

# MEDIA RELEASE



## FOR IMMEDIATE RELEASE

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### **GIPF BOARD APPROVES 4% INCREASE IN MONTHLY PENSION BENEFITS**

The Government Institutions Pension Fund (GIPF) is delighted to announce a pension benefit increase of 4%, effective 01 April 2025 for all GIPF pensioners, qualifying annuitants, spousal and child beneficiaries. Pensions in payment or deferment for less than a year as of 31 March 2025 preceding the increase date will receive an increase on a pro-rata basis.

“The Board of Trustees took this informed decision following the recommendation from the Fund’s Actuary which based the recommendation on sustainability of the Fund, the recent development in local inflation and reasonable benefit expectations of members and pensioners. Furthermore, the decision was taken based on the Fund being able to maintain a funding level above 100%, thus indicating that the Fund’s assets can adequately cover its liabilities” said Martin Inkumbi, Chief Executive Officer/Principal Officer of the GIPF.

“The Trustees aim to match the National Consumer Price Index (NCPI) to maintain the purchasing power of pensions payment over time, considering affordability on the part of the GIPF. The Fund has historically defined affordability as the difference between net return earned on the Fund’s investments, and net interest applied for discounting pension liabilities, which currently about 3.73% per annum for the GIPF” said Inkumbi.

The Fund’s current practice is that pensions are increased on 01 April, aiming for increases of between 75% and 100% of the NCPI, subject to affordability. The decision for the 4% increase was thus taken after a thorough actuarial due diligence that considered the Fund’s average annual return over the last five years, the current

and future liabilities, and the assets of the Fund. Given the fact that returns 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. The Fund as at December 2024, had 55,507 active annuitants receiving a monthly pension averaging N\$ 330.4 million per month, resulting in an amount of over N\$ 3.965 billion per annum.

The Fund will continue to prioritise the needs and aspirations of its members, in decision-making and service delivery, whilst continuing to ensure that the GIPF continues to meet its obligations for the long-term sustainability and the benefit of its members.

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