

Pension funds adjudicator

Deputy to no-one

Stephen Cranston | 17 October 2012



Muvhango Lukhaimane
Image by: Russell Roberts

She may be called the deputy pension funds adjudicator now, but unless Muvhango Lukhaimane does something embarrassing, she will be the new pension funds adjudicator before the year is out.

Lukhaimane has a different style from those who will have been her predecessors; unlike Vuyani Ngalwana, she is not there to brush her credentials to be considered a great jurist and unlike Mamodupi Mohlala she is happy to stay in the background. The relationship with stakeholders such as pension lawyers and administrators is substantially better under her.

"We are appealing against a few of her determinations," says veteran pension lawyer Rosemary Hunter of Bowman Gilfillan, "but it is nothing personal. She is a lot more engaging and friendly than a number of her predecessors."

Abel Sithole, chairman of the Financial Services Board, who is also chairman of the pension funds adjudicator's (PFA) board, believes Lukhaimane has a good mix of qualifications, with experience in law, pension fund administration and human resources. She will be the first PFA with this trifecta of experience.

Lukhaimane says the focus of the office needs to be on service delivery. She has undertaken that at least 80% of the new cases received during the year will be completed by the end of the financial year in March 2013.

In April 2011 there was still a backlog of 8268 unresolved cases. To ensure that proper attention is given to both new cases and those that are in arrears, the PFA was divided into three teams: one for processing cases and the other two for adjudication and conciliation. Lukhaimane believes far more cases should be settled by conciliation, rather than forcing the PFA office to make a ruling, yet just 412 were dealt with by conciliation and 2131 by adjudication in the year to March 2012. "There was a bottleneck in the past as cases were passed around between departments. Now one team takes full responsibility for processing the cases allocated to it."

Unlike under the Ngalwana and Mohlala regimes, there has not been a mass staff walkout with Lukhaimane's appointment. The previous acting adjudicator, Elmarie de la Rey, is still consulting to the office. The only senior member of staff to leave recently was Radesh Maharaj, who moved to the Financial Services Board.

Lukhaimane got the job largely on her administrative skills. She started in the legal division of Sanlam Employee Benefits and worked in the legal department of Liberty Personal Benefits before she was appointed principal officer of the Eskom Pension & Provident Fund.

Lukhaimane says she took the job at Eskom as she expected it to be a challenge. She had been told that the company was going to convert its fund from a final-salary or defined-benefit fund to a money-purchase or defined-contribution one, shifting the investment risk from the employer to the member. When Eskom got cold feet at taking such a large and potentially unpopular step, Lukhaimane left.

Her main administrative experience came from her time as human resources manager of the State Security Agency and later at the Intelligence Services Council.

Lukhaimane believes most cases that come to the PFA's office should not have been brought to it in the first place. The office will no longer take a case until there has been a serious attempt by the member who wants to lodge it and the fund concerned to resolve the matter in-house.

Two-thirds of complaints deal with the easily solved issue of withdrawal benefits - either delays in payment or underpayment. "This indicates poor administration services as well as lack of trust between funds and members."

At times there has been a similar lack of trust between the Financial Services Board and the PFA. To bring the PFA closer to the organisation the PFA will be moving from Sandton to Pretoria in February.

The move is particularly apt as the PFA will soon be taking responsibility for complaints from members of state funds such as the Government Employees Pension Fund. This fund alone has 1,2m members and pensioners, which should increase the PFA's workload by at least a third.