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STATUTORY ACTUARIAL VALUATION

FOR THE

THE GOVERNMENT INSTITUTIONS PENSION FUND

as at

31 MARCH 2024

GIPF
Government Institutions Pension Fund

DATE: 17 January 2025

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1. EXECUTIVE SUMMARY

1.1 Introduction

This statutory actuarial valuation of the Government Institutions Pension Fund ("GIPF" or "the Fund") was performed as at 31 March 2024 ("current valuation date"). This is the first statutory valuation to be carried out by Independent Actuaries & Consultants ("IAC"). The previous statutory actuarial valuation was performed as at 31 March 2021 ("previous valuation date") and was carried out by Humanity Employee Benefits (Pty) Ltd.

1.2 Membership

The Fund's valuation was determined based on the membership data as provided by the Fund and checked for credibility for valuation purposes. The final data sets applied (compared to the previous valuation date) are summarized in the following tables;

Active membership

Membership Summary	31 March 2021	31 March 2024
Number of Active Members	104 501	106 322
Salary-weighted Average Age (years)	41 years 11 months	41 years 8 months
Salary-weighted Pensionable Service (years)	14 years 2 months	13 years 6 months
Total Annual Pensionable Salaries (N$)	18 854 275 261	20 604 451 043
Average Annual Pensionable Salary (N$)	180 422	193 793

Pensioners membership (excluding children)

Membership Summary	31 March 2021	31 March 2024
Number of Pensioners	37 409	44 818
Pension-weighted Average Age (years)	63 years 12 months	64 years 11 months
Total Annual Pensions in Payment (N$)	2 255 146 258	3 365 518 787
Average Annual Pensions (N$)	60 284	75 093

Pensioners membership (children)

Membership Summary	31 March 2021	31 March 2024
Number of Pensioners	7 125	8 107
Pension-weighted Average Age (years)	17 years 6 months	17 years 7 months
Total Annual Pensions in Payment (N$)	125 911 864	170 520 941
Average Annual Pensions (N$)	17 654	21 034

Disabled Members

Membership Summary	31 March 2021	31 March 2024
Number of Pensioners	705	436
Pension-weighted Average Age (years)	52 years 1 months	51 years 3 months
Total Annual Disability Income (N$)	63 939 511	42 573 290
Average Annual Disability Income (N$)	90 694	97 645

Detailed split of the above membership categories is provided in Annexure F.

1.3 Financial position of the fund

The financial position of the fund as at 31 March 2024 (compared to that at the previous valuation) is summarized as follows.

Financial position of the fund	31 March 2021	31 March 2024
	N$ 000's	N$ 000's
Value of Liabilities	**97 560 150**	**114 909 164**
Active Members	59 900 224	61 508 699
Pensioners	32 395 029	47 238 404
Disability Income Recipients	426 731	310 374
Inactive Members Benefits	736 254	239 075
Death and Disability Benefits	4 101 913	5 612 612
Value of Reserves	**21 399 743**	**24 777 445**
Longevity Reserve	9 756 015	11 490 917
Employer Contribution Reserve	7 803 600	9 259 249
Data Reserve	1 600 053	1 678 033
Epidemic/Pandemic Reserve	2 240 075	2 349 246
Total Value of Liabilities / Reserves:	**118 959 893**	**139 686 609**
Market Value of Assets	**135 482 032**	**167 194 300**
Surplus/(Deficit)	**16 522 139**	**27 507 691**
Funding Level	**113.89%**	**119.69%**
Contingency Reserves as a Percentage of Liabilities	**21.93%**	**21.56%**

1.4 Required Contribution Rate

The employer required contribution rate for the next 3 years to cover the cost of funded benefits (compared to the previous valuation date) is estimated as follows.

Required Contribution Rate	31 March 2021	31 March 2024
Retirement Benefits	19.46%	19.24%
Disability Benefits	2.63%	2.63%
Death Benefits	3.60%	3.86%
Resignation Benefits	0.67%	0.66%
Funeral Benefits	0.06%	0.05%
Fund Expenses	1.50%	1.75%
Total Required Contribution Rate	**27.92%**	**28.19%**
Less Member Contribution Rate	**(7.00%)**	**(7.00%)**
Total required Employer(s) Contribution Rate	**20.92%**	**21.19%**

1.5 Conclusions and recommendations

Conclusions

The valuation disclosed value of assets of N$167.2 billion (compared to N$135.5 billion as at the previous valuation). The liabilities and reserves totalled N$139.7 billion (compared to N$119 billion as at previous valuation). The disclosed actuarial surplus was therefore N$27.5 billion (an increase from N$16.5 billion reported at the previous valuation)

The valuation shows a funding level of 119.69% (an improvement when compared to 113.89% as at the previous valuation). We therefore certify that the Fund continues to be financially sound as at the valuation date.

The recommended contingency reserves totalled N$24.8 billion or 21.56% of the liabilities (compared to N$21.4 billion or 21.93% of liabilities held as at the previous valuation)

In terms of the current Funding policy guidelines, the Fund targets a funding level after contingency reserves of between 105% and 115%. The reported funding level is well outside this range by some 4.69%

Longevity Reserve has been held at N$11.5 billion reflecting 10.0% of active member past service liabilities (similar level recommended at the previous valuation) and reflecting an increase in line with that of overall liabilities. The level will be reviewed at the next valuation date after analysis and review of the longevity risk.

The Employer Contributions Reserve is retained at N$9.3billion or 8.20% of liabilities before contingencies (an increase from N$7.8 billion or 8.00% of liabilities before contingencies held at the previous valuation) and consistent with the increase in future required contribution rate and hence increase in employer contributions deficit.

The Fund continues to hold a Data Reserve on account of errors, missing or inconsistent information when comparing the movements from the previous valuation date. In this valuation, we have noted a number of inconsistencies and we recommend a reserve of N$ 1 678 033 000 or 2.50% of the active member liabilities (similar percentage as held at the previous valuation)

The Epidemic/Pandemic Reserve has been held at N$2 349 246 000 (2.0% of the total active members' past service liabilities before contingencies and similar to percentage held as at the previous valuation date). This reserve was originally established to counter the impact of HIV/AIDS on the Fund but has over time been extended to cover the risks of all epidemics.

The Fund is currently paying an additional amount of 8.89% to exits (transfers out and withdrawals) that have occurred since the previous valuation date. This reflects the existing practice to pay a portion of the reported surplus (in this case, the 13.89% surplus reported at the previous valuation less the maximum 5% security margin in terms of the Funding policy guidelines of the GIPF). The current valuation has revealed a surplus of 19.69% and an additional amount of 14.69% (19.69% less 5%) can therefore be made on exits and transfers as share of the Fund surplus until the Valuator reviews the position.

The administration expenses as a percentage of pensionable salaries (Cost to serve or CTS) averaged 1.77% over the valuation period. In addition, the observed trend is that the CTS has been increasing steadily since the previous valuation date as follows:

Year ending 31 March 2022: 1.63%

Year ending 31 March 2023: 1.78% and

Year ending 31 March 2024: 1.91%

The future trend will be influenced by the expected average increase in administration expenses, rate of increase in fund's active membership and expected increase in Pensionable Emoluments.

There are differences in the market values of investments disclosed in the GIPF consolidated pack as at 31 March 2024 and the equivalent values in the Annual Financial Statements (AFS).

These may point to the administrative reporting processes for the investments not being fully aligned.

There are also differences in the final asset allocation as updated by the GIPF management and that disclosed in the audited financial statements of the Fund. We understand from the GIPF management that this is due to the AFS reporting requiring a detailed look through into the holdings and ignoring derivative overlays on some structured products and the need to meet certain Regulatory classifications when reporting on assets.

Our analysis of the liability profile of the Fund indicates that approximately 41.44% of the liabilities can be considered as guaranteed with the balance being real. The actual allocation of the Fund discloses about 36.39% being held in Bonds, Cash and deposits (an increase from 30.33% that was being held at the previous valuation) hence better matching for the guaranteed liabilities as at valuation date. The Strategic Asset Allocation ("SAA") however shows lower recommendation at 31.0%.

We opine that the assets held are generally suitable for the liability profile of the Fund.

Recommendations

We recommend that the future required contributions in respect of administration expenses be set at the maximum target of 1.75% of pensionable salaries, in line with the findings of Cost to Serve ("CTS") exercise recently undertaken by the Fund and further, that Expenditure policies be developed to guide key areas of expenditure and help manage and control the internal administrative expenses of the Fund and ultimately the CTS. The Trustees will need to put in place measures to more closely monitor the main drivers of the CTS.

We recommend that the Fund holds the provision in respect of self-insured death and disability benefits at a level equal to the full expected claims for the current active membership on current death and disability valuation assumptions

We recommend that exits (withdrawals and transfers) be paid an additional 14.69% of the respective benefits up until the Valuator reviews the position

We recommend that the Trustees approve the following amounts be held within the various contingency reserves up until the Valuator reviews the position;

- N$11 490 917 000 as Longevity Reserve
- N$9 259 249 000 as Employer Contributions Reserve
- N$1 678 033 000 as Data Reserve
- N$ 2 349 246 000 as Epidemic/ Pandemic Reserve and

The Trustees to continue to monitor and review the need for and suitable levels for each of the above reserves

Given the level of the Employer Contributions Reserve held, we recommend that the Employers maintain their contribution rate at 16.0% of pensionable emoluments.

We recommend that the reporting processes for the GIPF Consolidated packs and the AFS be aligned so that the corresponding reported values are same in both statements.

Based on the estimated liability split of the Fund of 41.44% guaranteed and 58.56% real, we opine that an investment strategy targeting a range of 35% - 45% in Cash and Bonds and 55% - 65% in equity and related investments would be appropriate for the liability profile of Fund. We recommend that the Fund consider investigating the following in the next IPS review:

- Increase in allocation to Cash and Bonds within the SAA and by implication Tactical Asset Allocation ("TAA") ranges to align with the increasing component of guaranteed liabilities and
- The continued viability of allocations higher than 20% in foreign assets for the liability profile of the Fund

In terms of the Fund's existing practice, an Interim valuation is due 18 months post the current valuation (as at 30 September 2025) and the next statutory valuation as at 31 March 2027.

We certify that the Fund was in a sound financial condition as at the valuation date

PETER THEUNISSEN, BSc, FASSA

In my capacity as Valuator employed by

Independent Actuaries & Consultants (Pty) Ltd

ROBERT OKETCH, BSc Hons, FASSA

In my capacity as Peer review Actuary employed by

Independent Actuaries & Consultants (Pty) Ltd

KUVERI MUKONDA, CFP, DAT

In my capacity as an employee of

Independent Actuaries & Consultants (Pty) Ltd

17 Jan 2025

2. INTRODUCTION

We, Independent Actuaries and Consultants (Pty) Ltd ("IAC"), have performed a statutory actuarial valuation of the Government Institutions Pension Fund ("GIPF" or "the Fund") as at 31 March 2024 ("the valuation date").

The previous statutory actuarial valuation was performed by Humanity Employee Benefits (Pty) limited as at 31 March 2021 ("the previous valuation date"). The period from 31 March 2021 to 31 March 2024 represents the valuation period.

Section 10.8 of the Fund's Rules and Section 16 of the Pension Funds Act of the Republic of Namibia, which mandate that a valuator investigate and report on the fund's financial condition at least once every three years, have guided the preparation of this report. Since this is a Statutory Valuation, a copy of this report will need to be submitted to Namibia Financial Institutions Supervisory Authority ("NAMFISA"). We also make reference to the requirements of Sections 267, 268 and 402 of the Financial Institutions and Markets Act, 2021.

We understand that the Fund has a standing practice to conduct an interim valuation 18 months after the statutory valuation for internal reporting purposes.

The Fund is managed by a Board of Trustees comprising representatives from the Government, Organised labour and the Public Service Commission. It is governed by its Rules, as amended from time to time. A summary of the applicable contributions and benefits structure as at the valuation date is provided in Annexure B.

2.1 Objectives

The objectives of this statutory valuation are:

- To investigate and report on the financial position of a Fund as at the valuation date,
- To analyse the financial progress of the Fund since the previous statutory valuation,
- To analyse the sources of any surplus or strain that has arisen in the period,
- To assess whether the future contributions are sufficient to fund the benefits expected to accrue as defined in the Rules,

- In the case of deficit, to recommend an appropriate contribution rate to amortise any such deficit and any other action to ensure the Fund returns to a financially sound position,
- To comment on the appropriateness of the investment strategy in place at the valuation date and the suitability of the assets held to match the nature of emerging liabilities,
- To review the need for and levels of any contingency reserves held by the Fund and
- If applicable, advise on any legislated minimum pension increases; including a comment on the sustainability of any targeted pension increase and the likelihood of it being realised, and the appropriateness of the investment strategy in this regard.

