Association for Monitoring and Advocacy of Government Pensions (AMAGP)

NPO Registration No: 198-822

SEMPER VIGILANS

The Association for Monitoring and Advocacy of Government Pensions: A volunteer independent group of pensioners and civil servants concerned about the long-term viability of the GEPF and sustainability of its return on investments.

www.AMAGP.co.za

GEPF Watchdog - Waghond

GEPF Forum

Join AMAGP

GEPF
your investment, your future

NEWSLETTER NO 11 of 2025

AMAGP – Association for Monitoring and Advocacy of Government Pensions
AR – annual report
BOT – Board of Trustees [of the GEPF]
FSCA – Financial Sector Conduct Authority [previously the FSB]
GEPF - Government Employees' Pension Fund
PIC – Public Investment Corporation
ROI – return on investment
SCOF – Standing Committee on Finance
SCOPA - Standing Committee on Public Accounts
SLAPP - Strategic litigation against public participation
SOE – state owned entity

The Government Employees Pension Fund (GEPF) is Africa's largest pension fund. We have more than 1.277 million active members, in excess of 548 765 pensioners and beneficiaries, and assets worth more than R2.34 trillion. GEPF is a defined benefit pension fund that was established in May 1996 when various public sector funds were consolidated. Our core business, which is governed by the Government Employees Pension Law (or GEP Law), as amended, is to manage and administer pensions and other benefits for government employees in South Africa. https://www.GEPF.gov.za/ dd 22 June 2025.

WE [YOU] ARE THE OWNERS OF THE GEPF and we/you have the right to expect the GEPF BOT and the PIC to manage and invest OUR money in a responsible and profitable way, to the advantages of members and pensioners.

Note the misbalance: the single pensioner on the BOT representing all 548 765 pensioners and beneficiaries, and the 15 representatives from the multitude of trade unions and government departments representing the 1,277 million contributing members.

AMAGP does not want any GEPF member to leave the Fund, because it still is the best pension fund in the RSA. But, WE [you] as members and owners of the Fund have the duty to protect and safeguard it against abuse.

The Editor's Word

South African retirement fund members have withdrawn nearly R57 billion from their savings since the implementation of the two-pot retirement system in September 2024, with almost four million withdrawals recorded to date, according to SARS commissioner, Edward Kieswetter. See further below for more information on how much the tax on the withdrawals added to the state coffers.

The furore of Pres Trump's announcements has died down to some extent. The real effect is starting to be felt now. My experience is that cost of living has somehow increased markedly without it really been noticed.

Now for news from the media

The DA has submitted a PAIA application to determine the PIC's progress with the Mpati Commission's recommendations. Let's not get exited about early or ever revelations.

The GEPF has replied to the recent AMAGP media statement about the losses in the GEPF. Just confirming 'we're all right despite the statements in the media'.

10X provides brief advice on retirement planning. Good information.

The PIC sold half of our shareholding in Telkom despite it seeming to be an investment with good ROI. Why? Normal trading perhaps?

The newest AMAGP media statement is included for your enjoyment. Then another view of AMAGP's statement from The Investor.

The DA is staying focused on the Daybreak farms fiasco. Looks like accountability is going to be demanded.

A further article by 10X, recommending what we all know but don't do, start early to save for retirement.

NEWSNUUSNEWS

Synopsis

PIC clean up: DA submits PAIA application to Treasury

PoliticsWeb
By Andrew Bateman
24 April 2025

DA submits PAIA application to National Treasury to ascertain progress on PIC clean up

The DA has submitted a PAIA application to the National Treasury to determine which enforcement recommendations of the Mpati Commission into the PIC are being implemented.

A 2020 Commission of Inquiry led by Justice Lex Mpati, exposed significant governance, operational, and ethical failures within the PIC the asset manager for the GEPF. The Commission made a series of recommendations to rectify deficiencies and restore public trust.

In September 2024, the Minister of Finance reported to Parliament that the PIC had completed the implementation of these recommendations, including those that needed further forensic investigations. Where required, matters had been referred to the relevant law enforcement agencies including the Directorate for Priority Crime Investigations (the Hawks) and the FSCA.

