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PSSPF PURSUES NON-COMPLIANT PRIVATE SECURITY EMPLOYERS

The Private Security Sector Provident Fund is steadfast on pursuing non-compliant private security employers who continue to defraud employees by deducting monies from their salaries intended for their retirement and not paying it over to the Fund.

Through the amendment of the Pension Funds Act Section 13 A in 2014 which allows for the re-criminilisation of non-compliant employers, the Fund has been able to hold company shareholders, directors, members in a CC, partners and trustees criminally liable for not honouring their legal obligation towards their employees.

Over the past year, the Fund has engaged over 1000 non-compliant employers and managed to secure 390 acknowledgements of debt. The secured AODs' amount to R 275 million. Out of the secured R 275 million, the Fund has received R 145 million which has now been allocated to Members' accounts.

In cases where non-compliant employers do not adhere to any engagement with the Fund, it then pursues the litigation process which has so far included 149 matters as of April 2016. Out of the 149, 28 cases have been settled as a result of employers finally accepting liability and entering into an AOD arrangement.

Currently, there are 121 matters on litigation and out of these, two employers are on business rescue and five on liquidation which is permitted in terms of the Pensions Fund Act. The litigation process includes reporting the matter to the SAPS and the NPA to prosecute those employers in breach of Section 13 A which is constituted as committing a fraudulent activity. Of the 114 remaining non-compliant employers on litigation, seven employers are being pursued criminally by the Fund. Some of these seven employers are still awarded lucrative tenders although in serious breach of the Act. (List of those seven employers being criminally prosecuted is attached).

In addition, the Fund has 16 judgements that have been granted in its favour. The judgements are in the stage of execution as the Fund has engaged the sheriff of the court to ascertain how much assets are in those employers' businesses so that the Fund can sell those assets and the retrieved money can be given back to the beneficiaries which are the employees.

According to Jackson Simon, the PSSPF Communications Chairperson, the collection rate from defaulting employers by the Fund has increased to about 53 %. This is as a result of the Fund's stakeholder engagement strategy with the enforcement and regulatory bodies such as the Private Security Industry Regulatory Authority (PSIRA) and the PFA Section 13A.

Chairperson: Robert Dube, Principal Officer: Peter Zibi

Trustees: Bonginkosi Qwabe, Pakamisa Harold Mdineka, Cobus Bodenstein, Piet Mabaso, Anna Maoko, Michael Masekona, Hennie Myburgh, Sello Molepo, Jackson Simon, Norman Ngobeni, Jonnes Hlatshwayo, Marchel Coetzee, Duduza Khosana (Independent), Chris Laubscher, Zandisile Neli, Tony Botes, Philemon Bhembe

Jackson said that PSIRA in particular through the collaboration with PSSPF in enforcing sector wide compliance has made the latter issue, a central requirement on the renewal of employers' registration certificates. In terms of these requirements, the employers qualify for the renewal of their registration certificate annually when they are compliant and in good standing with the Provident Fund, SARS and the UIF.

He said the PSSPF stakeholder engagement strategy is paying fruitful dividends. By the Fund proactively engaging members through various mediums such as the roadshows, the members are even encouraged to lodge their complaints with regards to the Fund or their employers on their benefits to the Pension Funds Adjudicator.

"It is encouraging though to note that members' complaints to the adjudicator has drastically decreased over the years. Four years ago, the complaints to the PFA averaged between 300 and 350 and now reported complaints are just over 100.

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Enquiries:

Mr. Robert Dube – PSSPF Board Chairperson

071 740 7394

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