2.2 Professional Guidance

In carrying out the valuation, we are also guided by the Standard of Actuarial Practice 201 (SAP201) as published by the Actuarial Society of South Africa, where practical.

2.3 Registration and operation

The Fund evolved from the Statutory Institutions Pension Fund ("the Old Fund") with effect from 1 October 1989. There are currently over a 100 Sponsoring Employers registered under the Fund. The largest proportion of Employees is from Government ministries. These constitute about 95% of the total active membership as at the valuation date.

The funded benefits are provided on a defined benefit basis. Under a defined benefit arrangement, the individual's pension is calculated according to a formula. The pension is calculated as 2.4% of the Member's Final Salary multiplied by the Member's Pensionable Service.

The Income Replacement Rate (IRR) is the ratio of the gross pension receivable in the year following retirement to the Annual Final Salary as at retirement. Whilst a 100% IRR is not expected due to reduced retirement expenditure (for example less travel, low debt and low dependency costs such as on education fees), most retires still desire a sufficient IRR to be able to meet ongoing living expenses. Based on the accrual rate of 2.4%, the expected IRR under the GIPF for various periods of service is summarised below:

Service (years)	5	10	15	20	25	30	35	40
IRR	12.0%	24.0%	36.0%	48.0%	60.0%	72.0%	84.0%	96.0%

All pensions and cost of increases are paid directly by the Fund and are not outsourced. Members on disability income make retirement contributions into the Fund.

As at the valuation date, the Fund employs officers and administrators who undertake its operations under the Trustees' guidance. The Trustees manage and control the Fund's affairs according to its Rules.

The Employer currently contributes to the Fund at the rate of 16.0% of Pensionable Emoluments. The total Employer contribution rate includes an allowance for the cost of risk benefits and the contributions towards administration expenses.

Each Member contributes to the Fund at the rate of 7.0% of Pensionable Emoluments.

3. DEVELOPMENTS SINCE THE PREVIOUS VALUATION

3.1 Increases to salaries and benefits

The increases since the previous valuation were as follows:

Effective Date of Increase	Pension Increase	Public Service Employees & Disabled Members	NCPI for the year ending March	75% of NCPI for the year
01-Apr-2021	3.00%	0.00%	3.13%	2.35%
01-Apr-2022	4.62%	3.00%	4.51%	3.38%
01-Apr-2023	5.46%	0.00%	7.20%	5.40%
01-Apr-2024	5.00%	5.00%	5.00%	3.75%
Average since 2021	**4.52%**	**1.98%**	**4.95%**	**3.71%**

Salary increases were only granted in 2022 and 2024. The 2022 increase was below the change in NCPI for that year whilst the 2024 increase matched inflation. The valuation data (as for previous valuation includes the recent April increase). The result is that salary increases since the previous valuation average only 40.0% of the change in NCPI.

The increases to Disability income recipients was same as that for salary increases

Pension increases broadly matched NCPI inflation in 2021, 2022 and 2024. The 2023 increase was approximately at 75% of NCPI. Pension increases since 01 April 2021 have averaged 91.3% of the change in NCPI and the current valuation data was adjusted to include the 01 April 2024 increase

3.2 Rule amendments

We are not aware of any registered changes to the rules governing payment and eligibility for the employment benefits in the Fund since the previous valuation.

The GIPF has considered a number of proposed rule amendments (under Amendment No. 5) for which impact assessments have been carried out. These include;

- Changing the normal retirement age of Magistrates from 60 to 65 years (Rule 1) with the Magistrates continuing to accrue benefits and pay contributions over the additional period on the same rates as prior to age 60. If implemented, this would delay retirement for the affected members and is expected to marginally increase overall fund surplus and corresponding funding level by around 0.02%

- Withdrawing members to receive Actuarial Reserve and not refund of contributions, similar to Transfer Value benefit (Rule 7.1.1). In impact investigations commissioned by the Fund in April 2024, it was observed that over 99% of withdrawals already opt for transfers out hence receiving the full Actuarial Reserve. If implemented, the investigation estimated a drop in funding level by 0.02% and increase in Employer contribution rate by 0.01%.

- Merger of Disability and Ill health benefits with the ill health retirements receiving pension similar to that on Disability. The impact investigations by the Fund revealed that this would result in a drop in surplus of approximately N$1.5 billion and corresponding reduction in funding level by almost 1.20%. We understand that this proposal has subsequently been dropped by the Trustees

- Proposal to maintain Disability pension at 75% of pensionable emoluments even after 24 months of receipt as opposed to the reduction to 50% level. This proposed change would have no impact on the fund since the current approach allows for 75% for caution.

As at the time of writing, the Amendment No. 5 had not yet been registered with NAMFISA.

3.3 Investment returns

The reported net monthly returns since the previous valuation is set out below:

From Investment Team (Net Return)			
Return Earned Per Annum	**April 2021 to March 2022**	**April 2022 to March 2023**	**April 2023 to March 2024**
April	1.23%	-0.54%	2.13%
May	1.35%	0.82%	0.13%
June	0.24%	-3.67%	2.35%
July	1.16%	2.18%	1.41%
August	2.38%	0.28%	0.44%
September	-0.37%	-2.45%	-1.99%
October	2.15%	2.73%	-1.16%
November	0.69%	4.53%	5.48%
December	3.54%	-1.43%	1.45%
January	-1.84%	5.11%	-0.27%
February	0.77%	0.69%	1.83%
March	-0.87%	-0.48%	0.85%
Return Earned Per Annum	**10.82%**	**7.65%**	**13.19%**
Cumulative Returns Earned	**10.82%**	**19.30%**	**35.04%**
Average Return Earned Per Annum	**10.82%**	**9.23%**	**10.53%**

3.4 Key Appointments

Mr. Martin Inkumbi was appointed the new CEO/ principal officer of the GIPF. In addition, Mr. Pieter John Theunissen was appointed as the new Fund Valuator

4. VALUATION DATA

4.1 Valuation data

The valuation is based on the following information supplied by the management of GIPF:

Actives

- “Active Members March 2021 updated.xlsx”; a spreadsheet extract of 100051 individual records from GIMIS system in March 2021 incorporating adjustments post that date showing information including Employment ministry details, salary, member number, date of birth and date joined scheme

- “Active Members March 2024.xlsx”; a spreadsheet extract of 101275 individual records from GIMIS system in 2024 showing information at valuation date including Employment ministry details, salary, member number, date of birth and date joined scheme

- “March Payroll 2024.xlsx”; a spreadsheet extract of 115514 individual records extracted from Government payroll system in 2024 showing information at valuation date including Employment ministry details, member ID number, member full names, Basic salary, employee contributions, employer contributions, date of birth and Admission date

- “Claims Paid 01 Apr 2021 – 31 March 2024. xlsx”; a spreadsheet extract of 34754 historical exits’ showing individual information including Member number, exit date, effective date, processing date, payment date, TR-CD- description, payment date and payment amount

- “Unclaimed benefits 01 Apr 2021 – 31 March 2024. xlsx”; a spreadsheet extract of 754 individual records with similar information as Actives data in respect of those members who have exited the Fund but no provision has ever been made in the financials for their benefits (i.e. Inactive Members)

Pensioners

- "Active Annuities 31 March 2024 updated.xlsx"; a spreadsheet extract of 46118 individual pensioner records (inclusive of disability pensioners) showing information including payroll number, member number, date of birth, gender, status, effective date, last payment date and payment amount

- GIPF ESS Annuities Data – 31 March 2024 xlsx; a spreadsheet extract of 52254 pensioner records provided on 20 November 2024 and showing all pensions in payment following verification post the valuation date.

Other information

- The Fair value of the Fund Assets as at 31 March 2024
- Rules of the Fund as at the Valuation date and
- The previous statutory valuation report as at 31 March 2021.

4.2 Data checks

A number of consistency and credibility checks was carried out on the above data sets and adjustments made where necessary. Details of sample checks is provided in Annexure A.

4.3 Active Members

A summary of the active membership used in the valuation (compared to that at the previous valuation) is shown in the table below.

Membership Summary	31 March 2021	31 March 2024
Number of Active Members	104 501	106 322
Salary-weighted Average Age (years)	41 years 11 months	41 years 8 months
Salary-weighted Pensionable Service (years)	14 years 2 months	13 years 6 months
Total Annual Pensionable Salaries (N$)	18 854 275 261	20 604 451 043
Average Annual Pensionable Salary (N$)	180 422	193 793

4.4 Pensioners

Summaries of the pensioners' data is shown in the tables below:

Pensioners membership (excluding children)

Membership Summary	31 March 2021	31 March 2024
Number of Pensioners	37 409	44 818
Pension-weighted Average Age (years)	63 years 12 months	64 years 11 months
Total Annual Pensions in Payment (N$)	2 255 146 258	3 365 518 787
Average Annual Pensions (N$)	60 284	75 093

Pensioners membership (children)

Membership Summary	31 March 2021	31 March 2024
Number of Pensioners	7 125	8 107
Pension-weighted Average Age (years)	17 years 6 months	17 years 7 months
Total Annual Pensions in Payment (N$)	125 911 864	170 520 941
Average Annual Pensions (N$)	17 654	21 034

Disabled Members

Membership Summary	31 March 2021	31 March 2024
Number of Pensioners	705	436
Pension-weighted Average Age (years)	52 years 1 months	51 years 3 months
Total Annual Disability Income (N$)	63 939 511	42 573 290
Average Annual Disability Income (N$)	90 694	97 645

4.5 Membership Reconciliation

A reconciliation of the membership is summarised in the table below.

Membership Reconciliation	Actives	Pensioners
Number of members as at 31 March 2021	104 501	44 534
Adjustments	7 943	798
New entrants	18 062	10 715
Withdrawals / Suspensions	(7 275)	(608)
Retirements	(9 387)	-
Deaths	(7 522)	(2 514)
Number of members as at 31 March 2024	**106 322**	**52 925**

The adjustments within the actives are in respect of those members who are active as at the valuation date and with a pensionable service date before previous valuation date but were not included at the previous valuation

The adjustments within the pensioner data are mostly attributed to those pension records that previously could not be valued on account of defective effective dates. The GIPF management provided the relevant dates to enable their valuations.

5. FUND ASSETS

5.1 Information provided

We were supplied with the following information in respect of the assets of GIPF:

- The signed Annual Financial Statements as at 31 March 2024 ("AFS"),
- The GIPF consolidated report pack as at 31 March 2024 containing investment reports for the period ending 31 March 2024 inclusive of investments summary, purchases, sales, currency gains and losses, income received, expenses incurred and capital changes and
- Updated Asset allocation information provided by GIPF management via email on the 20 November 2024.

There are differences in the market values disclosed in the consolidated pack and the corresponding values in the AFS. The updated asset allocation also differs from the disclosures in the AFS. For the purposes of this valuation, we rely on the values reported in the updated asset allocation.

