

Tel: 011-280-3086 or e-mail zungut@sowetan.co.za or write to PO Box 6663, Johannesburg 2000

CRYING FOUL:
Ramaano Eucliff,
Takalani
Tshishonga, Bheki
Mchunu, Amukelani
Mashimbye and
Mzikabani Nkosi
claimed they were
defrauded of their
pension.

PHOTO: SIBUSISO MSIBI



Security guards robbed of millions in pensions

Thousands of security guards may have been robbed of their pension money by their employers.

This comes after the Private Security Sector Provident Fund – which administers the pension monies deducted from the salary of guards – admitted that it is in shambles.

The fund needs to recover almost R34-million from employers who allegedly pocketed provident funds after debiting it from their salaries.

By 2012, employers of security guards owed over R45-million they had deducted from salaries and had not passed it on to the fund.

As a result, beneficiaries of deceased employees, including those who were dismissed or had resigned, get little or no payout from the fund.

The fund's principal officer Mziwandile Zibi said the fund is aware of the consistent non-compliance by some employers who are in arrears with their contribution.

"In response to this, the new board (of trustees) of the fund, commencing in 2012, embarked on a recovery and clean-up initiative which has yielded positive results," he said.

He said that since last year the fund has managed to identify a number of companies that were not complying with the fund.

Zibi said the board had recovered about R11-million since last year.

He said they are in the process of recovering the outstanding amount of R33.9-million from the defaulting companies, who have entered into acknowledgement of

debt agreements.

He also said there are over 100 applications that are currently before the court to order companies to pay the fund.

A further four will be issued shortly.

Last Wednesday's article in Sowetan titled "Protect security guards" detailed the exploitation endured by security guards at the hands of their employers.

Maxima Safeguard Security is one of these companies and is accused of deducting almost a R1-million from employee's salaries.

The aggrieved employees of Maxima Safeguard Security complained that though their employer, Albert Ludorf, in his capacity as a surety and a member of Maxima Safeguard, undertook to repay R537 410 he has deducted from employees since 2009 but he has not honoured this promise.

Maxima Safeguard Security, through its attorneys Gerhard Mare & Associates, has also admitted its indebtedness to the provident fund, but blamed non-payment to the fund on an employee who allegedly defrauded them while working in their finance department.

"The previous employer (sic) working in the financial department of our client fraudulently applied certain payments to her account," Mare said.

"Once this was discovered the necessary steps were taken."

He said Maxima had put a fixed property on the market with the intention of repaying the fund with the proceeds of the sale.

Mare also added that the company was doing its best to resolve the problem.

Siziwe Zuma, the communications manager at the Private Security Industry Regulatory Authority, said the authority was not aware of any complaints about Maxima's failure to pay fund monies over to the security sector fund.

"We have a number of convictions against this business and the last one relates to an inspection conducted in 2010 where it was found that a member of the business was not registered," she said.

"In a 2009 case, the business was also charged for failure to pay minimum wages."

She said the employer in this case settled on a fine of R190 000 in February 2011.

"As the authority we will also conduct an inspection at this business again."

Last month consumer line reported claims that 23 security guards at Urban Genesis had their pension monies missing.

Zibi said he would investigate the matter. Urban Genesis denied any wrongdoing.

Thuli Zungu's CONSUMER LINE

Board confident of bringing order

THE Private Security Sector Provident Fund's new board of trustees says they are working hard to make a difference.

- They are negotiating with employers to honour the acknowledgement of debt.
- The fund has more than 100 applications against defaulting companies and four more will be issued.
- Since taking over in 2011, the board has registered 75 new employers.
- In 2010, there were 78 registered employers and 2 000 registered employees.
- In 2011, the numbers increased to 129 employers and 4 553 employees.
- In 2012, the figure increased to 153 new employers and 7 759 new employees.
- The fund says it has partnered

with the Financial Services Board, Pension Fund Adjudicator (PFA), the Labour Department, trade unions and employers to correct the debt problem.

- It adopted a project plan in 2011 to deal with the backlog that was submitted to the PFA.
- From April 2012 to January this year, the fund says it has responded to 2 225 complaints against the security companies.
- The board says it meets regularly with the PFA to track progress. The last meeting was in February this year.
- In order to bring the PFA queries under control and eradicate the backlog, last month the board says it approved a project to double the current response rate to the PFA. It hopes to complete this before the end of the year.