

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 1665 [NW2047E]
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1665. Ms O M C Maotwe (EFF) to ask the Minister of Finance:

(a) In the past three financial years and (b) since 1 April 2024, what has (i) been done with the Public Office Bearers Pension Fund surplus money and (ii) the money been used on?
NW2047E

REPLY

The employer surplus balance as of 31 March 2024 was R1.167 billion, invested in the Public Investment Corporation portfolio. Since the revised benefits structure was implemented in 2016, the excess employer contribution has remained on the fund's balance sheet and has not been used for any other purpose. The amount is under the management of the fund, as the National Treasury has not exercised its rights as principal employer to utilize the surplus contributions. However, the employer surplus balance is ring-fenced in the fund's Employer Surplus Account, regulated by the fund's rules and Section 15E of the Pension Funds Act (PFA), and must not be confused with new surplus as contemplated in section 15C of the Pension Funds Act.

The Public Office Bearers Pension Fund has in its possession a legal opinion from Norton Rose Fulbright South Africa Incorporated, dated 5 March 2024. The legal opinion clearly confirms that, "excess assets in the accounts do not amount to surplus as contemplated in the PFA. In such an instance it is not necessary to consider the apportionment of future surplus or the permissible uses for surplus." The excess amount rightfully belongs to the National Treasury.

Accordingly, as Minister of Finance, I intend to submit a formal request to the fund by December 2024 for arrangements on how to best utilise the employer surplus funds through the National Revenue Fund and within the confines of the PFA.