

FOCUS

PSSPF

addresses non-compliance

The Private Security Sector Provident Fund (PSSPF) is one of the largest defined contribution provident funds on the continent providing more than 200 000 private security employees and their immediate families with benefits on retirement, disability, death and funeral.

This is according to Mziwandile Peter Zibi, principal officer: Private Security Sector Provident Fund, who says that the fund was established to give security employees peace-of-mind on their financial security when they retire.

"This is achieved by ensuring that all funds in safekeeping are responsibly invested and accounted for, and that benefits are paid out efficiently, accurately and on time," he says "The fund has a solid track record in protecting its members' interest and safeguarding the value of active members' retirement savings."

According to Mr Zibi, the fund's objective is to achieve the highest possible level of compliance in the sector to improve the quality of life and conditions of all security employees and their families.

Despite it being a statutory and mandatory requirement for every security employer and employees to contribute to the industry provident fund, compliance remains a challenge as a large number of private security companies are not making contributions to the fund, denying compulsory benefits to security employees.

Mr Zibi says that the five current non-compliant categories include:

- Employers not registered with the fund, not taking any deductions from employees and not making any payments to the fund.
- Employers not registered, collect monies from workers but do not pay it over to the fund.
- Employer registered with the fund, but doesn't make any contributions to the fund.
- Employers register with the fund, but only pay limited number of member contributions in order to cut costs.
- Employers registered with the fund, paying member and employee contributions, however missing payments every now and then.

"In dealing with non-compliance by some of the employers, the fund has adopted multiple strategies, including having ongoing discussions with the Financial Services Board (FSB) in putting into effect criminalising non-compliance in line with the new amendments contained in the Act," says Mr Zibi. "This has so far yielded positive results as some of the employers are coming forward to honour the debts and determinations issued by the Pension Fund Adjudicator."

The fund cites one of its successful projects as the S13A collections to recover outstanding contributions from defaulting employers by way of signing an Admission of Debt ("AOD"), including instituting legal action which could result in the attachment of assets and possible liquidation should the employer not comply. The recovery process involves negotiation for the recovery of funds and, where this is unsuccessful, it is followed up by litigation.

In the 20 months on rolling out this initiative, the fund has recovered R45,5-million and secured R108-million. Mr Zibi says that within a period of 10 months, more than 2 412 backlog complaints have been dealt with since the implementation of the complaints backlog project.

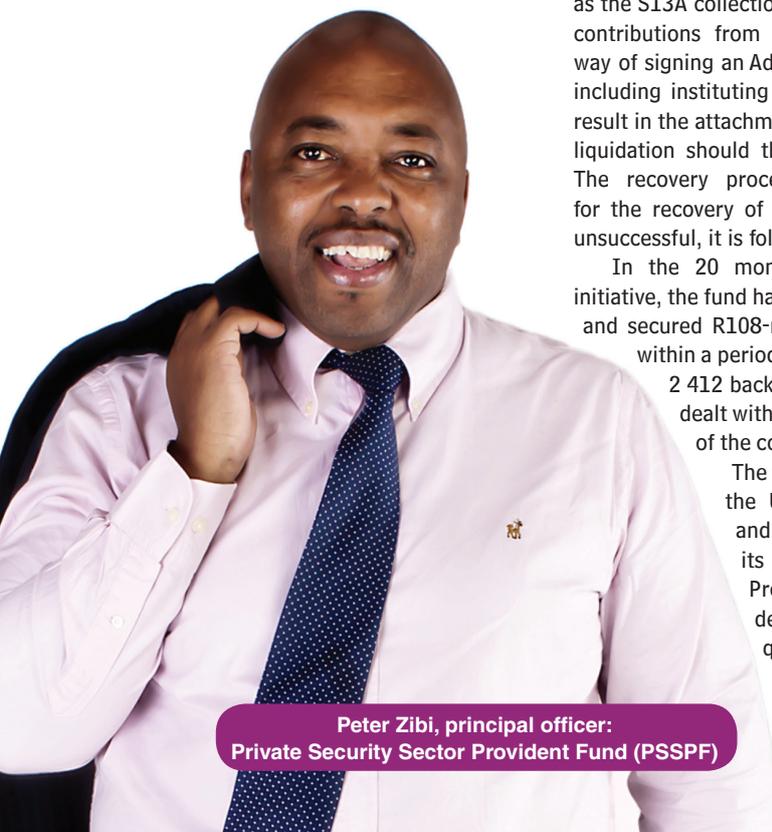
The fund has since established the Unclaimed Benefits Fund and also made progress on its section 37c Death Claims Project, which ensures that death claims are processed quickly and efficiently and

in compliance with the fund rules and the Act.

The establishment of the Unclaimed Benefits Fund has led to the registration of its rules and the work of the board of trustees will commence in earnest in order to ensure that the members and beneficiaries of unclaimed benefits are traced and paid.

The Private Security Provident Fund are legally obliged to track down and ensure that all private security companies, unless exempted, are registered as participating employers. The fund will continue with its efforts to deal with non-compliance in the sector which has, over the years, affected beneficiaries who are left destitute.

"The fund will take all reasonable steps to ensure compliance by also working together with its various stakeholders to compel defaulting employers to pay contributions in respect to their employees," he concluded. ■



**Peter Zibi, principal officer:
Private Security Sector Provident Fund (PSSPF)**

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