In January 2025, the Minister was asked to furnish a description of every matter which had been referred to a law enforcement agency, and which law enforcement body, and any matters for possible referral which had not been referred with reasons. In a written reply to a Parliamentary question on 26 March 2025, the Minister declined to provide this information on the basis that investigations are ongoing and disclosure may disadvantage current and future legal action.

The DA rejects this lack of transparency. The recommendations of the Mpati Commission have been in the public domain for over five years. Parliament has been informed that the PIC has completed the implementation of these recommendations, including those that needed further forensic investigations and referrals. The public has a right to know that malign actors are being held to account by appropriate law enforcement bodies. The DA will not stand by idly when the retirement savings of government employees have been abused and those who are responsible for this abuse are not being held to account.

Issued by Andrew Bateman, DA Deputy Spokesperson on Appropriations, 24 April 2025

Comment

Well said. The PIC and GEPF lack of transparency is well known [notorious?] and has always been a matter of concern. What is there to hide from pensioners, beneficiaries and contributing members?

It is also questionable that investigations and legal actions have been in process for five years with no tangible results. It might be questioned if any action has indeed been taken.

Synopsis

STATEMENT IN RESPONSE TO INTERVIEW WITH MR. ZIRK GOUS OF THE ASSOCIATION FOR MONITORING AND ADVOCACY OF GOVERNMENT PENSIONS (AMAGP) AS PUBLISHED ON BIZNEWS TV YOUTUBE CHANNEL

The GEPF is aware of an interview held with Mr. Zirk Gous, Spokesperson of AMAGP that has been published on the YouTube channel, Biznews TV under the headline, “R33-billion in pension funds squandered on high-risk, politically-driven investments” that is being shared on social media. A summary of the interview has also been published as an article on the business website, BusinessTech under the headline, “R33 billion in pension savings down the drain”. In the interview, Mr. Gous makes a number of inaccurate statements about the GEPF, its investment policy and investments. This statement is intended to provide clarity on some of the matters mentioned incorrectly about the GEPF.

The statement that that the GEPF has squandered R33 billion is not accurate. The GEPF has grown from a R127bn fund at its formation in 1996 to a value of R2,38trn worth of assets under management (AUM) as at 31 March 2024, the highest in its history. The Fund recorded growth of 2,6%, which represents a growth of R61bn and an annual return on investment of 4,9% in FY2023/24. The GEPF’s 10-year annualised return was 7,2% for the period 2015-2024, demonstrating financial stability with a funding level of 110,1%. Despite the volatile economic environment, the GEPF remains financially strong and resilient.

On the matter of Daybreak Farms, it is important to clarify that the GEPF is not the sole owner of the entity. The GEPF holds a 33,33% share of the company with the Compensation Fund (CF) and Unemployment Insurance Fund (UIF) holding proportional shares of 33.33% each. This implies that any investment outlays into the entity or financial losses would be determined according to the shareholding structure of the company. The GEPF, like members and pensioners, is justifiably concerned about recent developments at Daybreak Farms. However, the business rescue process is welcomed under the circumstances and the GEPF will continue to watch the process closely as it unfolds to ensure that the Fund’s value and members’ interests are protected.

It is inaccurate that the Minister of Finance approves the investments made by the GEPF. The responsibility rests with the GEPF Board of Trustees as directed by the GEP Law, Investment Policies and through the Investment Mandate that guides the Public Investment Corporation on how to invest. The GEPF Board’s primary concern is that activities are in the best financial interests of the Fund and its beneficiaries, while promoting socio-economic transformation.

The GEPF Developmental Investment Policy guides the GEPF in investing to promote socioeconomic transformation objectives. These are return-seeking, sound investments that support and advance the transformation of the financial services sector and encourage the development of black-owned asset managers, including public/listed market fund managers, private market managers, stockbrokers, audit firms, actuarial service providers and emerging financial service providers.

Regarding impairments, it should be noted that an impairment is the incurred expected loss on an asset given the current available information. These expected losses are updated independently on an annual basis, and this is verified by the GEPF's external auditors. An impairment is raised when the following is deemed to have occurred in an investment:

- Uncertainties on the going concern on audited financial statements of its investees.
- Actual breaches of any original funding agreements that resulted in renegotiation of those agreements.
- Where cash flow projections have been revised downwards, it resulted in a decrease in enterprise values of investees.
- Anticipated pressure on investees in servicing their debt obligations.

