

Pension funds under the spotlight

Make sure that your beneficiaries know your pension fund details to ensure that you and your family benefit from your hard work

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IN THIS week's Consumer Age question and answer feature, we speak to pension funds adjudicator Muvhango Lukhaimane about the kind of complaints that the office deals with on a daily basis from the members of the public.

Muvhango admits that some consumers who may be in need of assistance from the office are not aware of its existence.

Muvhango advises consumers not to leave their pension fund-related issues to their employers or until they leave their jobs. He said it's important to educate family members and themselves about pension funds and ensure that they receive their benefit statements.

Please tell us about the complaints that the pension funds office deals with or mostly receives from the public?

First of all, the office of the pension funds adjudicator deals with complaints against funds that are registered in terms of the Pension Funds Act 24 of 1956. To this end, we do not have jurisdiction over funds that are not registered in terms of the Pension Funds Act 24 of 1956, such as the government Employees Pension Fund, Telkom pension fund, Post Office pension fund, Transnet and Spoornet pension funds and any other fund that is not registered as a pension fund organisation in terms of the Pension Funds Act 24 of 1956.

The office is also not empowered to intervene in instances where the claim has prescribed that is where it has taken the complainant longer than three years from the time that the claim or cause of action arose, to lodge a complaint with us.

The typical complaints that we receive in our office are as follows:

- Complaints relating to dissatisfaction with the amount paid when a member retires, is dismissed or retrenched or resigns.
- Where a member dies and there is a benefit payable by the fund. In this instance, we receive complaints from beneficiaries and/or family members ranging from the amount payable or delays in payment or the manner in



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which the fund would have allocated and distributed the benefit payable to the deceased's dependants.

- Where a benefit from the fund is payable following a member's disability.
- Where pension interest is payable following a member's divorce.

Would you say that majority of South Africans who need help from your office are aware that there is a body like yours which they can use to lodge

pension fund related complaints?

There are still a considerable number of people who are not aware of the existence of the office, especially people in rural areas. To this end, funds must educate members about recourse available to them in case of a dispute including the existence of this office. The office has a stakeholder engagement policy that aims to assist in engaging with communities that might still be unaware

of the existence of the office.

What are some of the issues/ challenges that the pension funds office is currently grappling with and how are you planning to resolve them?

The challenges that we come across are delinquent funds that do not comply with their own rules or the Pension Funds Act 24 of 1956 especially with regard to the collection and allocation of contributions from participating employers. We are

also faced with employers that do not comply with the rules of the respective funds that they participate in.

We address these issues by issuing determinations and in other instances attempting to settle the matters also through conciliation. However, to the extent that we encounter funds and or employers that continuously non-complaint with the Pension Funds Act 24 of 1956, we bring this to the attention

of the registrar of pension funds at the financial services board.

How many complaints do you receive on a monthly basis and how long does it take to resolve them?

We receive on average 650 complaints per month and we manage to resolve the majority of complaints within six months. In some instances it might take longer especially where funds and administrators do not respond to our enquiries in time.

Would you say that you have a backlog when it comes to complaints?

Not at the present moment, however, historically this was a challenge which we managed to overcome in the last two years.

What are some of the most important issues that consumers need to be aware of when it comes to issues of pension?

Members must not leave the pension fund matters to the employer and the fund or leave it until their membership is terminated or they leave employment.

Members must educate themselves and their families with regards to their memberships and insist on receiving their benefit statements. Members must also be aware that benefits payable by a pension fund cannot be included in a will as in the case of the death of a member, the Pension Funds Act grants the board of the fund the discretion to determine which of the member's dependants are entitled to what amount.

Members must therefore also not be secretive about the funds they belong to and the benefits payable in case of their death to their dependants as often as we are unable to intervene where it has taken too long for the beneficiaries to lodge a complaint with us - often owing to them being unaware of benefits payable when the member dies.

Where a man has a child out of wedlock, unknown to his family, it is advisable that he informs at least one family member as such child qualifies as a dependant in terms of the Pension Funds Act and should be considered by the board of management of a fund. Lack of knowledge by family members sometimes delays the allocation and distribution of death benefits.