

MEDIA RELEASE	PSA concerned about proposed amendments to Regulation 28 of <i>Pension Funds Act</i>
DATE	26 August 2024
EMBARGO	None
ENQUIRIES	communication@psa.co.za

The Public Servants Association (PSA) has noted a recent article in the *Daily Investor*, where *Futuregrowth* asset manager expressed concerns about government's plans to compel South African pension funds to invest in government-approved investments.

The PSA shares these concerns and believes that the proposal, as outlined by the Minister of Trade, Industry, and Competition, could have serious implications for the financial security of public-service employees. The Minister's indication that the Department is considering amendments to Regulation 28 of the *Pension Funds Act* to enable pension funds and other asset managers to finance industrial policy initiatives is worrying. Whilst the intention to drive economic growth and industrial development is understandable, this approach may place the hard-earned pensions of public-service employees at undue risk.

Pension funds exist primarily to provide financial security for employees upon retirement. Any action that mandates investments in government-approved projects, especially without thorough consultation with all stakeholders, including unions and their members, could undermine this primary objective. The PSA is particularly concerned that such amendments may lead to the politicisation of pension-fund investments, potentially prioritising political agendas over the financial well-being of pension-fund members.

The PSA calls for a transparent and inclusive dialogue on this matter. It is imperative that any proposed changes to pension fund regulations prioritise the safety and growth of investments. The PSA will continue to monitor the situation closely and will engage with relevant stakeholders to ensure that the interests of public-service employees are protected.

The PSA stands firm in advocating for responsible and prudent management of pension funds, ensuring that public servants can retire with dignity and security. The PSA urges government to reconsider this proposal and engage with stakeholders to explore alternatives that align with both national economic objectives and the financial security of employees.

END