The above conditions are affected by macro-economic variables and positive developments result in a reduction of the impairment value, shown as a reversal (as shown in page 151 of the 2023/24 annual report which can be found on the GEPF website, https://gepf.co.za/annualreports/).
Furthermore, the GEPF acknowledges the findings from the Mpati Commission of enquiry and has implemented recommendations relevant to it, including the enhancement of oversight and monitoring over its investments in a revised investment management agreement with the PIC.

We welcome Mr. Gous' accurate statement that the GEPF is neither under any financial threat nor are pensioners at risk of not receiving their monthly pensions. The GEPF is financially healthy and is fully funded. This means the Fund has enough money to pay all pensions now and well into the future. The last full actuarial valuation, which looked at the financial position of the Fund as at 31 March 2024, showed that the GEPF had over 119% of the money it needed to meet all its obligations – including a buffer for unexpected events. This is an improvement from the previous valuation, performed as at 31 March 2021, which reflected a funding level of 110,1%. The Fund continues to pay all pensions and other benefits in full.

In closing, we urge members and pensioners to be cautious about information shared on social media. While it is important to raise concerns and ask questions, it is equally important to check the facts. The GEPF remains committed to transparent and responsible management of the Fund. Our priority is, and has always been, to protect the interests of our members and pensioners.

Issued by the Government Employees Pension Fund

Comment

When you compare Zirk Gous's media statement to the blurb from the GEPF, you will note that the GEPF didn't refute what your AMAGP spokesman said. The GEPF explained away the negative implications by bland statements and directing attention elsewhere, to how good the GEPF is performing. Note the rhetoric in the GEPF statement – inaccurate about the Minister, we only own 1/3 of Daybreak [so it's not our problem], we have policies [do we comply with them?], you don't understand what impairments are [it's beyond our control], we acknowledge Mpati's recommendations [we won't tell you which of the recommendations we implemented], etc.
The caution about media news is quite true, however, I believe AMAGP has the facts, reported the facts and was correctly quoted.

Synopsis

Some retirement decisions to take

10X Retirement Products
24 February 2025

Even if you're looking forward to the end of your working career the idea of retirement can be daunting. We have an instinctive fear of using all our money up and a perfectly natural anxiety about a diminishing lifestyle. The good news is most of our concerns can likely be addressed by a few well-informed investment decisions.

The big unknown here is: How long will you be reliant on your retirement income?

The truth is that your retirement pot may have to last for a long time, possibly longer than you imagine. To make your savings last you need to give your money the chance to earn returns that outpace inflation at a healthy rate over time.

There are lifestyle adjustments you can make and not every expense reduction requires a major sacrifice. In fact, many changes in retirement can naturally lead to lower costs:

- Housing often represents the largest expense in retirement. Downsizing to a smaller home or moving to a more affordable area can substantially reduce monthly expenses while potentially freeing up capital from your property sale.

- Transport costs typically decrease in retirement. Without a daily commute, many retirees find they can manage with one car instead of two, or switch to a more economical vehicle.

- Entertainment and dining patterns naturally evolve. Many retirees discover they spend less while enjoying life more, as they have time to plan and cook meals at home or enjoy entertainment during off-peak hours.

Know your healthcare, estate and legacy planning situation

Here are some of those things you need to think about, but most people put off indefinitely.

Healthcare
- What medical aid coverage do you need as you get older? What are costs likely to be?
- Do you have an emergency fund or access to cash for out-of-pocket expenses or unforeseen events?
- Have you thought about chronic medication and how that fits into your medical insurance?
- What are your retirement living and long-term care/frail care options and costs?

Estate planning
- Is your will and testament up to date?
- Do you need to think about trust considerations for asset protection?
- Have you thought about power of attorney in case of incapacity?
- What are your most tax-efficient wealth transfer strategies?
- What are your estate duty and capital gains tax implications?
- Have you nominated and reviewed all your beneficiaries?
- Have you made provision for a surviving spouse?

Legacy planning
- Do you have any charitable giving goals?
- Do you wish to make use of inter-vivos gifting strategies?
- Do you want to provide education funding for your grandchildren or their children?
- Is there any family business succession planning that needs to take place?

