



GIPF
Government Institutions
Pension Fund

To guard, and to grow.



CORPORATE PROFILE

2024

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TO GUARD,
AND TO
GROW.



VISION

To be a member focused and globally leading pension fund.



MISSION

To safeguard and grow the fund for the benefit of our members and their beneficiaries.



VALUES

Teamwork:

We will work together as a team in support of one another in fulfilment of our mandate.

Service Excellence:

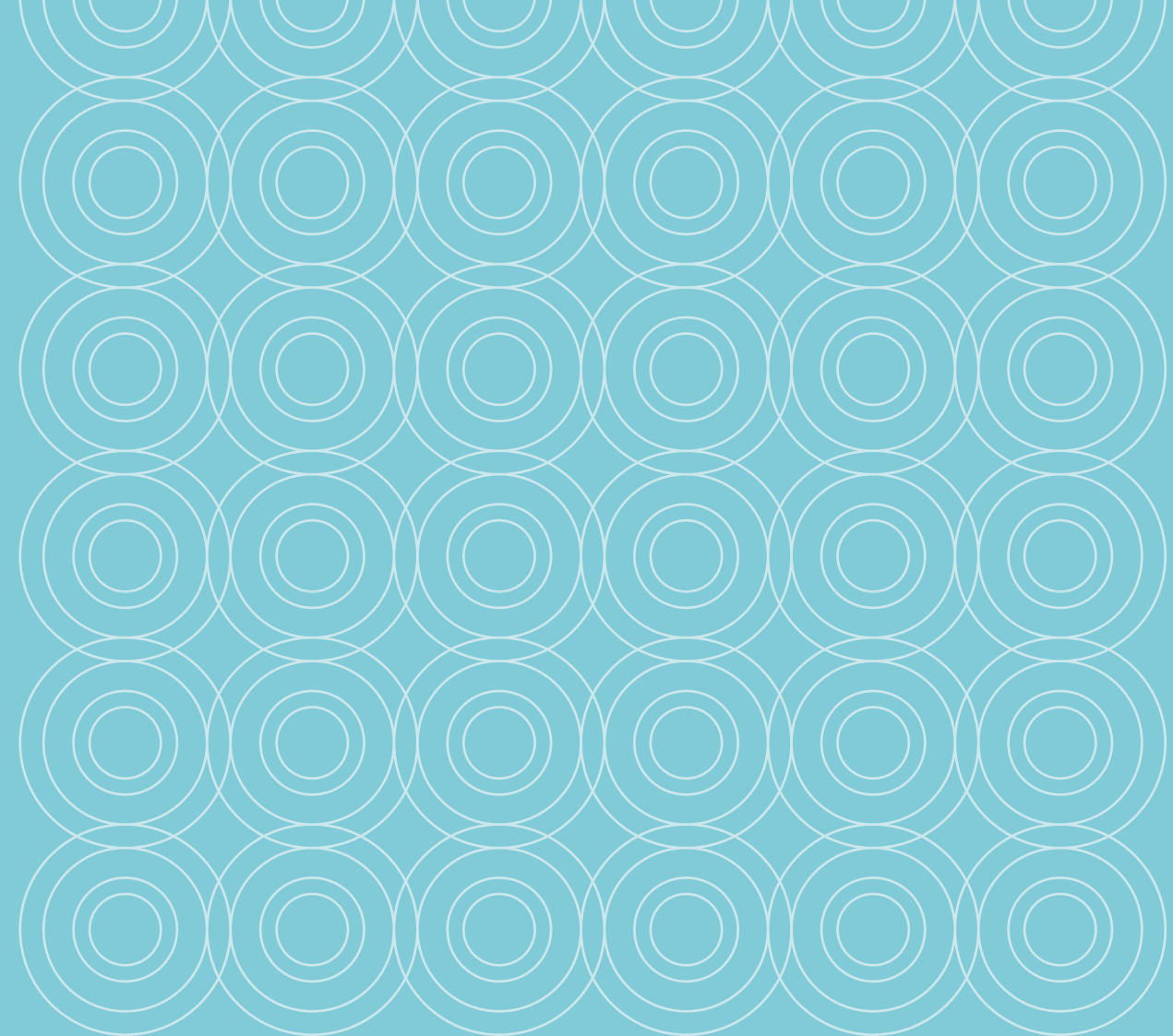
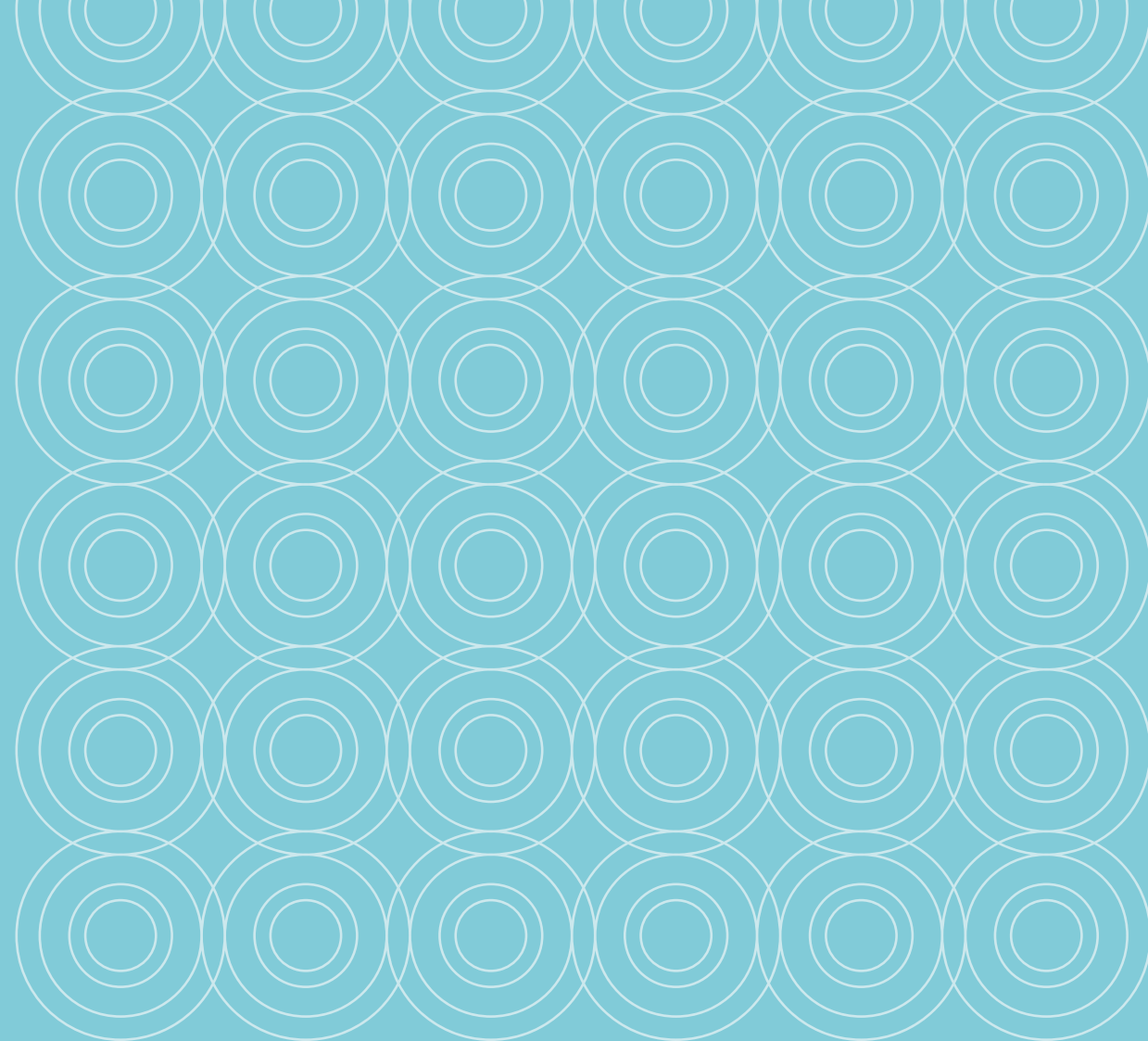
We will strive to deliver a positive and professional member experience in an efficient manner.

