC and its 2020 report specifically recommended that the PIC Board of Directors should not be appointed by the Minister of Finance, and that the chairperson of the Board should not be the Deputy Minister of Finance. In 2021 the PICA was nevertheless amended to allow exactly this: i.e. that i) the PIC Board of Directors be appointed by the Minister, that ii) the Deputy Minister of Finance may be appointed as the chairperson of the Board and, in addition, iii) an 8-point list of political objectives is to be pursued during investing i.e. transformation and the creation of work. The result: R81billion of GEPF pension money is invested 'in the business of the employer' i.e. Eskom, and the media group Independent Media was bought with the racial motivation 'to create a black Naspers' The result of the latter – R4billion of GEPF pension money was squandered, clearly not in the best interest of the fund.

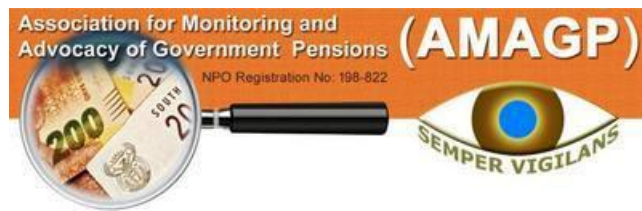
The political control over the GEPF's funds is a direct threat to the sustainability of the GEPF. It also contributed to the low pension increase that we received in 2023 i.e., 5.5%, being 75% of the inflation rate. The challenge is to rid the GEPF and PIC of toxic political control and as alternative implement the 'best interest of the fund' principle. Sound reasons exist for the above: e.g., the laws of parliament quoted above create an unequal and discriminatory pension environment where the pension funds of private sector employees enjoy sound statutory protection against abuse, whilst the pension fund for state employees does not enjoy equal statutory protection. The result: billions of state pension funds were, and still are being, diverted to political pockets.

Together with other institutions AMAGP is now launching a process to challenge the constitutionality of political control over our pension funds, with the primary purpose of strengthening the sustainability of our pension fund. Practically, we will approach the courts to set aside this discriminatory legislation and to declare the ministerial control over our fund as in conflict with the constitution. This may be a 4-year process.

Are you willing to contribute R100 per month (or an amount to your choice) to contribute to a fund to free the state employees' pension fund from toxic political control? These funds will be used for both the general administration of AMAGP and for the proposed legal process.

If you are not yet a member, join AMAGP by clicking on https://amagp.coffeecup.com/forms/amagp_membership/ and follow the instructions. Within a brief period, you will get a response and a membership-number.

To donate to AMAGP and to this project to litigate against the status quo, please arrange with your bank for a monthly stop order to AMAGP's bank account: Bank – FNB, branch: Brooklyn 251345, cheque account 627 4334 7454, use your (new) membership number or ID number as reference number.



Projek 'My Veilige Pensioen': Wie sal R100 per maand bydra om ons staatsdienspensioenfondse van toksiese politieke beheer te red?

AMAGP se berekening is dat daar reeds meer as R35miljard van ons pensioenfondse deur politieke vriendelike beleggings verlore gegaan het. Die rede: die twee wette wat die Government Employees Pension Fund en die Public Investment Corporation daarstel, plaas die Minister van Finansies prakties in totale beheer van ons pensioenfondse.

Die Pension Funds Act (PFA), wat die privaat pensioenfondse beheer, bevat 'n meervoud bepalings wat daardie fondse beskerm teen misbruik bv. i) pensioenfondse mag nie belê word 'in the business of the employer' nie, ii) alle beleggings moet in die beste belang van die fonds belê word en iii) meer. Geeneen van hierdie beskermende bepalings kom in die Government Employees Pension Law (GEPL) of die Public Investment Corporation Act (PICA) voor nie. Intendeel gee die GEPL aan die Minister van Finansies die bevoegdheid om, saam met die GEPL trustees, die beleggingsbeleid van die GEPL te bepaal – prakties skryf hy dit voor.

'n Geregtelike kommissie (bekend as die Mpati Kommissie) wat ondersoek ingestel het na onbehoorlikhede by die PIC, het in 2020 aanbeveel dat die Minister van Finansies nie die direkteure van die PIC mag aanstel nie en dat die Adjunk Minister van Finansies nie die voorsitter van die PIC direksie mag wees nie. Die PICA is egter in 2021 spesifiek gewysig om dit statutêr te wettig dat i) die Minister wel die direksielede moet aanstel, ii) die adjunk minister wel die voorsitter van die PIC direksie mag wees en iii) pensioen-fondse belê kan word ter nastrewing van 'n 8-punt stel van politieke doelwitte bv. vir doeleindes van transformasie en werkskepping. Die gevolg: R81miljard is in die 'business of the employer' naamlik Eskom belê en die aankoop van Independent Media is met pensioengelde befonds met 'n ras-gedrewe doel i.e. 'to create a black Naspers' wat direk gelei het tot die verlies van R4miljard pensioengelde – duidelik nie in die beste belang van die fonds nie.

Politieke beheer oor die staatsdienspensioenfondse bedreig die volhoubaarheid van ons fondse en het tot gevolg die lae pensioenverhoging wat ons vanjaar gekry het nl. slegs 75% van die inflasiekoers - 5.5%. Ons moet wegdoen met die toksiese beheer deur die Minister van Finansies en die PFA-beginsel van 'beste belang van die fonds' as alternatief toepas. Daar is goeie gronde hiervoor: die wetgewing soos bo na verwys skep 'n ongelyke en diskriminerende pensioen stelsel in Suid Afrika waar privaat werknemers se pensioene statutêr beskerm word maar staatsdienswerknemers se pensioene nie gelyke statutêre beskerming geniet nie met miljarde wat in politieke sakke beland.

Saam met ander organisasies loods ons tans 'n proses wat daartoe moet lei dat die politieke beheer oor die fondse van die Staatsdienspensioenfondse uit die hande van politieke ampsdraers geneem word. Dit het ten doel dat ons die volhoubaarheid van ons maandelikse pensioene vir die jare wat kom wil verseker. Ons gaan dus die hof nader om die diskriminerende wetgewing ter syde te stel en om die beheer deur die Minister van Finansies onkonstitusioneel te verklaar. Dit kan 'n 4-jaar proses wees.

Wie sal bereid wees om R100 per maand (of 'n bedrag na u keuse) by te dra tot 'n fonds waardeur ons die staat voor die hof sal daag om hulle te dwing om politieke beheer oor die staatsdiens-pensioene prys te gee?

Sluit aan by AMAGP. Klik op die skakel <https://amagp.coffeecup.com/forms/amagp%20membership-afr/> en volg die instruksies. U sal binne ure bevestiging kry tesame met 'n lid nommer.

Vir die donasie om die litigasie teen die staat te ondersteun: reël asseblief met u bank vir 'n maandelikse aftrekorder na die AMAGP bankrekening: Bank – FNB, tak nommer Brooklyn 251345, tjek rekening nommer 627 4334 7454, gebruik u lid nommer of ID nommer as verwysing.

Zirk Gous

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