Taking charge and changing what you can

When it comes time to retire or think about retiring, consider these key steps:

- Calculate your essential monthly expenses, and reduce investment and other costs
- Make the right investment choices, and if you need a sounding-board.
- Understand how much income you can sustainably draw from your retirement savings

The comfortable retirement you deserve isn't just about reaching a specific savings number - it's about creating a sustainable financial strategy that works for your unique situation.

Comment

Some information to consider before taking a decision. A good advisor or, better, several of them, can guide you in your thinking.

Synopsis

One state-owned entity sold a big stake in Telkom and lost out on millions

MyBroadband
by Drikus Greyling
11 June 2025

Telkom released its financial results for the year ended 31 March 2025, which showed an improved performance across many metrics.

Group revenue increased 3,3% to R43,9bn, and earnings before interest, taxes, depreciation, and amortisation (EBITDA) jumped 25,1% to R11,8bn. Telkom's free cash flow rose 555,2% to R2,8bn, and adjusted headline earnings per share (HEPS) increased 102,4% to 583,2 cents. Adjusted profit for the year for continuing operations increased by 130,5% to R3,4bn, and Telkom reinstated its dividend.

Openserve's fibre division continued to perform well. Fibre data revenue increased by 5,9%, driven by a 13,3% increase in homes to 1,38 million and a 50,4% connectivity rate. Openserve is South Africa's leading wholesale infrastructure connectivity provider and the country's largest open-access network.

Telkom Consumer increased operating revenue by 5,6% to R27,8bn, primarily due to the mobile business's strong performance. External revenue from the mobile business reached R24,4bn, an 8,3% increase, driven by 10,2% growth in mobile service revenue to R21bn.

Telkom CEO Serame Taukobong said that in 2023, they embarked on a strategy to serve as the backbone of South Africa's digital future. They reshaped the business to capitalise on its strengths and set clear goals and key performance indicators for the group and its operating divisions. "Today, our 2025 full-year results demonstrate that the competent execution of our data-led strategy is meeting and, in some cases, exceeding expectations," he said.

Many analysts shared Taukobong's view that Telkom is a good investment with better prospects than a few years ago. Piet Viljoen, a portfolio manager and executive director at Merchant West Investments, said Telkom is the kind of stock value investors dream about. It is unpopular, under-owned, asset-rich, and cash generative. It also has highly valued comparable assets owned by credible players. The market agrees with this assessment. The Telkom share price increased by 76% over the last year, showing investor confidence in the company.

The Public Investment Corporation sold a large stake in Telkom

Telkom's latest financial results showed that the PIC sold a significant part of its Telkom stake. For decades, the government has been the largest shareholder in Telkom. This continued despite its listing on the JSE in 2003. In March 2024, the government held 40,5% of Telkom directly and 15,89% indirectly through the PIC.

Although the 15,89% PIC shareholding belongs to the PIC's beneficiaries, namely state employees and retirees, it holds the proxy voting rights on those shares. This means the government has complete voting control on the PIC's shares, thereby giving the South African government a 56,4% controlling share in Telkom.

On 23 August 2024, Telkom announced that the PIC had disposed of a significant portion of its Telkom Shares. In its most recent annual financial statements, Telkom reported that the PIC now only owns 8,44% of the Telkom Group. This means that the PIC disposed of roughly 7,45% of its stake.

At the date of the announcement, the value of the PIC's disposed Telkom shares was worth around R983mn. Ever since the PIC disposed of the Telkom shares, Telkom's share price increased by 61% from R26,94 to R43,47.

This means the PIC's disposed shareholding would have been worth R1,6bn using the current share price. The beneficiaries of the PIC's Telkom shares, state employees and retirees, have therefore missed out on R606mn in Telkom share price increases.

In its March 2025 financial statements, Telkom reported that the South African Government still currently holds 40,50% in Telkom, and the PIC holds 8,44%.

Comment

We had about R2,8bn in Telkom. The PIC must have had a good reason for disposing of half of our shareholding. It is unlikely we will ever know. I wonder who bought the shares? Might be interesting to see if a 'political person of interest' now owns them and at what share price they were disposed of.

Also, share value is fickle, what is awesome today can and does drop to terrible tomorrow without notice. Normal in the stock market. So, the 'government' still controls Telkom with roughly 49% of the shares.

