



To all AMAGP and GEPF members

19 February 2026

## Invest or monthly pension option?

Friends,

In Aug 2025 the well-known financial advisor, Nico van Gijsen, published an article on Network24 comparing remaining in the GEPF against taking your money to invest yourself. He advises against lending out your ears to brokers who pursue not your best interest but commission. I use his timelines + original figures for the following calculation (by myself - using only his base figures + timelines here-under) arguing the same issue. We both arrive at the same conclusion.

*Option 1:* Client remain in the fund as a GEPF member:

- monthly income R33 124.00
- pension increase per year of 4%
- after 8 years: monthly income R45 332 and
- increasing annually with at least 75% of the CPI for the rest of his life

*Option 2:* Same client resigns, take his GEPF money to self-manage and immediately invest it in a retirement annuity (RA). The RA rules stipulate that you must take 2.5% minimum and 17.5% maximum per annum:

- amount available from GEPF to invest in the RA: R4million.
- to equal the GEPF monthly income of R33 124, he must withdraw 10% from his investment as from year one.
- for the next 7 years he must gradually increase his withdrawal from 10% to 17% to equal the GEPF monthly growth. The result of this is that his withdrawals begin exceeding his investment income and he begins 'eating' into his original R4million.
- in year 8 his monthly income declines by R6089. He thus receives R45 332 - R6089 = R39 243 and
- then downhill until his R4mill is depleted. *The result:* poverty enters the front door and pick up speed.

*The lesson learned from above:* The state official who opts for taking his/her pension funds for self-management will be on equal footing with his pension fund colleague for the 1st seven years. As from year 8 it will be downhill for him/her and he/she start outliving his/her hard earned money.

The AMAGP urges GEPF members to make the right decision when retiring. In our view the best option is to remain in the Fund.

Zirk Gous

**f/AMAGP NATIONAL EXECUTIVE COMMITTEE**