Integrity:

We will always be honest, fair, transparent, ethical and trustworthy in everything we do.

Care:

We will be empathetic in our interactions with our members and responsive to their needs.



INTRODUCTION

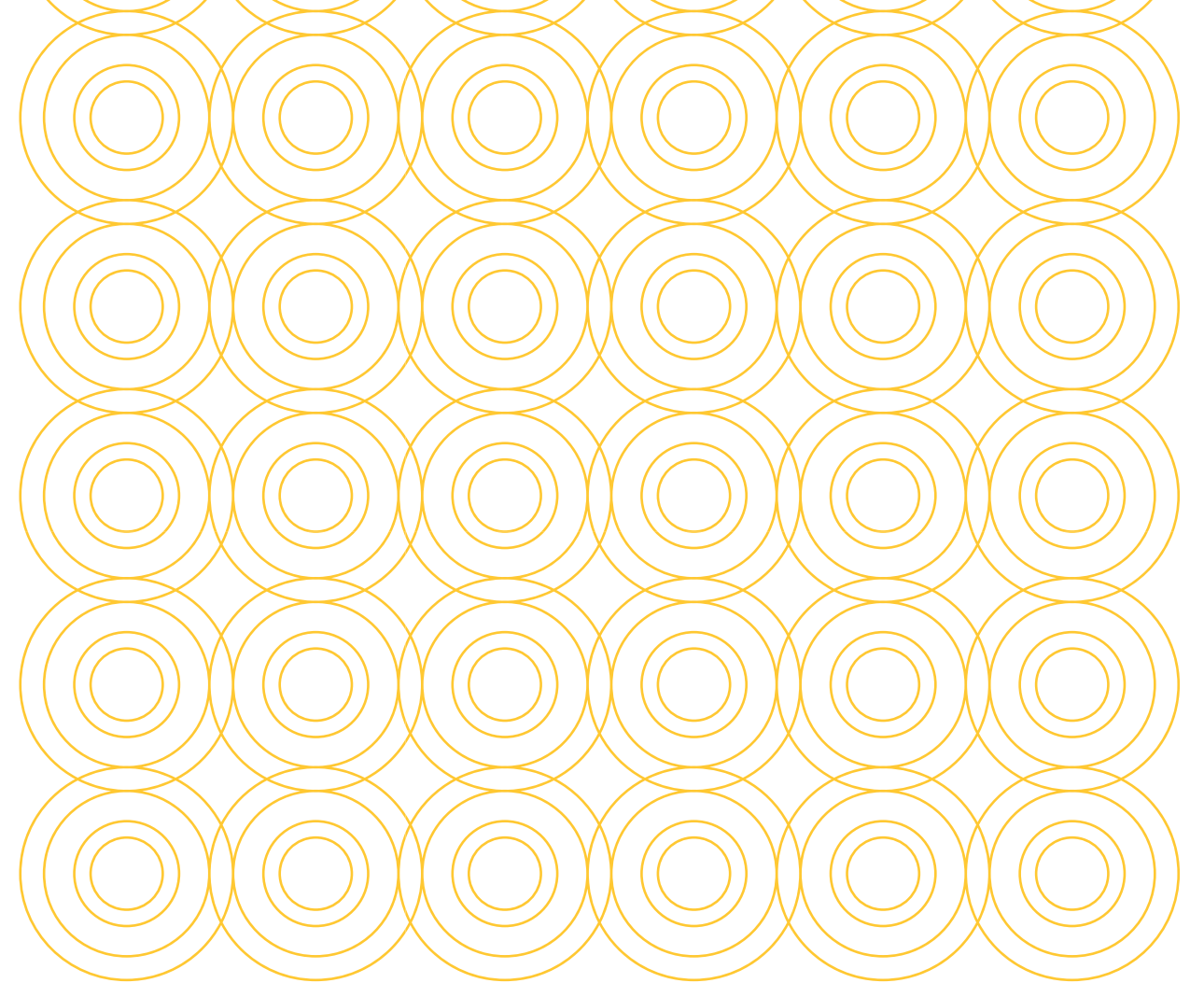
ONE OF THE FEW IN AFRICA

The Government Institutions Pension Fund (GIPF) was established in 1989 and offers benefits to employees in the service of the Namibian Government. The fund provides pension benefits to institutions such as parastatals and mission hospitals. Its operations are guided and are subject to the provisions of the Pension Funds Act and the Income Tax Act, in exactly the manner as all other private sector pension funds in Namibia.

It is believed that GIPF is the first government pension fund in the world to have successfully completed a privatisation process. GIPF is one of the few fully funded pension funds in Africa that have built up enough funds to cover its liabilities. In addition, the GIPF provides an excellent structure of pension benefits that are market related with affordable contribution rates.



A DEFINED BENEFIT PENSION FUND



Guaranteed pension benefits

GIPF is a defined benefits pension fund that provides guaranteed pension benefits to its members. This means that should liabilities of GIPF exceed its assets, (e.g. bad performance of the markets), the employer undertakes to cover the shortfall. The benefits are defined in terms of the Rules of the Fund and most of the benefits are calculated based on the final average salary and years of service, which is the number of years that the member was employed by the Government or member institution and contributed to the Fund.

The scheme provides guaranteed benefits to members no matter what happens in the stock market, how long a member lives after retirement, or whether they become disabled and unable to work. Besides the above benefits, GIPF provides funeral benefits to its members at no cost.