5.2 Balance Sheet

The Balance sheet of the Fund as the valuation date (compared to that at the previous valuation) is summarised below:

Balance Sheet	31 March 2021	31 March 2024
	N$'000	N$'000
Total Investments	**135 442 116**	**167 162 411**
Property, plant and equipment	142 848	202 454
Sundry Debtors	**606 964**	**522 817**
Contributions Receivable	6 176	4 865
Accounts Receivable	37 581	34 298
Cash at Bank	563 207	483 654
Sundry Creditors	**(709 896)**	**(693 382)**
Benefits Payable	(605 129)	(583 508)
Bank rejections	(1 770)	(2 076)
Accounts Payable	(102 997)	(107 798)
Unclaimed Benefits	-	-
Net Current Assets	**135 482 032**	**167 194 300**

5.3 Revenue Account

The Fund build up since the previous valuation date is summarised below:

Revenue Account	31 March 2022	31 March 2023	31 March 2024	Total
	N$'000	N$'000	N$'000	N$'000
Opening Balance	**135 482 032**	**147 160 033**	**151 084 792**	**135 482 032**
Actuarial Adjustment - prior period	-		-	-
Revised Opening Balance	**135 482 032**	**147 160 033**	**151 084 792**	**135 482 032**
Income	**4 522 103**	**4 680 214**	**4 798 438**	**14 000 755**
Employee Contributions	**1 373 551**	**1 416 104**	**1 607 592**	**4 397 247**
Employer Contributions	**3 138 330**	**3 238 743**	**3 165 947**	**9 543 020**
Contribution Refunds	**(1 813)**	**1 614**	**(1 377)**	**(1 576)**
Contributions Transfers In	**-**	**-**	**4 092**	**4 092**
Other Income	**12 035**	**23 753**	**22 184**	**57 972**
Expenses	**(336 351)**	**(359 792)**	**(395 637)**	**(1 091 780)**
Investments Expenses	**-**	**-**	**-**	**-**
Administration and other Operation Expenses	**(336 351)**	**(359 792)**	**(395 637)**	**(1 091 780)**
Benefits	**(5 539 499)**	**(6 908 654)**	**(6 323 570)**	**(18 771 723)**
Monthly pensions	**(2 767 785)**	**(3 108 104)**	**(3 492 707)**	**(9 368 596)**
Lump sums on retirements	**(1 630 078)**	**(2 145 719)**	**(1 833 609)**	**(5 609 406)**
Death benefits	**(309 878)**	**(137 202)**	**(160 996)**	**(608 076)**
Withdrawal benefits	**(807 900)**	**(1 508 351)**	**(826 529)**	**(3 142 780)**
Dissolution benefits	**(5 497)**	**-**	**-**	**(5 497)**
Funeral benefits	**(18 361)**	**(9 278)**	**(9 729)**	**(37 368)**
Sub total	**134 128 285**	**144 571 801**	**149 164 023**	**129 619 284**
Net investment income	**13 031 748**	**6 512 991**	**18 030 277**	**37 575 016**
Closing balance	**147 160 033**	**151 084 792**	**167 194 300**	**167 194 300**

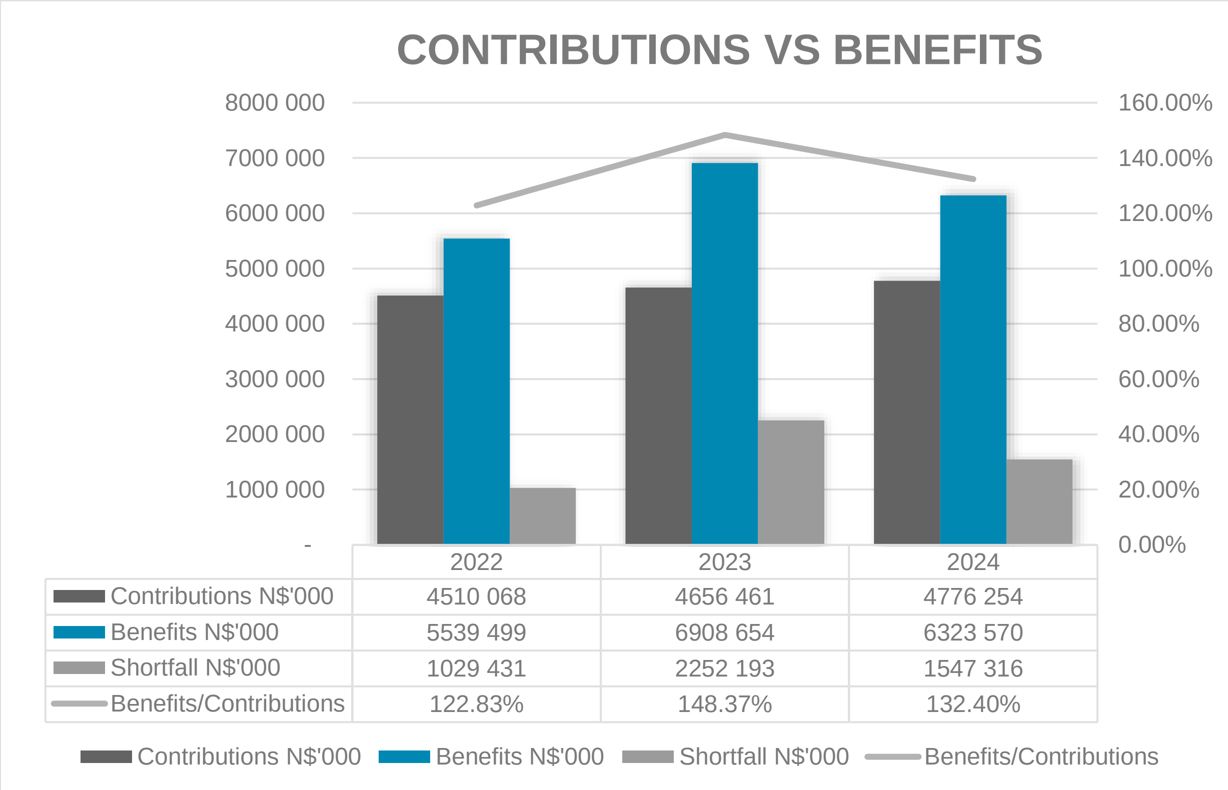
The net assets of the GIPF has grown by 23.4% since the previous valuation largely driven by the increase in Fund investments.

There has been an increase in monthly pensions in payment since the previous valuation due to increased pensioners since that date and impact of pension increases.

The Lump sum retirement and withdrawal benefits increased significantly from 2022 to 2023 but declined from 2023 to 2024

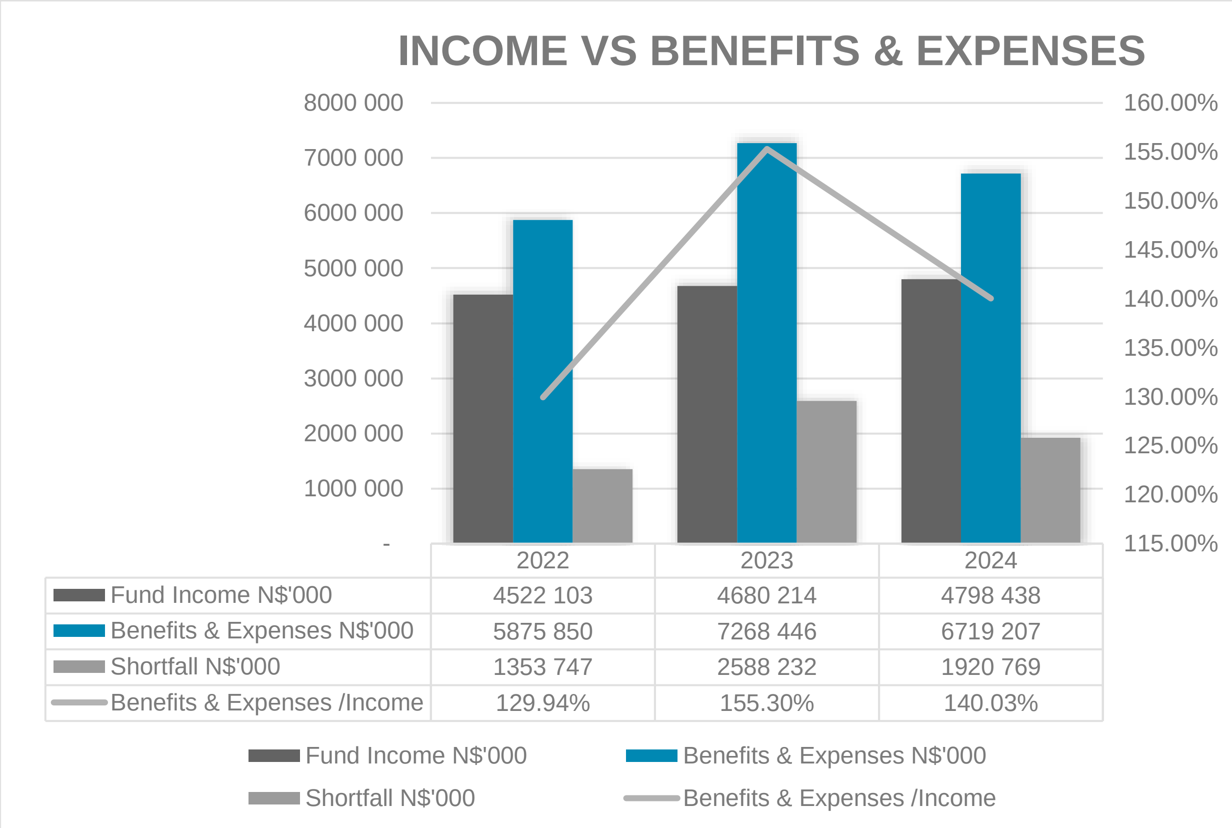
5.4 Fund cash flows

The following graph compares the Fund's retirement contributions income (employee and employers) against the benefits paid since the previous valuation date:



	2022	2023	2024
Contributions N$'000	4510 068	4656 461	4776 254
Benefits N$'000	5539 499	6908 654	6323 570
Shortfall N$'000	1029 431	2252 193	1547 316
Benefits/Contributions	122.83%	148.37%	132.40%

The following graph compares the Fund Income (Contributions plus other non- investment income less refunds) against benefits and administration expenses:



	2022	2023	2024
Fund Income N$'000	4522 103	4680 214	4798 438
Benefits & Expenses N$'000	5875 850	7268 446	6719 207
Shortfall N$'000	1353 747	2588 232	1920 769
Benefits & Expenses /Income	129.94%	155.30%	140.03%

The benefits paid by the Fund have consistently exceeded the retirement contributions received since the previous valuation. The shortfall was 22.83% in year 2022, more than doubling to 48.37% in year 2023 before declining to 32.40% in 2024

When considering benefits and administration expenses against the Income of the Fund (retirement contributions plus non-investment income less refunds), the shortfall was 29.94% in 2022, increasing to 55.30% in 2023 before declining to 40.03% in 2024

The above on-going negative cash flow position implies that the shortfall is met from the investment income of the Fund and that the investment strategy needs to have regard to having sufficient liquidity at all times in order to meet the shortfalls as and when required.

5.5 Investment Strategy

The Trustees are guided by its Investment Policy when managing the investments of the Fund. This policy provides a framework in which the GIPF management, Investment Committee and Trustees take investment decisions. Its purpose is to:

- Communicate the GIPF's investment philosophy to all stakeholders,
- Describe its investment objectives and risk philosophy,
- Guide how investment managers are selected, remunerated, reviewed and when needed, replaced,
- Identify and set expectations for all parties involved in the investment process and
- Have regard to the key role the GIPF plays in supporting the Namibian economy within its investment processes

The Investment Policy has regard to other policies of the GIPF namely; The Funding Policy, Investment Policy for Alternative Investments, The Development Investment policy, The Responsible Investment and Active Ownership Policy, Finance Policy and Procurement Policy.

The primary investment objective is to ensure that the Fund generates sufficient returns to meet benefit payments and administrative expenses as they fall due. The 2021 statutory actuarial valuation and the 2022 interim actuarial valuation included a long-term assumption of net investment returns (after tax and management fees) of 11.0% per annum.

Under these assumptions, the returns are to exceed inflation by 5.0% per annum. The Trustees recognize that fluctuations in return is expected over short-term periods.
The secondary investment objectives are:

- To ensure investment risks are identified and managed effectively and that risks only taken when expected to be rewarding,
- Focus on long term financial viability of the Fund,
- Compliance with laws and regulations applicable to the GIPF,
- To achieve greater Namibianisation of the financial services industry (so long as not detrimental to the GIPF) and
- Implement any rebalancing of Investment Portfolio relative to its SAA to reflect its market views to ensure responsiveness to abnormalities as a result of geo-political, economic, environmental and other adverse factors.

5.6 Benchmark and Asset Allocation

The principles of the investment policy are found in its Investment Policy Statements (IPS) which are reviewed from time to time. The most recent IPS was signed in June 2022.

