

Problems experienced by pension fund adjudicators

THE Pension Fund Adjudicator (PFA) has confirmed it had received complaints from Maxim Safeguard employees.

The Private Security Sector Provident Fund is a fund established in terms of the Pension Funds Act. Employers within the private security sector are required to participate in the fund and register their employees as members by a Department of Labour Sectoral determination.

The participants in this fund are the employers, employees and the fund – through its board of trustees and the administrators. Previously it was Negotiated Benefits Consultants (NBC), but for some years now it has been Absa Consultants and Actuaries.

Lukhaimane says security companies are not complying with the law and highlighted the following:

- Employers are not contributing to the fund. They are not registering themselves and their employees as members of the fund, though they are deducting contributions from employees' salaries;
 - Employers are not contributing and members are not receiving their benefits;
 - The administrator – Absa Consultants and Actuaries – are not fulfilling their duties of collecting contributions, monitoring the employer's contribution compliance, supplying the members with benefit information nor paying out claims timeously.
- They not responding to



IN A TOUGH POSITION: Muvhango Lukhaimane, the deputy pension fund adjudicator, says security companies are not complying with the law.

enquiries or complaints from members as required by the Act.

● In the past year to March this year, the PFA office has dealt with over 4 000 complaints related to this fund and over 70% are related to employers not contributing on behalf of the employees. In some instances the employees

They might close down the current business

are not even registered as members of the fund.

"I have yet to see this fund approach a court or this office to seek relief against a defaulting employer – which is a dereliction of the duties of the board of trustees," Lukhaimane says.

She says this is a practice that is prevalent among employers in this

sector.

"They might close down the current business with its liabilities and open a brand-new one the next day. A significant number of complainants cannot be granted relief because employers are either undergoing liquidation, never properly registered as a legal entity or have been deregistered as a business entity," she says.

"This is a matter for the Private Security Industry Regulatory Authority Psira to look into because it is the regulatory body for employers within this sector," Lukhaimane says.

The employees also pay a monthly levy to Private Psira, and therefore they should at least be protecting their interests against errant employers. Every order that is granted by the office against an employer in this sector or against the fund is copied to Psira for them to take steps.