Real value pension benefits

For any business, attraction and subsequent retention of key personnel is of strategic importance. An employer who fails to provide a competitive and comprehensive range of attractive staff benefits will soon lose key employees. GIPF provides excellent benefits to its

members, which is one of the key incentives for civil servants to stay in public service. Many members who could earn a higher salary in the private sector remain in public service because of the guaranteed pension benefits that the Fund provides upon retirement.

To offset the increasing cost of living, pensioners have been receiving annual pension increases (higher than the average inflation rate).

Saving made easier through compulsory contributions

Saving sufficient money is one of the most important and often difficult thing to do. Fortunately, access to retirement benefits for GIPF members is not linked to the employees' ability to save, because contributions to the Fund is compulsory thus compelling employees to save indirectly. The Fund therefore makes saving easier for members who, if left to their own devices might make inadequate retirement provision for themselves.

MANAGEMENT OF THE FUND

OUR GOVERNANCE

The GIPF Board of Trustees delivers value by positively contributing to the achievement of the following specific governance outcomes: ethical leadership, legitimacy, effective control, and good performance. The GIPF subscribes to the principle that a well-governed pension fund should deliver sustainable value to its stakeholders. The Fund further upholds the high standards of governance through effective and ethical leadership. The Fund has adopted sound risk management practices, strong internal controls, and high information technology governance standards. GIPF observes optimal regulatory compliance, stringent financial governance, and responsible investment practices.

The Fund's adherence to six fundamental governance standards and principles as outlined in the corporate governance framework are: fairness, accountability, responsibility, transparency, competency, and integrity. It prioritises safeguarding the interests of members and stakeholders while adhering to industry regulations and best practices. These governance standards and principles, as delineated in the Corporate Governance Code for Namibia (NamCode) and King IV, are firmly embedded in GIPF's Corporate Governance Framework.

The strategic leadership of the GIPF is entrusted to the Board of Trustees, with strong support from the executive management committee. The Board comprises of nine trustees, all appointed under section 10 (1) of the Rules of the Fund. Six trustees are appointed by the Government and the remaining three are nominated by organised labour, with one from the Namibian National Teachers' Union (NANTU) and two from the Namibian Public Workers' Union (NAPWU). The trustees serve

a three-year term, renewable at the discretion of the appointing authority. The Trustees operate within a unitary structure that encourages active involvement of all members in the decision-making processes related to strategy, human capital, benefits distribution, organisational performance, investments, business ethics, stakeholder communication, governance, risk, and compliance.

Trustees duties

The Board of Trustees is responsible to its members for setting the Fund's direction and growth parameters which involves defining clear strategic objectives and policies. Furthermore, they monitor the executive management committee's progress in achieving these objectives. The Board convenes regularly to deliberate on matters of strategic importance, review, and approve policies and other issues that can significantly impact GIPF's operations.

The Trustees are entrusted with several key duties, including:

- Managing, controlling and administering the Fund.
- Ensuring the implementation of robust internal control systems to mitigate significant risks.
- Establishing a risk management framework and periodically reviewing it.
- Providing strategic direction and setting policy direction for the Fund.
- Receiving regular management reports to monitor operational compliance.
- Proposing amendments to the Rules of the Fund.
- Defining the investment policy, including investment guidelines and performance benchmarks aligned with the policy framework.
- Cultivating and managing relationships with key stakeholders.





Sub-Committees of the Board

The Board's capacity to enhance value within governance processes is facilitated by the efforts of the various standing Board committees. These committees serve as a forum for in-depth discussions concerning matters falling under their respective mandates and for developing recommendations to be reviewed and endorsed by the Board of Trustees.

1. Audit and Risk Committee

Mandate:

The Committee's mandate is to:

- Ensure that a sound system of risk and internal control is maintained to protect and safeguard the Fund's assets.
- Review the activities and effectiveness of the Internal Audit function.
- Evaluate the independence, objectivity and effectiveness of the external auditors.
- Review any accounting and auditing concerns identified by internal and external auditors.
- Promote the accuracy, reliability and credibility of financial reporting.
- Consider and recommend the audited annual financial statements to the Board of Trustees.
- Conduct oversight over the risk management of the Fund
- Provide internal assurance to the annual integrated report of the Fund.
- Exercise oversight over Information Technology (IT) Governance

2. Investment Committee

The Committee's mandate is to:

- Guide and advise the Board of Trustees on investment-related policies and strategies.
- Consider and recommend the appointment of Asset Managers to the Board of Trustees.
- Consider and make recommendations on the Asset Liability Model (ALM) and Liability Driven Investing.

(LDI) to the Board of Trustees

- Consider and make recommendations on the Tactical Asset Allocation to the Board of Trustees.
- Consider and make recommendations on the integration of Environmental, Social and Governance (ESG) considerations into investment decision making processes to the Board of Trustees.