The available documentation show that the SAA and allowable TAA ranges were last reviewed in March 2021 and can be compared to the actual allocation at the valuation date as follows:

REGION	ASSET CLASS	BENCHMARK	Allocation	RANGE
Namibia		**40.00%**	**39.52%**	**22%-52%**
	Equity Primary/local	6.00%	5.62%	2%-10%
	Equity Dual-listed	10.00%	8.17%	5%-12%
	Bond (and liquidity assets)	21.00%	24.16%	15%-30%
	Property	3.00%	1.57%	
South Africa (SA)		**25.00%**	**24.89%**	**13%-31%**
	Equity	12.00%	10.44%	8%-16%
	ILB*	10.00%	11.04%	5%-15%*
	Bond (and liquidity assets)	0.00%	1.13%	
	Property	3.00%	2.28%	
Africa (excluding SA)		**4.50%**	**2.91%**	**2%-7%**
	Africa Equity	4.00%	2.53%	2%-7%
	Africa Bond (and liquidity assets)	0.00%	0.00%	
	Africa Property	0.50%	0.38%	
International		**30.50%**	**32.68%**	**20%-30%**
	Foreign Equity, Emerging & China	24.50%	26.87%	20%-30%
	Foreign Property	3.00%	2.37%	
	Foreign Bond (and liquidity assets)	0.00%	0.06%	
	Foreign Infrastructure	3.00%	3.38%	
	Total	**100.00%**	**100.00%**	

**approximately 5% of South African Index linked bonds investments is accessed through an arrangement with the Bank of Namibia and hence counts towards requirement to invest 45% of GIPF assets within Namibia.*

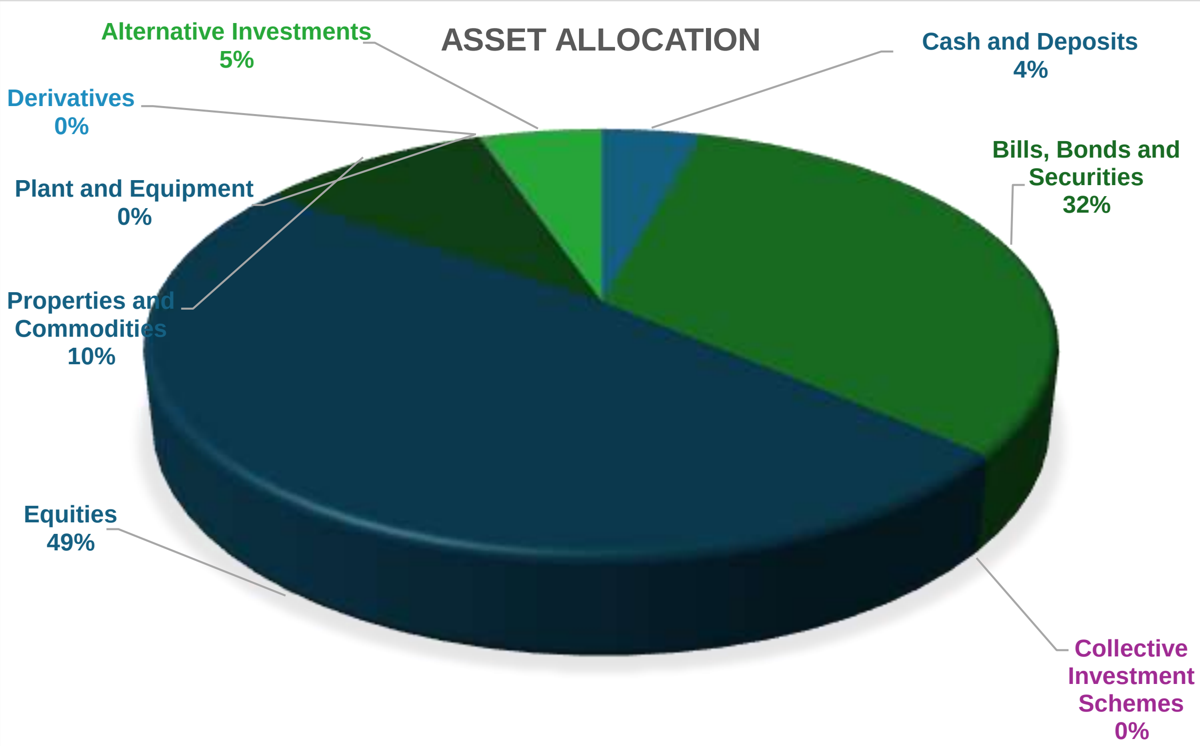
The foreign equity, emerging markets equity and China equity split is as follows:

Foreign equity; Emerging markets and China equities		**24.50%**	**26.87%**	**20%-30%**
	Foreign Equity	16.50%	19.43%	
	Emerging Markets Equity	4.50%	5.25%	
	China Equity	3.50%	2.19%	

The overall asset class split at the current valuation date (compared to that at the previous valuation) is shown below:

Asset Class	31 March 2024		31 March 2021	
	Value N$	Allocation	Value N$	Allocation
Cash and Deposits	7 119 990 000	4.24%	5 562 297 000	4.10%
Bills, Bonds and Securities	53 958 226 000	32.15%	35 565 762 000	26.23%
Collective Investment Schemes	-	0.00%	7 665 388 000	5.65%
Equities	81 216 039 000	48.39%	58 838 734 000	43.40%
Properties and Commodities	16 540 646 000	9.85%	7 357 871 000	5.43%
Plant and Equipment	202 454 000	0.12%	142 848 000	0.11%
Derivatives	-	0.00%	1 776 449 000	1.31%
Alternative Investments	8 811 164 000	5.25%	18 675 616 000	13.77%
Total	**167 848 519 000**	**100.00%**	**135 584 965 000**	**100.00%**

The graphical split as at the valuation date is as follows:



Relative to the current SAA the actual asset allocation as at the valuation date was:

- Underweight in Namibian equities.
- Overweight in Namibian bonds and cash
- Underweight in South African holdings in Equities and Property
- Overweight in South African holdings in Index linked Bonds and Cash
- Underweight in Africa (excluding South Africa) holdings and
- Overweight in international holdings especially Foreign Equity and Emerging Markets equity

Overall, considering the allocation changes since the previous valuation date:

- Cash and deposits increased marginally from 4.10% to 4.24%,
- Bills and bonds increased from 26.23% to 32.15%,
- Property, plant and equipment increased from 5.54% to 9.97%,
- Equities increased significantly from 43.40% to 48.39% and
- There was significant decline in alternative investments from 13.77% to 5.25%

5.6 Liability profile

The GIPF reviews its investment strategy from time to time. An Asset Liability model is employed to stochastically determine a suitable asset allocation for the liability profile of the Fund.

The liabilities can be grouped into two main components:

Guaranteed liabilities

- Value of Active member and Disability members' liabilities assuming no future salary and disability benefit increases and no future pension increases upon retirement and Value of pensions in payment (pensioners including disability pensions) with no allowance for future increase.

Real liabilities

- The Value of Active member and Disability members' liabilities on account of assumed future salary and disability benefit increases and future pension increases upon retirement and
- Value of future pensions in payment (pensioners including disability pensions) on account of future expected increases.

We have estimated that 44.64% of the liabilities (excluding contingency reserves) can essentially be viewed as guaranteed. The balance of 55.36% would then be real.

In addition, the Fund would not be expected to hold any Employer Contributions Reserves if it funded only guaranteed liabilities. Hence, if we allow for contingency reserves, we estimate that 41.44% of the liabilities (including contingency reserves) can then be viewed as guaranteed.

6. VALUATION METHOD

6.1 Valuation Method

The projected unit credit method is used to place a value on the past service liabilities and the required future contribution rate. This method is suitable given the nature of the Fund, being open to new entrants.

The projected unit credit method determines the required future contribution rate as the cost of benefits accruing in the next future period (the control period) following the valuation date, expressed as a percentage of present value of Pensionable Emoluments in that period. We use a control period of 3 years.

Under this method the present value of benefits that have accrued to Members in respect of service prior and up to the valuation date is compared with the value of the Fund's assets. Allowance is made in the valuation of the accrued benefits for estimated or expected future salary increases, investment returns, retirements, withdrawals, deaths and disabilities.

The projected unit method assumes a steady flow of new entrants to the Fund, which is expected to result in the overall structure with respect to age and gender - remaining reasonably stable over time. It is explicitly assumed that the Fund is a going concern, and no provision is made for discontinuation. The objective is to aim for a minimum funding level, (the ratio of the value of the Fund's assets to that of the accrued benefits) of 100%.

The required future contribution rate will remain relatively stable provided the Membership of the Fund remains stable. This assumes that exits are replaced by new entrants with age and salary profiles that keep the membership stable.

The methodology used in this valuation is consistent with that used in the previous valuation and deemed appropriate to the nature of the Fund. The required future contribution rate .in the previous valuation was however determined using a control period of 1 year. The methodology will need to be reviewed as the Fund matures.

For active Members, the past service liability (grouped as "Active Members" in the results summary) is determined as the discounted expected present value of retirement and withdrawal benefits that have accrued up to the valuation date based on projected salaries to the date of retirement or earlier withdrawal.

For Members in receipt of disability income benefits, the past service liability (grouped as "Disability Income Recipients" in the results summary) is determined as the present value of the future disability income benefits until retirement plus discounted expected present value of retirement benefits that have accrued. This approach is adopted because disability members continue to accrue service while receiving disability income and are eligible to retire at normal retirement just as active members.

For pensioners, the past service liability is determined as the present value of expected future pension payments. In determining the liability, allowance is made for the approved pension increase of 5.0% as at 1 April 2024.

The Fund self-insures the Death and Disability benefits in respect its active membership. A provision is therefore held that represents the expected future death and disability claims on the valuation assumptions.

A list was provided in respect of Inactive members (i.e. those who have exited the Fund as at the valuation date but a provision for benefits due has not yet been provided in the financials). For these members a full actuarial reserve is held similar to that for Active Members.

7. VALUATION ASSUMPTIONS

In determining the value of the liabilities, a number of assumptions are made. These are financial and demographic assumptions.

7.1 Financial valuation assumptions

The key financial assumptions used for the previous and current valuation are summarised in the table below:

Financial Assumptions	31 March 2021	31 March 2024
Discount Rate	11.00%	11.00%
General Inflation	6.00%	6.00%
Pension Increases	7.00%	7.00%
Disability Income Increases	7.50%	7.50%
Salary Inflation (Excluding Promotional Scale)	7.50%	7.50%
Investment returns	11.00%	11.00%
Pre-retirement net discount rate	3.26%	3.26%
Post-retirement net discount rate	3.74%	3.74%

*The Real Rate is the gap between the discount rate and salary-increase rate or pension increase rate

The NCPI inflation has averaged 5.07% since 2010 (largely driven by the declines observed from 2018 to 2022). Since 2023, there has been a gradual increase. We have maintained the long term expectation of 6.0% per annum, same as in the previous valuation.

Average historical salary increases to 2014 comfortably exceeded NCPI inflation. This cannot be said for the period since then which experienced a number of years with nil increases. We have nevertheless maintained the long term expectation of salary increases to exceed inflation by 1.50% per annum. In addition, there is a merit scale for age related promotional increases.

Disability income increases are assumed to match salary inflationary increases (as is the practice of the Fund).

The Fund has reported historical net returns averaging 11.24% per annum (10.53% per annum since the previous valuation). We have retained the long term return assumption of 11.0% per annum.

7.2 Demographic Valuation Assumptions

The key demographic assumptions that was used for the previous and current valuations are summarised in the table below.

Demographic Assumptions	31 March 2021	31 March 2024
Assumed Retirement Age	60	60
Proportion Married at Retirement	80.0%	80.0%
Male Spouses older than Female Spouses	5 years	5 years
Post-retirement Mortality Males	PA(90) - 1	PA(90) – 1
Post-retirement Mortality Females	PA(90) - 1	PA(90) - 1
Post-ill health Mortality Males	PA(90) + 5	PA(90) + 5
Post-ill health Mortality Females	PA(90) + 5	PA(90) + 5

The Sensitivity section quantifies the effects of a narrowing and widening of the net discount rates by 1% per annum and 10% variation in experience for mortality, withdrawals and ill-health retirements.

8. VALUATION RESULTS

8.1 Valuation results

The results of the valuation, compared to those at the previous valuation date, are summarised in the table below:

Financial position of the fund	31 March 2021	31 March 2024
	N$ 000's	N$ 000's
Value of Liabilities	**97 560 150**	**114 909 164**
Active Members	59 900 224	61 508 699
Pensioners	32 395 029	47 238 404
Disability Income Recipients	426 731	310 374
Inactive Members Benefits	736 254	239 075
Death and Disability Benefits	4 101 913	5 612 612
Value of Reserves	**21 399 743**	**24 777 445**
Longevity Reserve	9 756 015	11 490 917
Employer Contribution Reserve	7 803 600	9 259 249
Data Reserve	1 600 053	1 678 033
Epidemic /Pandemic Reserve	2 240 075	2 349 246
Total Value of Liabilities / Reserves:	**118 959 893**	**139 686 609**
Market Value of Assets	**135 482 032**	**167 194 300**
Surplus/(Deficit)	**16 522 139**	**27 507 691**
Funding Level	**113.89%**	**119.69%**
Contingency Reserves as a Percentage of Liabilities	**21.93%**	**21.56%**

8.2 Required Contribution Rate

The employer required contribution rate for the next 3 years to cover the cost of funded benefits is estimated as follows (compared to the previous valuation date).

