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Please quote our ref: PFA/WE/7367/06

**RE: DETERMINATION IN TERMS OF SECTION 30M OF THE PENSION FUNDS ACT, 24 OF 1956 (“the Act”): LV TWANI (“the complainant”) v SECURITY EMPLOYEES NATIONAL PROVIDENT FUND (“the first respondent”) & PEACEFORCE SECURITY GROUP LTD (“the second respondent”)**

1. Introduction

- 1.1 This complaint concerns the alleged non-payment by the first respondent of a death benefit to the widow of a deceased member of the first respondent.
- 1.2 The complaint was received by this office on 20 February 2006 and a letter acknowledging receipt thereof sent to the complainant on 22 February 2006. On the same date a letter was dispatched to the respondents requesting them to submit their responses to the complaint by no later than 16 March 2006. The first respondent's response, dated 14 March 2006, was received on 14 March 2006, while the second respondent's response was received on 4 July 2006. Both responses were forwarded to the complainant for a reply. No reply was received from the complainant.
- 1.3 After considering the written submissions, it is considered unnecessary to hold a hearing in this matter. The determination and the reasons therefor are set out below.

2. Factual background

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M Mohlala (Adjudicator), C Nkuhlu (Snr Assistant Adjudicator), Z Camroodien (Snr Assistant Adjudicator), F Mtayi (Snr Assistant Adjudicator), K MacKenzie (Snr Assistant Adjudicator), R Maharaj (Snr Assistant Adjudicator), M Ndaba (Snr Assistant Adjudicator), M Daki (Snr Assistant Adjudicator), E de la Rey (Snr Assistant Adjudicator), N van Coller (Assistant Adjudicator), L Mbalo (Assistant Adjudicator), S Gcelu (Assistant Adjudicator), M Ramabulana (Assistant Adjudicator), N Sihlali (Assistant Adjudicator), S Mothupi (Assistant Adjudicator), P Mphephu (Assistant Adjudicator), C Seabela (Assistant Adjudicator), M Qhali (Assistant Adjudicator),

Office Manager: L Manuel, Financial Manager: F Mantsho

- 2.1 The complainant is the widow of the late Mr. LA Twani (“the deceased”), who, during his lifetime was an employee of the Peaceforce Security Group Ltd (“the second respondent”). The second respondent was one of the participating employers in the Security Employees National Provident Fund (“the first respondent”) which is an umbrella fund of employers in the private security sector.
- 2.2 Although he commenced employment with the second respondent in 2000, the deceased only started contributing to the first respondent in June 2003. His period of contribution covered two separate periods of employment, namely from June to November 2003 and from February 2004 to the end of March 2005. With effect from 17 April 2005, the deceased terminated his employment and subsequently passed away in July 2005.
3. The complaint
  - 3.1 The complainant alleges that the first respondent has not paid her a death benefit pursuant upon the deceased’s death, and that the second respondent has also not made any contribution towards the deceased’s funeral expenses.
  - 3.2 The complainant’s requested relief is that this tribunal should investigate the deceased’s provident fund benefits and all other monies accruing to her as a result of his death.
4. The responses
  - 4.1 The first respondent states that the deceased started contributing to the first respondent in June 2003 and then stopped in November 2003. His fund credit for that period was, it is stated, an amount of R353.29. According to the first respondent, contributions resumed in February 2004 and terminated at the end of March 2005. The first respondent states that his fund credit for that period was R1 228.90. It states that since no contributions were made on the deceased’s behalf after March 2005, the risk cover had lapsed by the date of his death and no insured death benefit is payable to his beneficiaries.
  - 4.2 The first respondent concludes that the benefit that is payable in terms of its rules is a withdrawal benefit in the amount of R1 335.61, which represents the deceased’s accumulated credit in the fund. According to the first respondent, no withdrawal notification or death claim was sent to it and it only became aware of the deceased’s death upon receipt of this complaint. The first respondent further states that the board had resolved to pay the amount in question to the complainant.

In an e-mail received from the first respondent on 13 June 2006, it is stated that the benefit amount was paid into the complainant's bank account on 25 May 2005.

- 4.3 The second respondent states that the deceased's last date of service was 17 April 2005 and that no further contributions were made on his behalf after the end of March 2005. It concludes that the deceased was no longer in service at the date of his death.

5. Determination and reasons therefor

- 5.1 It is common cause that the deceased was no longer in service when he died in July 2005. I am accepting the second respondent's submission that no contributions were made on his behalf after the end of March 2005. Thus, the benefit that should have been paid to him upon the termination of his services was a withdrawal benefit in terms of Main rule 5.5.

- 5.2 The rule provides that the member's accumulated share shall be paid to the member if she/he leaves service prior to her/his normal or early retirement date for any reason including, but not limited to, resignation, dismissal, illness, retrenchment and redundancy. The "member's accumulated share" is defined as an amount equal to the aggregate of contributions and transfer values paid to the fund by or in respect of the member, possible allocations from the member surplus account or employer surplus account and the investment returns accrued to date on the underlying investment portfolios, less any expenses deducted by the trustees in terms of the rules.

- 5.3 According to the first respondent the amount of R1 335.61 represents the deceased's accumulated credit. A copy of the deceased's pay-slip dated 30 September 2003 which is attached as an annexure to the complaint reflects a deduction of R60.70 from his salary in respect of his contribution towards the first respondent. Having regard to the amount of his monthly contribution at that time, and allowing for subsequent increases in his contributions as well as for the second respondent's contributions and investment returns, I am of the view that the deceased's accumulated credit over the period of his membership could probably be in the region of R1 335.61. The withdrawal benefit is the only benefit that is payable in terms of the rules in this case.

- 5.4 Since the funeral benefit alluded to in the complaint is not payable by the first respondent in terms of its rules, but by an insurer in terms of a separate policy of insurance, the dispute relating to the payment thereof is not a "complaint" as defined in the Act. Thus, I have no jurisdiction to

investigate and adjudicate upon it.

5.5 In the result, the first respondent has paid out the correct entitlement due to the deceased in terms of its rules.

5.6 The complainant's complaint cannot succeed.

**SIGNED IN JOHANNESBURG ON THIS            DAY OF            2008.**

Yours faithfully

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**MAMODUPI MOHLALA**  
**PENSION FUNDS ADJUDICATOR**