



FOR PSA MEMBERS: **PENSIONER MEMBERS**

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## PSA advocates for fair pension increases for retired Public Servants

The PSA remains steadfast in its commitment to protecting the financial well-being of pensioners. In light of the inadequate 2.9% pension increase for 2025, the PSA has taken decisive action by addressing the matter directly with the Government Employees Pension Fund (GEPF) Board, the Principal Executive Officer, and the Minister of Finance.

The PSA has formally requested that the GEPF Board urgently review and revise the 2025 pension increase, which fails to align with inflation and the rising cost of living. The GEPF Rule 23.2.1 requires pension adjustments to keep pace with the Consumer Price Index (CPI), yet pensioners are experiencing a substantial decline in their purchasing power.

Pensioners are experiencing increasing financial pressure due to sharp rises in essential expenses. One of the most significant cost escalations is in medical aid contributions, with the Government Employees Medical Scheme (GEMS) implementing a 13.4% increase for 2025, following a 9% increase in 2024. These rising healthcare costs place a considerable burden on pensioners, many of whom rely on medical aid for essential treatment.

Another major financial strain comes from electricity tariffs, which have increased by 12% in both 2024 and 2025. With energy costs forming a substantial portion of household expenses, these hikes further reduce the disposable income available for other necessities. Additionally, general inflation continues to drive up the costs of food, transportation, and healthcare, making it increasingly difficult for pensioners to manage their finances.

For pensioners earning over R120 000 annually, the real value of the 2.9% pension increase is significantly diminished due to taxation. Those with lower incomes face even more severe financial distress, with some experiencing a net financial shortfall, making it impossible to keep up with rising expenses.

To address this crisis and protect pensioners' financial security, the PSA has urged the GEPF Board to implement targeted relief measures. The PSA proposes a Catch-Up Increase to rectify past losses due to

inflation and restore pension values to a fair level. Additionally, a supplementary increase is necessary to provide immediate relief in response to the rising cost of living.

These measures align with Section 8.2.1.3 of the GEPF Pension Increase Policy (2013) and are financially viable. The most recent actuarial assessment confirms that the GEPF remains financially strong, with funding levels surpassing 100%. Implementing these adjustments will help pensioners sustain a reasonable standard of living amid rising economic challenges.

The PSA is awaiting a response from the GEPF Board and the Minister of Finance. We will continue to engage with all relevant stakeholders to ensure that pensioners receive the fair and just treatment they deserve.

The PSA assures its members that it will not relent until pensioners receive the support and financial dignity they have earned through years of dedicated service.

Further updates will be provided as soon as feedback is received from the GEPF.

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