Required Contribution Rate	31 March 2021	31 March 2024
Retirement Benefits	19.46%	19.24%
Disability Benefits	2.63%	2.63%
Death Benefits	3.60%	3.86%
Resignation Benefits	0.67%	0.66%
Funeral Benefits	0.06%	0.05%
Fund Expenses	1.50%	1.75%
Total Required Contribution Rate	**27.92%**	**28.19%**
Less Member Contribution Rate	**(7.00%)**	**(7.00%)**
Total required Employer(s) Contribution Rate	**20.92%**	**21.19%**

8.3 Reserve Accounts

Longevity Reserve

The Fund has historically held a contingency reserve to cover the impact of pensioners living longer than expected under the assumptions of PA (90) -1 tables.

The Fund has observed increased number of pensioners receiving pensions beyond the age of 80 years (with 408 already aged at least 90 years as at the valuation date). Based on the PA (90) – 1 tables, a male retiree is expected to live for 17.88 years (to age 77.88 on average) and a female retiree for 22.45 years (to age 82.45 on average). As at the valuation date 1537 or 4.90% of female and 2519 or 11.69% of male pensioners (excluding children) were already above their life expectations as at retirement. Just over 11% of the total pensioner pool was age at least 76 years old.

Increased life expectancy has been a major risk in most developed countries leading to significant strains in many national pension schemes with some opting to increase retirement ages.

GIPF pensioners can be viewed as a select group in the sense that they have survived several risks (mortality, withdrawals, ill health) so as to reach normal retirement. Epidemics such as HIV/AIDS are also largely under control within the SADEC region due to the governments

introducing chronic management programs for treatment. With general increase in medical advances, one expects that the pensioners will continue to live longer.
In scenario analyses reported by the Fund at the previous valuation date, a range of 10% - 13% of total liabilities was recommended for longevity reserve.

For this valuation we recommend the same lower level on the range of 10% of liabilities before contingencies or N$11 490 917 000 up until further review on the longevity risk is undertaken by the Valuator and adjustments, if any recommended to the Trustees.

Employer Contributions Reserve

The Employers have historically paid a stable contribution rate of 16.0% of pensionable emoluments. The practice of the Fund has been to hold a contributions reserve that is expected to be sufficient to cover any shortfalls in employer contributions for a period of 10 years.

The required employer contribution rate at the valuation date is 21.19% (5.19% deficit). The deficit has been increased by the recommended increase in contributions towards administration expenses from 1.50% to 1.75%.

We recommend retention of the same methodology at this stage and propose that a value of N$9 259 249 000 representing 8.20% of liabilities before contingencies be held.

Data Reserve

The Fund has historically held a Data Reserve to cover the risk of increased liabilities arising from data errors, anomalies or omissions. An example in this valuation is the approximately 600 members in GIMIS data and not on payroll data who have not been explicitly valued.

Historically, this reserve has reportedly been at level of 5% of past service liabilities in respect of actives (including disabled members). However, improvements in the Fund’s data processes hence more reliable data had necessitated a reduction in this reserve such that only 2.50% was held as at the previous valuation date.

In the valuation, we noted some anomalies and omissions in this valuation (and made adjustments). We however recommend that the Trustees retain the Data Reserve at 2.50% of active member liabilities or N$1 678 033 000.

Epidemic / Pandemic Reserve

The Fund initially held an AIDS Reserve to counter the impact of adverse mortality on the Fund as a result of increased mortality from the impact of HIV/AIDS on the government workforce. At its peak, a reserve of up to 7% of the active members' liabilities (before contingencies) was held as reported at the last valuation. With the HIV/AIDS intervention largely in place in Namibia health programs, the level of this reserve has declined over time. More recently, there has been recognition of impact of other epidemics or global crisis and the Reserve was renamed to Epidemic/Pandemic Reserve. Examples of recent crisis has included the Covid pandemic and impact on both assets and liability side of a Fund such as GIPF. Due to the general decreased risk, the recommended reserve had decreased to around 2% as at the previous valuation date.

We recommend the same level of 2% or N$ 2 349 246 000 up until the Valuator reviews it.

8.4 Analysis of Surplus

The Analysis of Surplus over the valuation period (from 31 March 2021 to 31 March 2024) can be summarized as follows:

Description	Surplus/Deficit (N$000)
Surplus as at 31 March 2021	**16 522 139**
(a) Interest on opening surplus	6 074 050
(b) Investment returns	(11 220 575)
(c) Salary increases	14 706 215
(d) Release of reserves	4 489 507
(e) Contributions	(2 979 883)
(f) Change in methodology	479 692
(g) Pension increases	2 047 179
(h) Disability income increases	82 723
(i) Expenses	(182 468)
(j) Additional pensioner data liability	(1 926 752)
(k) Miscellaneous	(584 136)
Surplus as at March 2024	**27 507 691**

(a) The surplus disclosed at the previous valuation date was N$16 522 139 000. The interest on this surplus at the expected rate of 11% was N$ 6 074 050 000 as at the valuation date

(b) The reported average net return of the Fund of 10.53% per annum was lower than the return assumption of 11.0% per annum resulting in a shortfall of N$11 220 575 000,

(c) The actual salary inflationary increases since the previous valuation of 3% was lower than expected increases of 7.5% per annum resulting in a surplus of N$14 706 215 000,

(d) The recommended contingency reserves at previous valuation was N$21 399 743 000. The expected level of these reserves at the current valuation date (allowing for investment return of 11.0% per annum) of N$29 266 952 000 is higher than the recommended reserves of N$24 777 445 000 resulting in a release of N$4 489 507 000,

(e) The actual contributions (employee and employer) over the valuation period was N$13 942 783 000. This is lower than N$16 922 666 000, the expected contributions on the required rate at the previous valuation of 27.92% of pensionable emoluments resulting in a deficit of N$2 979 883 000,

(f) The valuation methodology in respect of pensioners was adjusted to provide more accurately for the provision of a guarantee period. This resulted in a release of some N$479 692 000,

(g) The actual pension increases over the valuation period averaged 4.35% per annum and is lower than that expected under the previous valuation basis of 7.0% per annum resulting in a surplus of N$2 047 179 000,

(h) The actual Disability Income increases over the valuation period averaged 0.99% per annum and is lower than that expected under the previous valuation basis of 7.5% per annum resulting in a surplus of N$82 723 000,

(i) The administration expenses over the valuation period averaged 1.77% of pensionable emoluments, which is higher than the allowance of 1.50% as at the previous valuation resulting in deficit of N$182 468 000,

(j) There was additional pensioner records with effective date prior to previous valuation date that resulted in a loss of N$1 926 752 000 and

(k) There is a miscellaneous loss of N$584 136 000 from other experience and data movements over the valuation period.

9. SENSITIVITY ANALYSIS

9.1 Sensitivity Analysis

The results of the valuation are dependent on the underlying assumptions made. The differences between these assumptions are much more important that the absolute values used. We have therefore carried out a number of sensitivity analysis to show the impact of variation in assumptions used. In each case, the factor or assumption is changed with all other assumptions being kept constant as in the base run.

The base run disclosed a funding level after contingencies of 119.69%, required future employer contribution rate of 21.19% and contingencies of 21.56% of total liabilities.

The sensitivity scenarios and results are summarised in the following table with the further details provided in Annexure G.

Assumption	Sensitivity	Change in funding level	Change in required contributions	Change in Contingencies as % of Liabilities
Discount rate				
	Increase from 11% to 12% pa	+24.62%	-3.83%	-5.67%
	Decrease from 11% to 10% pa	-21.83%	+5.04%	+6.21%
Mortality				
	10% increase in rates	2.74%	-0.20%	-0.10%
	10% decrease in rates	-2.93%	+0.22%	+0.15%
Ill health and disability				
	10% increase in rates	-0.46%	+0.27%	+0.42%
	10% decrease in rates	0.47%	-0.29%	-0.42%
Withdrawals				
	10% increase in rates	0.29%	-0.09%	-0.11%
	10% decrease in rates	-0.30%	+0.07%	0.12%

The valuation result is most sensitive to change in discount rate. An increase of 1% in the discount rate increases the funding level by 24.62% and decrease in discount rate by 1%

reduces the funding level by 21.83%. The corresponding decrease/increase in employer required contribution rate is 3.83% and 5.04% respectively. The 1% decrease scenario results in a deficit position after allowance for contingency reserves.

The sensitivity results show that the valuation result is more sensitive to changes in mortality rates than withdrawal rates and ill health rates. 10% increase/decrease in mortality rates increases/decreases the funding level by 2.74%/2.93% respectively and the corresponding employer required contribution rates decreases/ increases by 0.20%/0.22% respectively.

10% increase/decrease in withdrawal rates increases/decreases the funding level by 0.29%/0.30% respectively and the corresponding employer required contribution rates decreases/ increases by 0.09%/0.07% respectively.

10% increase/decrease in ill health and disability rates decreases/increases the funding level by 0.46%/0.47% respectively and the corresponding employer required contribution rates increases/ decreases by 0.27%/0.29% respectively.

Appendix G provides detailed results for the sensitivity analysis scenarios.

10. CONCLUSIONS AND RECOMMENDATIONS

Conclusions

The valuation disclosed value of assets of N$167.2 billion (compared to N$135.5 billion as at the previous valuation). The liabilities and reserves totalled N$139.7 billion (compared to N$119 billion as at previous valuation). The disclosed actuarial surplus was therefore N$27.5 billion (an increase from N$16.5 billion reported at the previous valuation)

The valuation shows a funding level of 119.69% (an improvement when compared to 113.89% as at the previous valuation). We therefore certify that the Fund continues to be financially sound as at the valuation date.

The recommended contingency reserves totalled N$24.8 billion or 21.56% of the liabilities (compared to N$21.4 billion or 21.93% of liabilities held as at the previous valuation).

In terms of the current Funding policy guidelines, the Fund targets a funding level after contingency reserves of between 105% and 115%. The reported funding level is well outside this range by some 4.69%.

Longevity Reserve has been held at N$11.5 billion reflecting 10.0% of active member past service liabilities (similar level recommended at the previous valuation) and reflecting an increase in line with that of overall liabilities. The level will be reviewed at the next valuation date after analysis and review of the longevity risk.

The Employer Contributions Reserve is retained at N$9.3billion or 8.20% of liabilities before contingencies (an increase from N$7.8 billion or 8% of liabilities before contingencies held at the previous valuation) and consistent with the increase in future required contribution rate and hence increase in employer contributions deficit.

The Fund continues to hold a Data Reserve on account of errors, missing or inconsistent information when comparing the movements from the previous valuation date. In this valuation, we have noted a number of inconsistencies and we recommend a reserve of N$ 1 678 033 000 or 2.50% of the active member liabilities (similar percentage as held at the previous valuation).

The Epidemic/Pandemic Reserve has been held at N$2 349 246 000 (2.0% of the total active members' past service liabilities before contingencies and similar to percentage held as at the previous valuation date). This reserve was originally established to counter the impact of HIV/AIDS on the Fund but has over time been extended to cover the risks of all epidemics.

The Fund is currently paying an additional amount of 8.89% to exits (transfers out and withdrawals) that have occurred since the previous valuation date. This reflects the existing practice to pay a portion of the reported surplus (in this case, the 13.89% surplus reported at the previous valuation less the maximum 5% security margin in terms of the Funding policy guidelines of the GIPF). The current valuation has revealed a surplus of 19.69% and an additional amount of 14.69% (19.69% less 5%) can therefore be made on exits and transfers as share of the Fund surplus until the Valuator reviews the position.

The administration expenses as a percentage of pensionable salaries (Cost to serve or CTS) averaged 1.77% over the valuation period. In addition, the observed trend is that the CTS has been increasing steadily since the previous valuation date as follows:

Year ending 31 March 2022: 1.63%

Year ending 31 March 2023: 1.78% and

Year ending 31 March 2024: 1.91%

The future trend will be influenced by the expected average increase in administration expenses, rate of increase in fund's active membership and expected increase in Pensionable Emoluments.

There are differences in the market values of investments disclosed in the GIPF consolidated pack as at 31 March 2024 and the equivalent values in the Annual Financial Statements (AFS).