Synopsis

AMAGP Media Release 12 June 2025

The government must carry out 'high risk investments' with taxpayers' money and not GEPF funds

The cost of political transformation is the responsibility of the government with taxpayers' money and not that of the GEPF. The fact that government employees contributed to the GEPF does not make it a government-owned fund. This has already resulted in the loss of more than R33bn over the last few years due to high-risk, politically driven investments, with an additional loss of R166bn in opportunity losses in 2023-24 as well.

On 5 June, the GEPF released a statement, and on 10 June 2025, the PIC published an article that both denied an AMAGP statement that R33bn of government pension funds had been lost due to high-risk, politically driven investments. No facts were offered repudiating these statements. These denials nevertheless beg interrogation.

There is a denial that the Minister of Finance controls the investment policy of the GEPF. This, despite a GEPF document dated 28/09/2020 which was addressed to the GEPF BOT, wherein the Minister states: *'I hereby give concurrence for the BOT to implement the revised strategy portfolio'*, a document that to our mind confirms that the GEPF BOT functions under the firm political control of the Minister of Finance.

The investment mandate from the GEPF to the PIC is disclosed by the PIC in its statement: [that] it *'operates under a clear mandate that goes beyond simply maximising financial returns'* and includes *'making investments that foster economic development, industrialisation, job creation and broader transformation'*. In accepting this political control and in providing the PIC with a mandate *'beyond simply maximising financial returns'*, the GEPF BOT has abandoned its fiduciary duty to always act in the best interest of the Fund.

The statement that the GEPF has a strong financial standing because it has a funding level exceeding 110% is only half true (in fact, it is 119% funded). The funding level of a pension fund is, however, also measured by the funding level after the provision for contingencies. which, for the PIC, only stands at 81,6%. The GEPF's own funding policy states that the Fund should pursue a funding level *'after contingencies 'of 100%'*. According to Judge Mpati (who chaired the Commission of inquiry into allegations of impropriety at the PIC), underfunding, which in 2020 stood at 75,5%, equalled R583bn.

Significantly, the GEPF is staring down the barrel of a looming contingency. It is common cause that the state, as employer, is planning to cut the number of state employees by 30 000 over the next 24 months. This will result in an annual loss of income (from pension fund membership fees) of about 2% but an increase in expenses (from the payment of pensions due to an additional 30 000 pensioners) of about 5%, a real looming contingency.

The GEPF and the PIC must please clarify to us if the following is disputed by them: The GEPF is the only known pension fund client that affords the PIC with an investment mandate that includes transformation as a key element and that the PIC delivered a ROI to the GEPF of less than 5% for the year 2023-24.

The PIC also acts as an investment agent for about 19 other clients. The investment mandates from three of these clients specifically exclude transformation, i.e. the UIF, the Compensation Fund and the Political Office Bearers Pension Fund. All three have refused to expose their investments to political risk. Importantly, in the absence of such political risks, their ROI for the 2023-24 (and in previous years) surpassed 10%.

Apart from the R33bn lost to the GEPF in the year 2023-24, the GEPF also lost an additional R116bn. Crunching the numbers: the GEPF's net income from investments by the PIC for 2023-24, based on a ROI of 4,9%, was R116,22bn. Excluding the approval of transformation as an investment criterion (as the UIF and Compensation Fund did in 2019) could have rendered the GEPF a ROI of 10% plus, an opportunity loss of R116bn. In the private sector, such a loss, due to bad investment practices, would have resulted in the CEO and board chairmen losing their positions.

Government employees (GEPF members and pensioners) have reason to be concerned about the high-risk and politically driven investment mandate approved by the GEPF Trustees, abandoning their fiduciary duties. The PIC statement quoted above that it *'operates under a clear mandate that goes beyond simply maximising financial returns'* and *'includes making investments that foster economic development, industrialisation, job creation and broader transformation in SA'* is an indictment of the BOT and confirms that it is pursuing political objectives via its investment mandate and, thus, is not acting in the best interest of the Fund.

The BOT of the PIC equally failed in their fiduciary duty of acting in the best interest of its client, the GEPF. They well knew of the massive discrepancy between the ROI between the GEPF and its other three clients. With the above glaring differences, they should have advised against or even refused to invest in high-risk, politically driven investments like the unlisted entities such as those in the Isibaya portfolio.