3. Benefits and Administration Committee (BAC)

Mandate:

The mandate of this committee is to oversee a sound administrative framework for the Fund and efficient management and distribution of member and beneficiary benefits. The committee's responsibilities include reviewing, advising and making recommendations on matters pertaining to:

- The administration of the Fund.
- Guidelines and processes on the disposition of death benefits and the actual distribution of death benefits in terms of Section 37 C of the Pension Funds Act, 1956 (Act 24 of 1956)
- The enhancement of member benefits from time to time.
- The procurement of goods and services in line with the Fund's procurement framework.
- Stakeholder relations management, business development and communication.

4. Legal, Governance, Ethics and Compliance Committee

Mandate:

The mandate of the Committee is to guide and advise the Board on legal, governance and compliance matters. Its specific responsibilities include:

- To develop and regularly review corporate governance policies, systems and procedures.
- To consider and recommend Rule amendments to the Board.
- To deal with the legal risk management, litigation and complex contracts and disputes involving the Fund.
- To monitor and oversee the Fund's compliance management framework.
- To monitor and oversee the Fund's ethics management framework.

5. Remuneration and Human Resources Committee

Mandate:

The primary mandate of this committee is to guide and advise the Board on human capital and remuneration-related matters. Its specific responsibilities include:

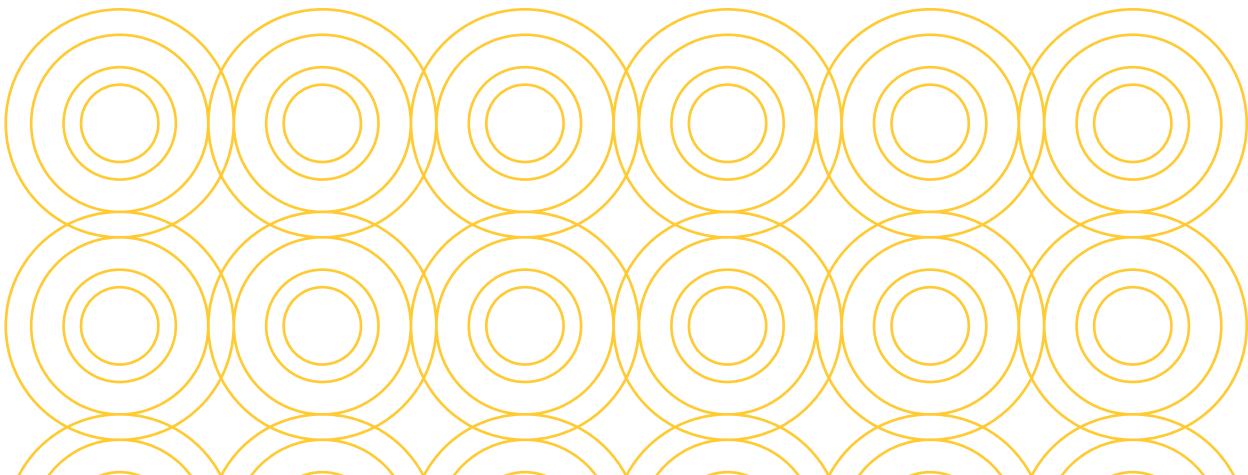
- To review and advise on matters pertaining to the remuneration of the Board of Trustees, management and staff.
- To review and advise on human capital issues pertaining to training and development, recruitment and selection, industrial relations, organisational development, strategic planning, succession planning, talent management, affirmative action, performance management and other human capital issues.

Executive Management Committee

The Executive Management Committee comprises department and strategic division heads and is chaired by the Chief Executive Officer/Principal Officer. Its mandate is to execute the organisational strategy and implement the decisions of the Board of Trustees. The committee is responsible for ensuring the effective management of the Fund's daily operations and convenes twice a month to review operational performance and other pertinent matters in accordance with the delegation of authority to the CEO and the management team.

Company Secretary

The Board is served by a Company Secretary. The role of the Company Secretary is to provide secretarial and governance advisory support to the Board, both collectively and individually. The Company secretary is further responsible for providing training and other associated capacity building to the Board in order to ensure that they discharge their responsibilities efficiently.





SOURCES OF FUNDING

The pension benefits are funded both by the employee and the employer. The member contributes an amount equal to 7% of their monthly pensionable salary (also known as emoluments) to the Fund while the employer contributes 16%. These contributions are used to provide the benefits promised in terms of the Rules of the Fund.