These may point to the administrative reporting processes for the investments not being fully aligned.

There are also differences in the final asset allocation as updated by the GIPF management and that disclosed in the audited financial statements of the Fund. We understand from the GIPF management that this is due to the AFS reporting requiring a detailed look through into the holdings and ignoring derivative overlays on some structured products and the need to meet certain Regulatory classifications when reporting on assets.

Our analysis of the liability profile of the Fund indicates that approximately 41.44% of the liabilities can be considered as guaranteed with the balance being real. The actual allocation of the Fund discloses about 36.39% being held in Bonds, Cash and deposits (an increase from 30.33% that was being held at the previous valuation) hence better matching for the guaranteed liabilities as at valuation date. The Strategic Asset Allocation ("SAA") however shows lower recommendation at 31.0%.

We opine that the assets held are generally suitable for the liability profile of the Fund.

Recommendations

We recommend that the future required contributions in respect of administration expenses be set at the maximum target of 1.75% of pensionable salaries, in line with the findings of Cost to Serve ("CTS") exercise recently undertaken by the Fund and further, that Expenditure policies be developed to guide key areas of expenditure and help manage and control the internal administrative expenses of the Fund and ultimately the CTS. The Trustees will need to put in place measures to more closely monitor the main drivers of the CTS.

We recommend that the Fund holds the provision in respect of self-insured death and disability benefits at a level equal to the full expected claims for the current active membership on current death and disability valuation assumptions.

We recommend that exits (withdrawals and transfers) be paid an additional 14.69% of the respective benefits up until the Valuator reviews the position.

We recommend that the Trustees approve the following amounts be held within the various contingency reserves up until the Valuator reviews the position;

- N$11 490 917 000 as Longevity Reserve
- N$9 259 249 000 as Employer Contributions Reserve
- N$1 678 033 000 as Data Reserve
- N$ 2 349 246 000 as Epidemic/ Pandemic Reserve and

The Trustees to continue to monitor and review the need for and suitable levels for each of the above reserves.

Given the level of the Employer Contributions Reserve held, we recommend that the Employers maintain their contribution rate at 16.0% of pensionable emoluments.

We recommend that the reporting processes for the GIPF Consolidated packs and the AFS be aligned so that the corresponding reported values are same in both statements.

Based on the estimated liability split of the Fund of 41.44% guaranteed and 58.56% real, we infer that an investment strategy targeting a range of 35% - 45% in Cash and Bonds and 55% - 65% in equity and related investments would be appropriate for the liability profile of Fund. We recommend that the Fund consider investigating the following in the next IPS review:

- Increase in allocation to Cash and Bonds within the SAA and by implication Tactical Asset Allocation ("TAA") ranges to align with the increasing component of guaranteed liabilities and

- The continued viability of allocations higher than 20% in foreign assets for the liability profile of the Fund

In terms of the Fund's existing practice, an Interim valuation is due 18 months post the current valuation (as at 30 September 2025) and the next statutory valuation as at 31 March 2027.

We certify that the Fund was in a sound financial condition as at the valuation date.

PETER THEUNISSEN, BSc, FASSA

In my capacity as Valuator employed by

Independent Actuaries & Consultants (Pty) Ltd

ROBERT OKETCH, BSc Hons, FASSA

In my capacity as Peer review Actuary employed by

Independent Actuaries & Consultants (Pty) Ltd

KUVERI MUKONDA, CFP, DAT

In my capacity as an employee of

Independent Actuaries & Consultants (Pty) Ltd

17 Jan 2025

11. ANNEXURE A: DATA CHECKS

The following checks were performed for consistency and reliability:

Validity checks

- Data was checked for completeness and accuracy, i.e. verifying that all data included all relevant fields, e.g. Date of Birth, Pensionable service date, Gender, etc.
- The data was valid (e.g. correct dates).
- Dates of birth and service dates within reasonable ranges (e.g. a few members were found to be over retirement age of 60 but still in employment).
- Sample calculation of benefits using information on exits data and comparison with benefit amounts provided.
- Consistency in employee and employer contributions in the data relative to the contributions rates as per the Rules of 7.0% and 16% against the salary data provided
- Check for duplicated records and
- For members who could be identified in the Active members 2021 adjusted sheet, comparison of the salary data between the dates and consistency with actual salary increases granted in 2022.

Comparison with last valuation

A number of statistics was calculated on the actives data and compared with the equivalent values at the previous valuation date for consistency:

- Average age
- Salary weighted average age
- Salary weighted past service
- The data was found to be consistent given the relative stability of the membership

A number of statistics was also calculated on the pensioners' data and compared with the equivalent values at the previous valuation:

- Average age
- Average pensions
- Pension weighted average age
- For members at both dates, the pension at current date is consistent with that at the previous valuation (allowing for actual increases granted).
- The data was found to be consistent and adjusted for the April 2024 increase.

Comparison between the GIMIS data and Payroll data

The 2024 GIMIS data was compared to the 2024 Payroll data to check the following:

- For members who are on both sets, that the expected static demographic information remains unchanged (e.g. dates of birth, Admission dates and Salary information).
- Identification of those members who are on the GIMIS data and not on the Payroll system or the exits data provided and reasons thereof (approximately 600 were identified in the group for which the overall data reserve provides suitable cover).
- Identification of those members who are on the payroll data and not on the GIMIS data (approximately 2311 records).

Queries were raised with the management of GIPF, and suitable adjustments were made.

The members who are on GIMIS data and not on the payroll data relate to unreported exits and those who are on unpaid leave of up to 36 months.

Members who are on payroll data and not on GIMIS data largely relate to those new entrants who are already contributing but for one reason or another have not been captured onto the GIMIS system. All the 2311 members were included in the valuation data.

12. ANNEXURE B: SUMMARY OF RULES

A brief summary of the main provisions of the Rules of the Fund on which this valuation is based, is set out below:

Definitions

Fund:	The Government Institutions Pension Fund (GIPF).
Old Fund:	The Statutory Institutions Pension Fund introduced under Statutory Institutions Pensions Act, 1980 (Act no. 3 of 180)
Commission:	Public Service Commission established under section 2(1) of the Public Service Commission Act, 1990 (Act No.2 of 1990)
Eligible Employee:	An employee in the service of an Employer excluding an employee who: (a) is remunerated solely by means of fees or allowances; (b) does not qualify for an identity document referred to in section 3 of Identity of Persons Act, 1979 (Act No. 2 of 1979); (c) is employed under a contract which expressly provides for payment of a sum upon expiry thereof; (d) belongs to a class or category of persons which the Trustees in consultation with the Commission, from time to time exempt from membership; and (e) is employed as a seasonal worker, casual worker, relief unit or holiday worker, or is reappointed after retiring from service on pension, or is employed for a certain period or assignment or is dismissed or resigns before being formally admitted to the Fund
Member:	An eligible employee who has been admitted to membership in terms of Rule 2 as long as he/she remains a Member in terms of these Rules.

Employer:	In relation to any Member, the employer in whose service he/she is, which shall be the Government of the Republic of Namibia and an institution or body established by or under law and which: (a) was declared to be a statutory institution for the purposes of the Old Fund; or (b) has applied to the Trustees for membership and has been admitted by the Trustees as an Employer, and which therefore participates in the Fund. Any Employer which withdraws from the Fund shall simultaneously cease to be an employer for the purposes of the Rules.
Final Salary:	The annualized average of Members pensionable emoluments during the 12 successive months immediately preceding his/her retirement, or if less than 12, during the number of months completed in his/her term of pensionable service
Normal Retirement Age:	The age of 60 years, or in the case of a specific class or category, the age determined in terms of the Public Service Act, 1995 (Act No.13 of 1995) in respect of such member, or approved by the Prime Minister on recommendation of the Commission.
Normal Retirement Date:	The last day of the month in which a Member retires in terms of Rule 3.1(1).
Pensionable Emoluments	The Member's basic annual salary or wages and any other amounts regarded as pensionable by the Trustees at the request of the Employer.
Pensionable Service	All uninterrupted service as a member of the Fund plus the period of pensionable service under the Old Fund which has been transferred to the Fund and a period during which the Member has worked for an Employer or elsewhere and which is recognized for pension purposes by the Trustees, and in respect of which contributions to the Fund, as determined by the Trustees were or are made subject to Rules 2.4 (2) (a) and (c).

Contributions and Benefits

Contributions:	Members: 7.0% of Pensionable Emoluments Employer: Balance of Cost
Normal Retirement:	A Member may retire from service on reaching his/her Normal Retirement Age and receive a pension equal to 2.4% of the Member's Final Salary for each year of pensionable service.
Early Age Retirement:	A Member who retires or is dismissed in circumstances other than in Rule 3.4 after attaining age 55 but before the Normal Retirement Age shall receive a pension as for Normal Retirement but reduced by 0.25 percent for each complete month by which the service is terminated prior to his/her Normal Retirement Age.
Early Ill Health Retirement:	Subject to receipt by the Trustees of satisfactory proof of a Member's ill-health at any time prior to his/her Normal Retirement Age, he/she may be deemed to have retired and receive a benefit as per Normal Retirement.
Early Retirement other than Age or Ill health	Subject to the Trustees approval, a Member may retire prior to his/her Normal Retirement Age due to reorganisation of his/her Employer, dismissal in terms of section 24(4) (h) of Public Service Act, 1995 (Act No.13 of 1995), unsuitability or inability to carry out duties in an efficient manner provided such Member has completed 10 years of pensionable service or dismissal to promote efficiency or economy of his/her Employer Such Member shall receive a pension as for Normal Retirement provided that where the retirement is due to reorganisation or to promote efficiency or economy of his /her Employer, the pensionable service is increased by the shortest of one third of the pensionable service, future service to Normal Retirement Age or 5 years. The additional liability in respect of enhanced pensionable service is met by the Employer unless the Trustees decide otherwise.

Retirement for Members of Commissions or Permanent Secretaries:	Member will receive a pension of 2.4% of pensionable salary for each year of pensionable service The pensionable service may be enhanced by shortest of: One third of pensionable service, or Future service to Normal Retirement age or 5 years Plus Half the period of service in the appointed office
Commutation:	Member may opt to receive up to one third of his/her pension as a lump sum at retirement Subject to income tax limits, the full pension may be commuted for a lump sum (currently up to N$50 000).
Withdrawal benefit:	Member who resigns or is dismissed prior to his/her Normal Retirement Age and is not entitled to a benefit under any other Rule then an amount A + B is payable as per the following formulae:

Formula for "A" (applicable to service rendered prior to 1 April 1992)

[1+(0,0275 x T)] x C x T x K + I, where –

C = half the sum of the Member's Pensionable Emoluments on the commencement of his/her Pensionable Service and his/her Pensionable Emoluments on 31 March 1992;

T = the period of the Member's Pensionable Service to 31 March 1992, excluding any backdated Pensionable Service in respect of which payment by the Member has not yet been made by the Fund;

K = the rate all which the MEMBER contributed to the FUND;

I = interest on "A" before the inclusion of "I", calculated at a rate of 10% per annum from 1 April 1992 to the date of withdrawal from SERVICE;

Formula for "B" (applicable to service rendered on or after 1 April 1992)

[0,07 x (1+0,05T)] x C x T, where;

C = half the sum of the Member's Pensionable Emoluments on 1 April 1992 and his/her Pensionable Emoluments on the date of withdrawal from the Fund, in the case of a Member who became a Member prior to 1 April 1992; or

C = half the sum of the Member's Pensionable Emoluments on the commencement of his/her Pensionable Service and his/her Pensionable Emoluments on the date of withdrawal from the Fund, in the case of a Member who became a Member on or after 1 April 1992;

T = the period of the Member's Pensionable Service as from 1 April 1992, excluding any backdated Pensionable Service.

A Member who has served for at least 10 years may elect to have his/her withdrawal benefit preserved within the Fund or transferred to another Approved arrangement in which case the benefit shall equal the Member's Actuarial Reserve.