Even if the PIC directors are appointed by the Minister of Finance in consultation with the cabinet and even if the chairperson is the Deputy Minister of Finance, this fiduciary duty stands indisputable. They clearly failed in their fiduciary responsibilities towards their client, the GEPF.

Transformation in South Africa has its merits. Job creation and economic development are laudable. These, however, are political goals to be pursued by the government, using taxpayers' money. It is not the function of the GEPF as a pension fund to pursue political goals and put pension money at risk.

Comment

Dear reader, the facts speak for themselves, as to the rhetoric from the PIC and GEPF.
Interesting the Political Office Bearers Pension Fund *declined the transformation investment policy, ie the politicians in parliament and government down to municipalities, don't want their pension fund to be involved in transformation projects. Hmm, what does that tell us?*

Synopsis

South Africa's biggest pension fund under the spotlight

Daily Investor
19 June 2025

The GEPF has been criticised for wasting billions on high-risk, politically driven investments. It responded, stating that its finances are in good health.

Last month, Zirk Gous from the AMAGP said the GEPF lost billions through bad BEE deals. Gous told Biznews that the PIC and GEPF have a transformation policy in place, for which they use the Isibaya fund. The PIC said that through Isibaya, it promotes development and inclusive growth through its Unlisted Developmental Investments, which create both social and financial returns.

Gous said Isibaya has a large number of investments, and many of them perform poorly, which was highlighted in a judicial commission of inquiry into allegations of impropriety at the PIC. "The finding of this commission is that 44% of the Isibaya investments are at risk of failing or are failing. It is indicative of the risk as identified by the commission," he said.

Gous said looking at the PIC and GEPF's annual statements and annual reports is a horror story, and that they have impaired billions. He highlighted that a large part of the impairments come from the Isibaya fund, illustrating how risky those investments are.

"Now, if that is not high risk, please advise me what is considered high risk. The Isibaya fund is really bad, bad news," he said. Gous added that the money lost through bad deals belongs to state employees and vulnerable pensioners.

The GEPF hit back, saying Gous made several inaccurate statements about the GEPF, its investment policy and investments. The GEPF said it was financially healthy and fully funded. This means the Fund has enough money to pay all pensions now and well into the future.

GEPF performance

The GEPF is a government-defined benefit plan and, therefore, is subject to the Government Employees Pension Law, 1996. It is not subject to regulation 28 of the Pension Fund Act, 1956. The GEPF, however, stated that although, it is not subject to Regulation 28, it chooses to remain Regulation 28 compliant.

The GEP Law is more restrictive than the Pension Fund Act regarding exposure to offshore investments. The GEP Law only allows the PIC to have up to 10% of its pension funds invested in offshore assets. Regulation 28 of the Pension Fund Act allows pension funds to invest up to 45% in offshore assets.

Over the past decade, the GEPF has, through a combination of employee contributions and investment returns, increased the fund size from R1,42trn to R2,38trn. Taking the effect of the benefit payouts and contributions into account, the GEPF achieved an annualised return of 7,2% over the past 10 years.

Daily Investor compared the returns of the GEPF with those of other Regulation 28-compliant funds suitable for pensioners to invest in. The GEPF was compared to three large South African asset manager funds, which included:

- Allan Gray Balanced Fund
- PSG Balanced Fund
- Coronation Balanced Plus Fund

All three funds are Regulation 28 compliant, meaning they are eligible for investment by pension funds. Comparing the GEPF to these funds shows it has underperformed them in each of the measurement periods.

Annualised return	GEPF	Allan Gray	PSG	Coronation
10 year	7,2%	8,3%	8,4%	7,9%
5 year	7,66%	9,4%	10,1%	9,8%
1 year	4,78%	10,8%	4,9%	12,5%

10-year investment comparison

Over a 10-year period, the GEPF achieved a 7,2% annualised return while the closest comparative fund was the Coronation Balanced Plus fund with 7,9%. If R1mn were invested in each of these funds from the beginning of the 10 years, the GEPF investment would be worth R2mn.

The best performer in this comparison, PSG Balanced Fund, would be worth R2,24mn, delivering R240 000 more.

Comment

View from the Daily Investor. One must wonder how the GEPF underperforms so significantly, given that the GEPF is paying about 40 brokers to invest for it. Possibly the lack of performance is the millions paid to these brokers n brokerage fees for their performance or, possibly, the lack of it.