PENSION BENEFITS

Normal Retirement

The normal retirement age is 60. Upon retirement, the member will receive a lump sum of one third (1/3) of the total pension, tax-free. In addition, they will receive a monthly pension payable for life (taxable if in excess of N\$100 000 per annum). The retirement benefit payable is based on the following formula: $2.4\% \times \text{final average salary of the employee} \times \text{years of service}$.

Early Retirement

Should a member wish to go on early retirement, they have to seek approval from the employer. The member must be above 55 years to go on early retirement. The formula used is the same as for the normal retirement benefit, but the pension is adjusted by 0.25% for every completed month that the member went early. Payable is a lump sum and monthly pension for life.

Resignation/Dismissal

When the member resigns or is dismissed from service, they have the following options:

1. Cash Withdrawal (benefit is taxable),
2. Transfer benefit to an approved Fund (tax free)
 - Pension / Provident Fund,
 - Retirement annuity Fund
 - Preservation Fund
3. Deferred Pension (Preserve the benefit with GIPF) on condition that the member has an uninterrupted service of minimum 10 years.

Members who transfer their resignation benefits to any approved fund of their choice, will be paid their accrued benefit based on age, final salary and service period.

Retrenchment

If employers decide to retrench their employees when they reduce the size of their workforce due to financial constraints or to promote efficiency, retrenched members are entitled to a service bonus that is paid by the employer. The benefits are calculated in the same manner as normal retirement benefits, plus the shortest of the following:

- 1/3 of service period of the employee,
- the difference between the retrenchment date and normal retirement date, or a period of 5 years.
- Payable is a lump sum and monthly pension for life.

Disability benefit

Members who become totally and permanently disabled as a result of a disease or illness, to the extent that such member can no longer pursue his/her own or a similar occupation, will receive a disability income benefit equal to 75% of the member's final salary. The member will remain a full member of the fund and qualify for all benefits in terms of the Fund Rules. The member and employer however are still required to contribute to the Pension Fund.

Ill-Health Retirement benefit

A member who is in ill-health of a protracted nature caused through no fault of their own, may retire early and proof of the members ill-health by the Medical Board are required. A member medically boarded on ill-health will receive a lump sum of one third (1/3) of the total pension (tax-free). In addition, they will receive a monthly pension payable for life (taxable if in excess of N\$100 000 per annum).

Death before retirement benefit

Should a member die before retirement, the GIPF will pay out a tax-free lump sum equal to two times of the final annual salary of the deceased member. The qualifying spouse (if any) will, in addition to the lump sum, receive a monthly pension that is equal to 40% of the member’s annual salary for life. Qualifying children of a married member will receive a monthly income of up to a maximum of 30% of the member’s annual salary. If a member was single but had children, they will receive up to a maximum of 60% of the member’s annual salary. Qualifying children include unmarried biological as well as legally adopted children, under the age of 18 years, who were substantially dependent on the member at the time of his/her death. This age can also be extended up to the age of 25 years if the children are able to proof that they are still schooling.

The GIPF rules recognise certain relationships as marital unions. These includes unions according to customary law, unions recognised as marriages under any religion, cohabitation as well as dependence by virtue of finance or other maintenance. Customary unions require a certificate, or an affidavit issued by a recognised Traditional Authority.

Death after retirement benefit

The GIPF guarantees pension benefits for up to 5 years or 60 months after retirement age. Should a pensioner die within the first 5 years after retirement (also referred to as the guarantee period), the remaining pension will be distributed to the member’s dependents according to section 37C of the Pension Funds Act, No. 24 of 1956. In addition, a monthly pension will be paid to the qualifying spouse. If a pensioner dies after the guarantee period, 50% of their monthly pension will be paid to the qualifying spouse for life.

Funeral benefit

GIPF provides a funeral benefit payable per funeral at no additional cost as follows:

Active and Retired members	N\$8,000.00
Qualifying spouse of an active member	N\$8,000.00
Qualifying children (1–18 years)	N\$3,000.00
Qualifying children (below 1 year)	N\$1,000.00

Payable within **24-48 hours**





TO GUARD,
AND TO
GROW.

GOING BACK IN TIME

Before 1990

Namibia and South Africa share a similar history in respect of the evolvement of retirement funds.

Historically and in line with the apartheid laws, the South African Government made provision for retirement benefits for white civil servants excluding non-white civil servants. In 1969, the South African Government amended the Pensions Funds Act to make provision for separate pension benefits designed for non-white civil servants of which the structure of benefits were inferior compared to the ones for white civil servants. The Act was followed by the Blacks Authorities' Service Pension Act of 1971 that made provision for fragmented pension benefits exclusively for black civil servants working for various Bantustans.