Death in Service: If a Member dies prior to his/her Normal Retirement Age or while in receipt of Disability Benefits, the following is payable:

(a) A lump sum equal to twice the Member's Pensionable Emoluments plus

(b) Pension to his/her qualifying spouse equal to 40% of the Member's Pensionable Emoluments immediately before his/her death plus

(c) A pensions in respect of qualifying children equal to a percentage of Member's Pensionable Emoluments as follows:

Number of Qualifying children	**Percentage of Pensionable Emoluments**
1	10%
2	20%
3 or more	30%

Death after retirement	On the death of a Pensioner, his/her pension shall cease and the following is payable:
	(a) If the pension is in respect of a Pensioner with no dependents and has been paid for less than 60 months, then the equivalent value of the outstanding payments for the balance of the guarantee period is paid as a lump sum
	(b) If the pension is in respect of a Pensioner with a qualifying spouse and has been paid for less than 60 months, then the pension continues until the 60 monthly instalments is paid plus
	(c) a Pension to the qualifying spouse, commencing on the Pensioner's death or 60 months after the commencement of the Pensioner's Pension, whichever occurs last, equal to 50% of the Pension payable immediately prior to the commencement of the Pension to the qualifying spouse. The Trustees have discretion to reduce this pension where the marital union occurred after retirement date.
Disability:	Income equal to 75% of the Member's pensionable emoluments reducing to 50% of Member's pensionable emoluments after 24 months of disablement Disability members continue to accrue retirement benefits.
Funeral Benefits:	On the death of an Active Member or his/her qualifying spouse or child before such Member's Normal Retirement age, Pensioner or Disability Member, the following is payable: Member: N$8 000 Spouse: N$8 000 Child (1 year and older): N$3 000 Child (less than 1 year including still born): N$1 000

13. ANNEXURE C: HISTORICAL INVESTMENT RETURNS

13.1 summary of returns since 2013

The historical consolidated net returns on the investment portfolios as reported by Fund is as follows:

Year ended 31 March	Return
2013	24.37%
2014	18.63%
2015	16.45%
2016	4.72%
2017	5.84%
2018	10.72%
2019	5.86%
2020	-5.92%
2021	26.64%
2022	10.82%
2023	7.65%
2024	13.19%
Total	**259.12%**
Average per annum	**11.24%**

Over the period since 2013, the net investment returns have averaged 11.24% per annum. The average returns over the inter valuation period was 10.53% per annum

The period from 2016 to 2020 represented a general slump in the investment performance of the Fund with some recovery being experienced in the periods after.

14. ANNEXURE D: HISTORICAL SALARY AND BENEFITS INCREASES

14.1 Historical salary and benefit increases

The historical increases in salaries and benefits were as follows:

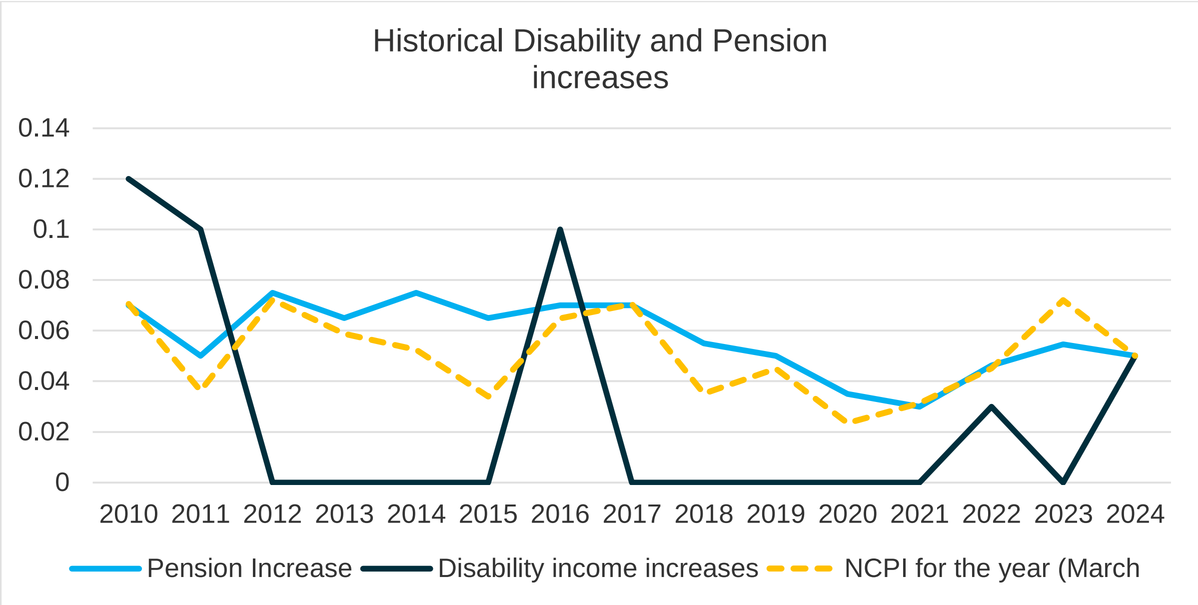
Effective Date of Increase	Pension Increase	Public Service Employees & Disabled Members	NCPI for the year (March	75% of NCPI for the year
01-Apr-2010	7.00%	12.00%	7.05%	5.29%
01-Apr-2011	5.00%	10.00%	3.63%	2.72%
01-Apr-2012	7.50%	0.00%	7.22%	5.42%
01-Apr-2013	6.50%	0.00%	5.88%	4.41%
01-Apr-2014	7.50%	10.00%	5.24%	3.93%
01-Apr-2015	6.50%	0.00%	3.40%	2.55%
01-Apr-2016	7.00%	10.00%	6.49%	4.87%
01-Apr-2017	7.00%	0.00%	7.05%	5.29%
01-Apr-2018	5.50%	0.00%	3.51%	2.63%
01-Apr-2019	5.00%	0.00%	4.50%	3.38%
01-Apr-2020	3.50%	0.00%	2.35%	1.76%
01-Apr-2021	3.00%	0.00%	3.13%	2.35%
01-Apr-2022	4.62%	3.00%	4.51%	3.38%
01-Apr-2023	5.46%	0.00%	7.20%	5.40%
01-Apr-2024	5.00%	5.00%	5.00%	3.75%
Average since 2010	**5.73%**	**3.24%**	**5.07%**	**3.80%**

Pension increases since 2010 have averaged 5.73% per annum, representing 113.13% of NCPI for a pensioner who has received pensions over that period. Pensioners since 2020 have received increases averaging 97.5% of NCPI

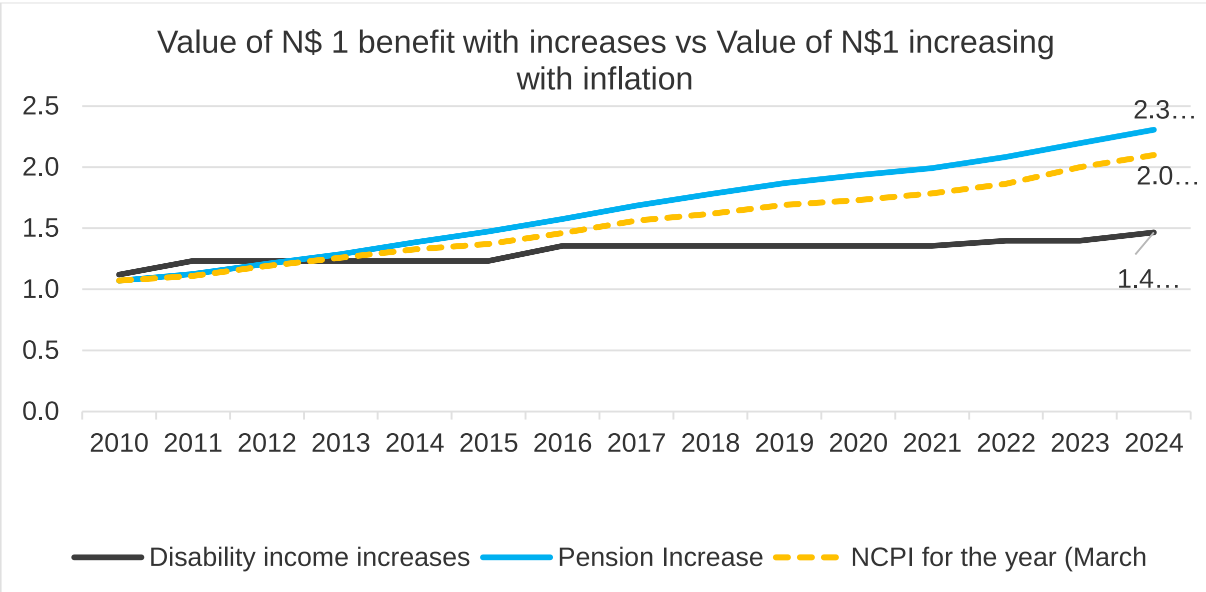
Over the long term, the actual salary and disability income increases have averaged 63.88% of NCPI (and 35.69% in the more recent periods since 2020)

14.2 Disability and pension increases versus inflation

The historical pension and disability increases granted by the Trustees compare to the change in NCPI inflation as follows:



Comparison of how a value of disability income and pension of N$1 being received in 2010 would have increased over time relative to inflation is shown below:



Whilst pension increases have more than kept pace with inflation, the disability income increases (much like salary increases which it mirrors) have not.

15. ANNEXURE E: VALUATION ASSUMPTIONS

Financial assumptions

Financial Assumptions	31 March 2021	31 March 2024
Discount Rate	11.00%	11.00%
General Inflation	6.00%	6.00%
Pension Increases	7.00%	7.00%
Disability Income Increases	7.50%	7.50%
Salary Inflation (Excluding Promotional Scale)	7.50%	7.50%
Investment returns	11.00%	11.00%
Pre-retirement net discount rate	3.26%	3.26%
Post-retirement net discount rate	3.74%	3.74%

*The Real Rate is the gap between the discount rate and salary-increase rate or pension increase rate

We have assumed a net discount rate of 11.0% per annum (same as at the previous valuation). We have assumed long term NCPI inflation rate of 6.0% per annum. Salary inflationary increases have been assumed at NCPI plus 1.50% or 7.50% per annum.

The difference between the assumptions is more important than the absolute values of each assumption. The above assumptions imply a net pre-retirement discount rate of 3.26% per annum being ((1 + 11.0%) / (1 + 7.50%) – 1).

Even though the actual values used for the discount rate and the expected increase in medical inflation are important, the “gap” between the two assumptions is more important. This “gap” is referred to as the net discount rate.

In addition we have allowed for age related promotional/merit increases as follows:

Age	Males	Females
20	3.7%	4.5%
25	3.7%	4.4%
30	3.7%	3.1%
35	3.7%	1.4%
40	0.9%	0.1%
45 plus	0.0%	0.0%

The Trustees have historically provided pension increases targeting 100% of NCPI save for 2023 where an increase targeting approximately 75% of NCPI was provided. We have assumed that future increases will target NCPI plus 1% per annum (same as at the previous valuation date).

We have effectively assumed a post-retirement net discount rate of 3.74% i.e. (1 + 11%) / (1 + 7.0%). This implies that returns in excess of 3.74% per annum are available towards annual pension increases. The increases are expected to target at least NCPI inflation in future.

Demographic assumptions

Demographic Assumptions	31 March 2021	31 March 2024
Assumed Retirement Age	60	60
Proportion Married at Retirement	80.0%	80.0%
Male Spouses older than Female Spouses	5 years	5 years
Post-retirement Mortality Males	PA(90) - 1	PA(90) – 1
Post-retirement Mortality Females	PA(90) - 1	PA(90) - 1
Post-ill health Mortality Males	PA(90) + 5	PA(90) + 5
Post-ill health Mortality Females	PA(90) + 5	PA(90) + 5

Assumed Retirement Age

The normal retirement age of the active members is 60 years. We have assumed those over age 60 would retire in the following year. This is the same assumption used at the previous valuation date.

Pre-retirement Decrement

We have assumed pre-retirement mortality to be in line with SA56/62 tables with females rated down by 5 years.

Post-retirement Mortality

We have assumed post-retirement mortality assumptions to in line with the PA (90) mortality tables with an adjustment for -1 year for both males and females. PA (90) is a mortality table based on UK statistics in the 1990's. It is commonly used as a base rate for setting mortality assumptions for Southern Africa Retirement Funds.

Post-retirement Mortality

We have assumed post-ill health mortality assumptions to in line with the PA (90) mortality tables with an adjustment for +5 years for both males and females

Marital Status

An assumption has been made that 80% of members will be married at retirement with the male spouse being 5 years older than the female spouse.