Synopsis

DA concerned that the PIC is protecting a potential Daybreak looter

Issued by Dr Mark Burke MP, DA Spokesperson on Finance
19 Jun 2025

Outgoing PIC CEO Abel Sithole admitted that the PIC did not implement its own disciplinary committee's recommendation to fire company secretary Bongani Mathebula.

It's also not clear from the PIC's evasive responses whether it implemented the Mphati Commission's recommendation that the PIC Board examine Mathebula's reinstatement. The PIC potentially misled parliament earlier in the day when it stated that all the Mphati Commission's recommendations had been implemented.

Should they exist, the DA is demanding the board meeting minutes where it formally implements the Mphati Commission's recommendation to examine whether Mathebula's reinstatement was sound. The PIC also admitted, after probing, that it chose not to fire Mathebula based on the outcome of a forensic investigation by JGL Forensic Services, implicating Mathebula in wrongdoing.

A Sunday Times investigation found Mathebula broke the PIC's own rules to recommend Lerato Nage to the board of Daybreak Foods.

The reporting estimates that R150mn flowed from the now bankrupt Daybreak under Nage's chairmanship to companies of Pule Malahlela. Mathebula is also the former business partner of Malahlela. This was allegedly done using fictitious or inflated invoices, double invoices and false invoices for work not done.

The DA will continue pursuing accountability at the PIC and Daybreak. Public pensioner money cannot be looted without consequence, killing companies and jobs in the process.

Comment

Thanks to the DA for taking up the challenge. Let's hope it is going to end in legal action for those who caused the downfall of Daybreak.

Synopsis

Retirement shock for South Africa

BusinessTech
Malcolm Libera
18 Jun 2025

South Africa is facing a retirement crisis, with the latest 10X Retirement Reality Report revealing that only 6% of South Africans are on track to retire comfortably. According to the firm, to be considered financially prepared for retirement, a person should be able to replace around 75% of their final salary through their savings and investments.

The benchmark used by 10X Investments suggests that by 63, a person would need around R7,5mn saved to earn roughly R25 000 per month before tax, assuming a safe annual drawdown of 4%. Andre Tuck, Senior Investment Consultant at 10X, noted that the shortfall in retirement savings is driven by people not saving enough during their working lives and starting too late. As a result, millions of South Africans will have to continue working well past traditional retirement age.

Due to the country's poor savings rate, Kanyisa Mkhize, CEO of Sanlam Corporate, added that most working South Africans will have no choice but to work until they're 80. She highlighted the gap between retirement expectations and reality. "The consumer portion of a Sanlam study showed that respondents expected to retire comfortably at 60," she said.

"However, a separate piece of work by Sanlam Corporate showed that South Africans, on average, may need to work a full two decades past the normal retirement age to maintain their lifestyle." Mkhize added that a large part of the problem is that people are not seeking financial advice soon enough.

"Our 2025 Benchmark study found that almost half of respondents use Google for financial information and just 22% consult a financial advisor," she said. "Retirement outcomes are unlikely to improve if people aren't seeking professional guidance and don't fully understand their realistic retirement age."

Two-Pot Retirement System compounding the problem

Adding further pressure is the newly implemented Two-Pot Retirement

System. 36% of survey respondents have already accessed this option, either in part or in full.

Mkhize warned that while these withdrawals may offer short-term relief, they significantly reduce the likelihood of a confident retirement. Nearly half of the people who changed jobs cashed out their retirement savings completely, and 26% said they would only start seeking retirement advice within the last five years before retirement. “These findings from retirement fund members point to a system under pressure,” she said.

The early withdrawal trend also drew attention from the SARS. Commissioner Edward Kieswetter revealed that SARS expects to collect between R11bn and R16bn in taxes from two-pot withdrawals, far exceeding the original estimate of R5bn to R6bn.

At an Allan Gray webinar this year, Kieswetter said about 2,4 million fund members had already withdrawn over R43bn, accounting for nearly 40% of the 6,5 million South Africans who contribute to retirement funds. While this spike in withdrawals has temporarily boosted tax revenue and VAT through increased consumer spending, Kieswetter warned of longer-term dangers. “This represents a troubling depletion of South Africa’s national savings pool,” he said, adding that this could have serious consequences for future financial security.