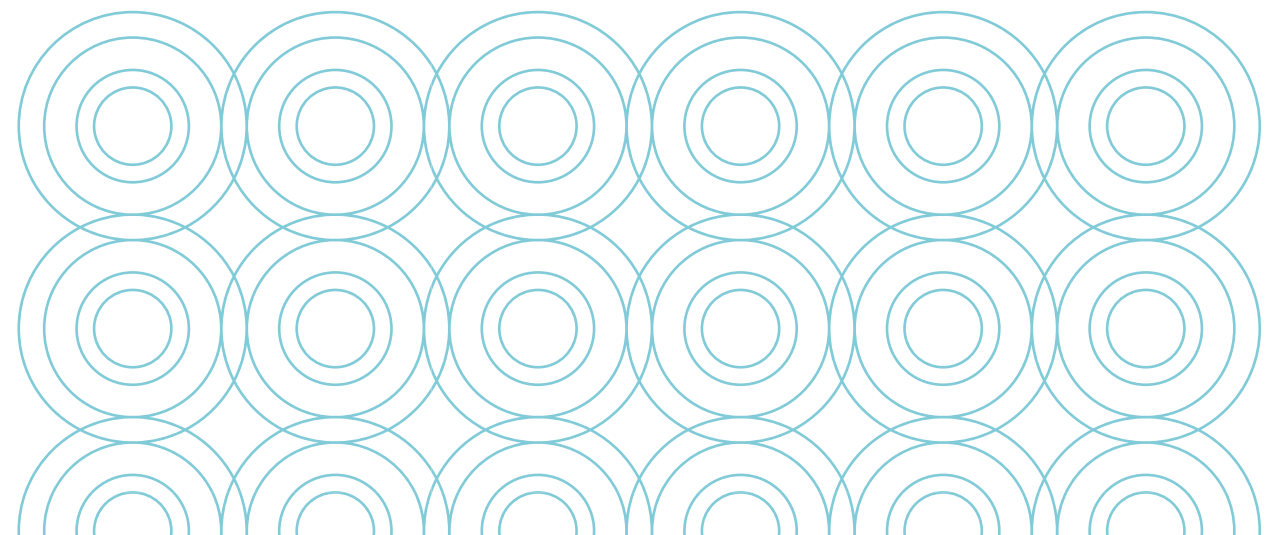
As the political pressure was mounting against the South African Government, efforts were made to consolidate the previous separate pension arrangements through the Temporary Employees Pension Fund Act in 1979, followed again by the General Pensions Act that provided for equal pension benefits for all civil servants, blacks and whites. This Act was further repealed to make way for the Statutory Pension Funds Act of 1980.

Immediately before Namibia's independence, a new pension fund called Government Institutions Pension Fund was established in 1989 to provide pension benefits to Namibian civil servants. Sanlam, a life insurance company, was appointed to administer the Fund.

There were suspicions that the incoming Government might take the members' pension assets for their own use. The Administrator General of South West Africa for example stated that Resolution 435 could not be relied on to safeguard pension benefits of civil servants. The members and pensioners were thus given the option to either:

1. Transfer their service period, full actuarial reserve and share of surplus to the Namibian domiciled Government Institutions Pension Fund or
2. Privatised their pensions by transferring their actuarial reserve plus share of surplus to any other retirement annuity fund.

For members who selected the latter option, their "past service" was not transferred to the new Fund. Those who opted for the first option had to join GIPF in respect of their future service.





