

MEDIA RELEASE



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25 April 2024

GIPF BOARD APPROVES 5% INCREASE IN MONTHLY PENSION AND DISABILITY BENEFITS

The Government Institutions Pension Fund (GIPF) is pleased to announce the following pension and disability income benefits:

- A 5% income increase for active annuitants pension (pensioners, spousal and child beneficiaries) effective 01 April 2024;
- A 5% income increase in respect of members on disability effective 01 April 2024;
- Pensions and disability income that have been in place for a year or more are eligible for a full 5% increase and those that are under a year are eligible for a pro rata increase based on the number of months the pension has been in effect.

The Board of Trustees took this decision after a thorough actuarial due diligence process and in consideration of various factors such as the inflation rate, cost of living, and reasonable benefit expectations of its active annuitants, affordability on the part of the Fund and the average annual return over the last five years, as well as the current and future liabilities and the assets of the Fund to ensure that the Fund's assets can adequately cover its liabilities. Given the fact that returns on investments are volatile from year-to-year, the Fund has adopted a 3-year averaging method for the GIPF, with the returns of each December year-end serving as a reference point.

By awarding annual pension increments, the Fund considers creating a delicate balance by considering the volatile investment environment, global geo-political circumstances, the need to manage expectations regarding pension increases while ensuring that our active annuitants (which stood at 51, 484 as of 19 February 2024) live reasonably within inflation parameters.

“A pension increase serves to cushion pensioners from unexpected changes in their purchasing power and hence the incessant ability to increase members' benefits annually. The Fund aims to match the Namibian Consumer Price Index (NCPI) to ensure that pensioners retain their purchasing power over time, subject to affordability”, said Martin Inkumbi, GIPF CEO and Principal Officer.

The GIPF is further pleased to announce an increase of 5% for all its members who are receiving a monthly disability income from the Fund. The increase was because of a thorough actuarial due diligence process that was undertaken and that informed the Board of Trustees who also took into consideration that this group of members last received a disability income increment seven years ago.

“The Fund is committed to guarding and growing all members’ financial security, hence the increase in the disability income which serves to cushion disabled members from unexpected changes in their purchasing power”, concluded the GIPF CEO/ Principal Officer, Martin Inkumbi.

#ENDS#

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