

MEDIA RELEASE

Government pensioner increase totally unacceptable and an insult to senior citizens

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EMBARGO

None

ENQUIRIES

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The Public Servants Association (PSA), representing more than 240 000 public-sector employees, including some 207 000 (87.3%) members of the Government Employees Pension Fund (GEPF), strongly condemns the meagre 2.9%-pension increase granted by the Fund to pensioners for 2025.

The PSA is extremely concerned that this increase, despite being in line with the November 2024 year-on-year Consumer Price Index (CPI) and exceeding the 75% minimum required by the *GEPF Law and Rules*, is completely inadequate in the face of rising living costs. Public service pensioners, many of whom are former PSA members, dedicated their lives to public service and now find themselves struggling to make ends meet. This insultingly low increase will exacerbate financial distress amongst pensioners, eroding their buying power and making it increasingly difficult for them to cover essential expenses, including rising medical-aid costs. Many pensioners are already forced to downgrade or cancel their medical-aid plans owing to affordability constraints, creating further stress and hardship.

Against the backdrop of financial markets performing well, with a growth of 9.2% in the Johannesburg Stock Exchange All Share Index during 2024, the meagre increase, that does not even meet the average CPI increase of 4.4% for 2024 cannot be justified. This inadequate increase again raises questions on whether funds managed by the Public Investment Corporation on behalf of the GEPF are well looked after.

The PSA urges the Minister of Finance, the Departments of Public Service and Administration, and the GEPF Board to reconsider this paltry increase and instead implement a more substantial adjustment that acknowledges the financial strain on pensioners. If the GEPF is financially sound it should at least be able to match the 5.5% increase that government is prepared to grant to public servants. The PSA urges the GEPF to explore innovative solutions to provide meaningful relief to pensioners who have dedicated their lives to serving the country. The PSA remains committed to advocating for fair and sustainable pension adjustments that reflect the economic realities faced by pensioners.

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