The assumed mortality rates at sample ages is set out below:

Actives			Pensioners		
Age	Males	Females	Age	Males	Females
20	0.143%	0.142%	60	1.477%	0.625%
25	0.147%	0.143%	65	2.292%	1.072%
30	0.159%	0.147%	70	3.542%	1.833%
35	0.197%	0.159%	75	5.435%	3.118%
40	0.291%	0.197%	80	8.253%	5.255%
45	0.479%	0.291%	85	12.342%	8.725%
50	0.788%	0.479%	90	18.058%	14.145%
55	1.249%	0.788%	95	25.647%	22.115%
60	1.930%	1.249%	100	35.061%	32.857%

The mortality rates are unchanged from the previous valuation.

Withdrawal rates

The assumed withdrawal rates at sample ages is shown below:

Age	Males	Females
20	5.0%	5.0%
25	4.1%	4.1%
30	3.1%	3.1%
35	2.2%	2.2%
40	1.4%	1.4%
45	0.7%	0.7%
50	0.0%	0.0%

The withdrawal rates are based on typical experience on similar funds and have unchanged from the previous valuation.

Early retirements

The assumed early retirement rates at sample ages is shown below:

Age	Males	Females
55	5.0%	5.0%
56	10.0%	10.0%
57	15.0%	15.0%
58	20.0%	20.0%
59	25.0%	25.0%

The Rules of the Fund provide for a reduction in pensions of 0.25% for each month of early retirement. This ensures early retirement remains largely cost neutral and hence no explicit allowance for the reduction is made.

The early retirement rates are unchanged from the previous valuation

Ill health retirements

The assumed ill health retirement rates at sample ages is shown below:

Age	Males	Females
30	0.10%	0.10%
35	0.10%	0.10%
40	0.10%	0.10%
45	0.15%	0.10%
50	0.25%	0.15%
55	0.00%	0.00%
60	0.00%	0.00%

The ill health rates are unchanged from the previous valuation.

Disability rates are assumed at 25% of the ill health rates

16. ANNEXURE F: DETAILED SPLIT OF LIABILITIES

The detailed split of active member liabilities (inclusive of death and disability provision) is set out below;

Age range	Number	Liability	Average Liability	%
15-19	35.00	1 095 634	31 304	0.00%
20-24	1 925	101 868 353	52 919	0.15%
25-29	11 087	1 448 845 046	130 680	2.16%
30-34	18 836	4 243 953 311	225 311	6.32%
35-39	20 072	6 970 574 146	347 279	10.39%
40-44	17 301	9 276 027 198	536 156	13.82%
45-49	14 789	12 362 402 750	835 919	18.42%
50-54	12 151	14 962 154 078	1 231 352	22.29%
55-60	10 061	17 627 371 054	1 752 050	26.26%
61	18	38 857 803	2 158 767	0.06%
62	5	6 028 136	1 205 627	0.01%
63	10	30 401 260	3 040 126	0.05%
64	6	17 562 923	2 927 154	0.03%
65 plus	26	34 169 763	1 314 222	0.05%
Totals	**106 322**	**67 121 311 455**	**631 302**	**100.00%**

Over 66% of total liabilities are in respect of those who are at least 45 years demonstrating the relative maturity of the membership

The detailed split of active pensioner liabilities is set out below;

Age Band	Number	Annual Pensions	Liability	Average Liability	% of Liabilities
0-10	816	18 341 470	242 116 859	296 712	0.51%
10-14	1 667	36 663 180	374 339 651	224 559	0.79%
15-19	2 506	50 034 990	341 582 289	136 306	0.72%
20-24	2 677	56 066 444	160 164 935	59 830	0.34%
25-29	442	9 476 445	1 415 928	3 203	0.00%
30-34	62	2 514 461	56 334 912	908 628	0.12%
35-39	159	10 657 581	227 487 694	1 430 740	0.48%
40-44	392	27 363 035	558 090 509	1 423 700	1.18%
45-49	964	63 463 271	1 212 798 633	1 258 090	2.57%
50-54	1 561	99 585 901	1 762 250 004	1 128 924	3.73%
55-59	4 067	286 350 963	4 631 187 327	1 138 723	9.80%
60-64	13 618	1 209 107 651	17 843 093 087	1 310 258	37.77%
65-69	11 927	1 028 293 910	13 529 785 677	1 134 383	28.64%
70-74	5 290	343 293 929	3 857 941 112	729 289	8.17%
75-79	3 600	171 968 749	1 611 037 474	447 510	3.41%
80-84	1 848	74 005 331	559 477 790	302 748	1.18%
85 plus	1 329	48 852 420	269 300 270	202 634	0.57%
Totals	**52 925**	**3 536 039 728**	**47 238 404 150**	**892 554**	**100.00%**

17. ANNEXURE G: DETAILED SENSITIVITY RESULTS

Increase and decrease in discount rate by 1.0% per annum

Financial position of the fund	10%	Base run (11%)	12%
	N$ 000's	N$ 000's	N$ 000's
Value of Liabilities	**133 719 565**	**114 909 164**	**99 969 707**
Active Members	74 861 997	61 508 699	51 212 481
Pensioners	51 976 085	47 238 404	43 202 664
Disability Income Recipients	328 349	310 374	294 173
Unclaimed Benefits	293 560	239 075	198 030
Death and Disability Benefits	6 259 574	5 612 612	5 062 359
Value of Reserves	**37 131 419**	**24 777 445**	**15 883 962**
Longevity Reserve	13 371 957	11 490 917	9 996 971
Employer Contribution Reserve	18 892 168	9 259 249	2 510 501
Data Reserve	2 028 039	1 678 033	1 406 871
Epidemic /Pandemic Reserve	2 839 255	2 349 246	1 969 619
Total Value of Liabilities / Reserves:	**170 850 984**	**139 686 609**	**115 853 669**
Market Value of Assets	**167 194 300**	**167 194 300**	**167 194 300**
Surplus/(Deficit)	**5 839 960**	**27 507 691**	**50 977 271**
Funding Level	**97.86%**	**119.69%**	**144.32%**
Contingency Reserves as a Percentage of Liabilities	**27.77%**	**21.56%**	**15.89%**

Required Contribution Rate			
Retirement Benefits	24.11%	19.24%	15.57%
Disability Benefits	2.78%	2.63%	2.48%
Death Benefits	3.84%	3.86%	3.87%
Resignation Benefits	0.69%	0.66%	0.63%
Funeral Benefits	0.05%	0.05%	0.05%
Fund Expenses	1.75%	1.75%	1.75%
Total Required Contribution Rate	**33.23%**	**28.19%**	**24.36%**
Less Member Contribution Rate	**(7.00%)**	**(7.00%)**	**(7.00%)**
Total required Employer(s) Contribution Rate	**26.23%**	**21.19%**	**17.36%**

Increase and decrease in pre and post retirement mortality rates by 10%

Financial position of the fund	10% decrease	Base run	10% increase
	N$ 000's	N$ 000's	N$ 000's
Value of Liabilities	**117 647 860**	**114 909 164**	**112 429 991**
Active Members	63 402 746	61 508 699	59 761 071
	48 573 230	47 238 404	46 023 531
Disability Income Recipients	310 972	310 374	309 778
Unclaimed Benefits	242 988	239 075	235 610
Death and Disability Benefits	5 117 924	5 612 612	6 100 001
Value of Reserves	**25 541 378**	**24 777 445**	**24 129 465**
Longevity Reserve	11 764 786	11 490 917	11 242 999
Employer Contribution Reserve	9 665 352	9 259 249	8 934 801
Data Reserve	1 713 017	1 678 033	1 646 527
Epidemic /Pandemic Reserve	2 398 223	2 349 246	2 305 138
Total Value of Liabilities / Reserves:	**143 189 238**	**139 686 609**	**136 559 456**
Market Value of Assets	**167 194 300**	**167 194 300**	**167 194 300**
Surplus/(Deficit)	**24 005 062**	**27 507 691**	**30 634 844**
Funding Level	**116.76%**	**119.69%**	**122.43%**
Contingency Reserves as a Percentage of Liabilities	**21.71%**	**21.56%**	**21.46%**

Required Contribution Rate			
Retirement Benefits	19.86%	19.24%	18.66%
Disability Benefits	2.63%	2.63%	2.62%
Death Benefits	3.47%	3.86%	4.24%
Resignation Benefits	0.66%	0.66%	0.66%
Funeral Benefits	0.05%	0.05%	0.06%
Fund Expenses	1.75%	1.75%	1.75%
Total Required Contribution Rate	**28.41**	**28.19%**	**27.99%**
Less Member Contribution Rate	**(7.00%)**	**(7.00%)**	**(7.00%)**
Total required Employer(s) Contribution Rate	**21.41%**	**21.19%**	**20.99%**

Increase and decrease in ill health and disability retirement rates by 10%

Financial position of the fund	10% decrease	Base run	10% increase
	N$ 000's	N$ 000's	N$ 000's
Value of Liabilities	**114 856 878**	**114 909 164**	**114 961 382**
Active Members	61 479 758	61 508 699	61 537 600
Pensioners	47 238 404	47 238 404	47 238 404
Disability Income Recipients	310 374	310 374	310 374
Unclaimed Benefits	238 725	239 075	239 426
Death and Disability Benefits	5 589 617	5 612 612	5 635 578
Value of Reserves	**24 286 111**	**24 777 445**	**25 267 852**
Longevity Reserve	11 485 688	11 490 917	11 496 138
Employer Contribution Reserve	8 776 261	9 259 249	9 741 324
Data Reserve	1 676 734	1 678 033	1 679 329
Epidemic /Pandemic Reserve	2 347 428	2 349 246	2 351 061
Total Value of Liabilities / Reserves:	**139 142 989**	**139 686 609**	**140 229 234**
Market Value of Assets	**167 194 300**	**167 194 300**	**167 194 300**
Surplus/(Deficit)	**28 051 311**	**27 507 691**	**26 965 066**
Funding Level	**120.16%**	**119.69%**	**119.23%**
Contingency Reserves as a Percentage of Liabilities	**21.14%**	**21.56%**	**21.98%**

Required Contribution Rate			
Retirement Benefits	19.22%	19.24%	19.25%
Disability Benefits	2.36%	2.63%	2.88%
Death Benefits	3.86%	3.86%	3.86%
Resignation Benefits	0.66%	0.66%	0.66%
Funeral Benefits	0.05%	0.05%	0.05%
Fund Expenses	1.75%	1.75%	1.75%
Total Required Contribution Rate	**27.90%**	**28.19%**	**28.46%**
Less Member Contribution Rate	**(7.00%)**	**(7.00%)**	**(7.00%)**
Total required Employer(s) Contribution Rate	**20.90%**	**21.19%**	**21.46%**

Increase and decrease in withdrawal rates by 10%

Financial position of the fund	10% decrease	Base run	10% increase
	N$ 000's	N$ 000's	N$ 000's
Value of Liabilities	**115 089 039**	**114 909 164**	**114 732 702**
Active Members	61 624 908	61 508 699	61 394 463
Pensioners	47 238 404	47 238 404	47 238 404
Disability Income Recipients	310 374	310 374	310 374
Unclaimed Benefits	240 299	239 075	237 878
Death and Disability Benefits	5 675 054	5 612 612	5 551 583
Value of Reserves	**24 945 606**	**24 777 445**	**24 614 455**
Longevity Reserve	11 508 904	11 490 917	11 473 270
Employer Contribution Reserve	9 398 704	9 259 249	9 124 422
Data Reserve	1 682 499	1 678 033	1 673 651
Epidemic /Pandemic Reserve	2 355 499	2 349 246	2 343 112
Total Value of Liabilities / Reserves:	**140 034 645**	**139 686 609**	**139 347 157**
Market Value of Assets	**167 194 300**	**167 194 300**	**167 194 300**
Surplus/(Deficit)	**27 159 655**	**27 507 691**	**27 847 143**
Funding Level	**119.39%**	**119.69%**	**119.98%**
Contingency Reserves as a Percentage of Liabilities	**21.68%**	**21.56%**	**21.45%**

Required Contribution Rate			
Retirement Benefits	19.35%	19.24%	19.13%
Disability Benefits	2.66%	2.63%	2.59%
Death Benefits	3.85%	3.86%	3.86%
Resignation Benefits	0.60%	0.66%	0.72%
Funeral Benefits	0.05%	0.05%	0.05%
Fund Expenses	1.75%	1.75%	1.75%
Total Required Contribution Rate	**28.26%**	**28.19%**	**28.10%**
Less Member Contribution Rate	**(7.00%)**	**(7.00%)**	**(7.00%)**
Total required Employer(s) Contribution Rate	**21.26%**	**21.19%**	**21.10%**

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