

Pensions adjudicator clears case backlog

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The backlog of complaints in the office of the Pension Funds Adjudicator (PFA) has been cleared, and it now takes seven months, on average, to resolve a case, the adjudicator's annual report says.

A total of 8 127 complaints were dealt with in the 12 months to the end of March – an increase of 65 percent on the number dealt with in the previous year and substantially more than the 5 161 that the office received over the year to March 31, PFA Muvhango Lukhaimane says.

In addition, a number of cases that should have been closed, but were still on the office's books, have been dealt with, she says.

The backlog, which can be traced back to 2007, has had a negative affect on the view that her office provides a procedurally fair and low-cost complaint-resolution process, Lukhaimane says.

On April 1 last year, the adjudicator's office had 8 330 cases open; by March 31 this year, 2 710 cases were still open.

During the 12 months under review, 4 127 determinations were handed down, and in 2 399 cases, relief was granted to the complainant. Some 23 appeals were lodged against the determinations.

Although fund members are required by the Pension Funds Act to lodge written complaints with their fund before they approach the PFA, the adjudicator says her office was unable to enforce this provision, largely because most funds that were subject to complaints did not have their records in order, particularly with regard to information about membership and contributions.

Abel Sithole, chairman of the Financial Services Board, says it is disturbing that, in April last year, 60 percent of the complaints to the PFA were against the Private Security Sector Provident Fund (PSSPF). The complaints concerned employers who were in arrears with contributions, the failure to pay, or the late payment of, withdrawal benefits and death benefits, and the absence of benefit statements.

The number of complaints against the PSSPF had dropped to a third by March 31 this year, he says.

Lukhaimane says that employers are not taking enough interest in how occupational retirement funds are managed, despite the fact that fund membership is part of their employees' remuneration packages.