To illustrate the impact of early withdrawals, Leone Hitge, Investment Marketing Manager at Ninety One, compared two hypothetical investors contributing R100 000 annually to a retirement annuity over 20 years, with an assumed return of CPI plus 5%.

> Investor A withdrew their available savings each year and ended up with R2,26mn. Investor B, who left the savings untouched, accumulated R3,39mn, more than R1mn higher.

“In a nutshell, withdrawing all the funds from your savings pot every year can reduce your total retirement portfolio by approximately a third compared to leaving it untouched,” Hitge explained. She also reminded investors that two-pot withdrawals have an added tax liability, further eating into their long-term savings.

Comment

Good advice to invest in retirement earlier than we really do. It is just a fact of life that many of us live a life of quiet desperation, living from one month to the other, which is why the two pot withdrawals solve the immediate problems at the cost of ignoring the later ones.

THE GEPF WATCHDOG / WAGHOND FACEBOOK PAGE

Welcome to our page!!

Join AMAGP

The GEPF Watchdog/Waghond Facebook page is the social media platform of the non-profit organisation “The Association for the Monitoring and Advocacy of Government Pensions” (AMAGP). The AMAGP has only one agenda point – safeguarding the GEPF against looting and mismanagement.

We are the owners of the GEPF, and we have the right to expect the GEPF Board of Trustees, and the PIC, to manage and invest OUR money in a responsible and profitable way. To the advantages of members and pensioners!

Most of our GEPF members are content with the fact that pensioners still get their monthly pension and perhaps a non-inflation related increase sometimes. They are convinced by GEPF newsletters and ambitious GEPF AR that our Fund is in a superb condition. The AMAGP newsletters, annual reports and press releases tell a different story.

Member totals: Government Employees Pension Info (Fb) has in excess of 78 000 members, GEPF WATCHDOG (Fb) in excess of 52 000 members and AMAGP about 8 000 members and growing. The total is about 138 000. This isn’t even close to being enough to convince the ‘government’ to pay attention when AMAGP releases media statements. The continued growth in AMAGP numbers confirms the ever increasing concern pension fund members and pensioners have about the future of their pensions.

As a member of the GEPF (working or retired), this Facebook page will keep you updated about any developments affecting the health of YOUR Pension Fund. It also provides you with the opportunity to participate in the debate and raise issues of concern.

Please read the articles that are posted on the wall, BUT also under "files and FEATURED". You can get further information on our website – there is no reason to be in the dark regarding our/your Pension Fund, and what you must do as a member.

This page will only have any value for you if you join the AMAGP. Note there are no membership fees, but we urgently need your financial support for legal actions and other projects. You don't have to do any work for the AMAGP if you do not wish to do so – BUT your membership will add one more voice to AMAGP convince the government our pensions remain ours, not theirs to misuse.

VRYWARING

Die AMAGP maak die Nuusbrief beskikbaar as 'n diens aan beide die publiek en AMAGP lede. Die AMAGP is nie verantwoordelik en uitdruklik vrywaar alle aanspreeklikheid vir enige skade van enige aard wat sal ontstaan uit die gebruik of aanhaling of afhanklikheid van enige informasie vervat in die Nuusbrief nie. Alhoewel die informasie in die Nuusbrief gereeld opgedateer word, kan geen waarborg gegee word dat die informasie reg, volledig en op datum is nie.
Alhoewel die AMAGP Nuusbrief skakels mag bevat wat direkte toegang tot ander internet bronne verleen, insluitende ander webtuistes, is die AMAGP nie verantwoordelik vir die akkuraatheid of inhoudelikheid van informasie binne daardie bronne of webtuistes nie.

DISCLAIMER

The AMAGP provides the Newsletter as a service to both the public and AMAGP members.
The AMAGP is not responsible, and expressly disclaims all liability, for damages of any kind arising out of use, reference to, or reliance on any information contained within the Newsletter. While the information contained within the Newsletter is periodically updated, no guarantee is given that the information provided in the Newsletter is correct, complete, and up to date.
Although the AMAGP Newsletter may include links providing direct access to other internet resources, including other websites, the AMAGP is not responsible for the accuracy or content of information contained in these resources or websites.