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HANDS OFF OUR PENSION FUND!!!

NAPTOSA has noted reports over the weekend that Government plans to *inter alia* access retirement savings, at a favourable rate, as part of its economic recovery plan. The funds are to be utilised to finance long term infrastructure projects and high-impact capital projects.

The economic impact of the COVID-19 pandemic is clear to see with an estimated 3 million employees losing jobs since lockdown was implemented in South Africa in March 2020. This on top of a staggering unemployment rate of 30,1% in the first quarter of the year. With such figures facing the country, who could oppose an economic recovery plan? NAPTOSA certainly supports a recovery plan, but we strongly oppose the envisaged method.

It has always been NAPTOSA's position that for the GEPF to lend pension moneys to Government or viable State-owned Enterprises there has to be guaranteed returns on investment that equates to profitability for the Fund as could be achieved in the open market. The reported envisaged approach by Government to borrow from pension funds at a 'favourable rate' is unlikely to achieve this, because the rate will likely favour Government rather than the pension funds.

In addressing the impact of the imposed lockdown measures, Government has released a laudable amount of funding to fight the pandemic and assist companies, employees, the unemployed and the poor. But unfortunately, where there is funding, corruption follows. In fact, it sometimes feels as if corruption leads funding, i.e. corruption is so ingrained in the fabric of government and the administration that it is permanently there, waiting for funds to be released.

With an ongoing investigation into corruption by the Zondo Commission, it was expected that the funding set aside for the fight against the pandemic would not fall foul of any corrupt activity. Surely, no-one would be so callous as to pilfer funds or enrich themselves at the expense of the most vulnerable in society. But sadly, we were once again disappointed. The COVID-19 corruption is so bad that some countries making donations to the South African effort are now planning to make the donations directly to beneficiaries and not through Government.

In such a toxic environment, how can employees be expected to part with a portion of their pension money for Government to borrow in an economic recovery plan? As NAPTOSA we say, "Hands off our pension fund, until there is clear evidence that Government is able to implement a corruption-free plan and guarantees profitable returns".

Based on the evidence and track record of Government dealing with corruption, this is a pipe dream. There is no comfort in Government investigating corruption in Government in order to report to Government. Until we see decisive action, with corrupt officials and politicians being brought to book, NAPTOSA will resist efforts to utilise GEPF funds, albeit for a commendable purpose.

As in the past, NAPTOSA wishes to advise members not to take any rash decisions based on the intentions of Government. Relinquishing one's work in the current economic climate to access pension money could, in the long run, prove to be detrimental. The GEPF is a defined benefit Fund, guaranteeing the benefits members will receive upon retirement. The GEPF also carries additional provisions to guarantee the viability of the Fund, for instance s. 17(4) which determines as follows: *"If any action taken by the employer or if any legislation adopted by Parliament places any additional financial obligation on the Fund, the employer or the Government or the employer and the Government, as the case may be shall pay to the Fund an amount which is required to meet such obligation."*

Please remember that NAPTOSA will fight for your rights and benefits and will closely monitor any attempts to amend the GEPF Act to the detriment of members.

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EXECUTIVE DIRECTOR