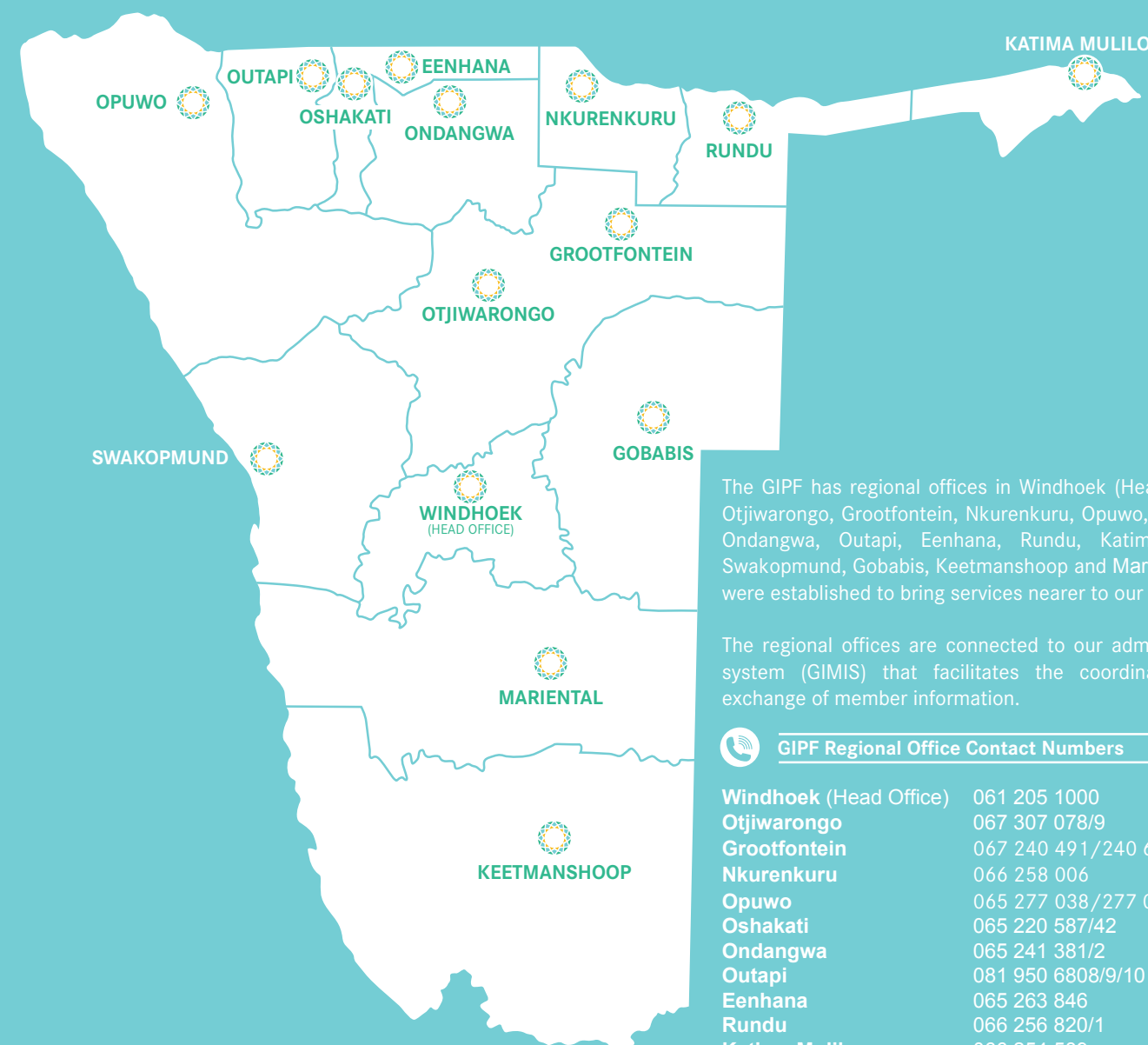
GIPF

Government Institutions
Pension Fund

To guard, and to grow.



Regional Offices



The GIPF has regional offices in Windhoek (Head Office), Otjiwarongo, Grootfontein, Nkurenkuru, Opuwo, Oshakati, Ondangwa, Outapi, Eenhana, Rundu, Katima Mulilo, Swakopmund, Gobabis, Keetmanshoop and Mariental that were established to bring services nearer to our members.

The regional offices are connected to our administration system (GIMIS) that facilitates the coordination and exchange of member information.

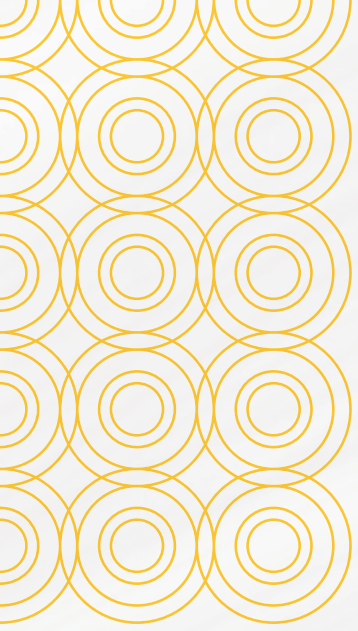


GIPF Regional Office Contact Numbers

Windhoek (Head Office)	061 205 1000
Otjiwarongo	067 307 078/9
Grootfontein	067 240 491/240 641
Nkurenkuru	066 258 006
Opuwo	065 277 038/277 039
Oshakati	065 220 587/42
Ondangwa	065 241 381/2
Outapi	081 950 6808/9/10
Eenhana	065 263 846
Rundu	066 256 820/1
Katima Mulilo	066 254 589
Swakopmund	064 461 735
Gobabis	062 564 098
Keetmanshoop	081 950 6604/5/6/7
Mariental	083 724 7650/1



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