

ADVERTORIAL

Private Security Sector Provident Fund stakeholder update

The Private Security Sector Provident Fund (PSSPF) notes with concern the ongoing media reports on the alleged under-performance of the Fund in dealing with member complaints brought to the office of the Pension Fund Adjudicator.

In resolving member complaints brought to the Office of the Pension Fund Adjudicator (OPFA), the PSSPF is confident that it has responded to all matters that were brought to its attention by the OPFA and, at present, the Fund has a zero backlog in respect of complaints and determinations.

The Fund has made positive strides in resolving these matters, which are more often than not hindered by the continuous non-compliance of some private security employers who default on making regular contributions for their employees.

This includes employers who do not adhere to the determinations handed down by the OPFA, despite several attempts by the Fund, in writing, to those employers and also informing the affected members of the progress.

The Fund's Board of Trustees, since assuming office in September 2011, has adopted a zero tolerance stance on non-compliance and has steadfastly implemented compliance initiatives that resulted in more than 40% increase of its membership, from 180 000 to 332 951 active members.

The objective is to achieve the highest level of compliance in the sector in order to improve the quality of life and conditions of all security employees and their families.

Having attained increased membership, the Fund now reaches more than a million members and dependants cumulatively across South Africa.

In dealing with non-compliance by some employers, the PSSPF has engaged in extensive consultation with the Private Security Industry Regulatory Authority (PSIRA), the Financial Services Board (FSB), the Department of Labour (DoL) and the Unemployment Insurance Fund (UIF) in order to track down eligible employers, enforce compliance and satisfactorily meet the Fund's legal obligations.

In addition, the Fund has been participating in the provincial industry compliance structures established by PSIRA, to ensure that issues of compliance with regards to the Fund receive proper attention by all stakeholders dealing with enforcement in the sector.

It is also engaging with all law enforcement

agencies to conclude Memoranda of Understanding agreements in order to implement additional collaborative efforts to improve the overall level of industry compliance.

Going forward, the Fund intends engaging the National Treasury and other Private Sector Tender Boards in order to ensure that tenders are issued only to those companies that meet all compliance requirements.

The issuing of monthly compliance certificates to compliant employers has enabled them to validate their compliance status as sometimes required by potential clients of security services.

Exemption certificates are only issued to employers that have met the criteria set by the Fund on granting exemption to those companies to belong to the other funds in the industry.

The appointment of the Fund's attorneys to place emphasis on compliance issues and expedite litigation against non-compliant employers, has led to the implementation of the S13A Compliance Strategy to enable it to pursue legal action against those employers who have serious transgressions in terms of section 13A of the Pension Funds Act.

The amendment to the Act now compels employers to provide details of all company shareholders, directors, members in a CC, partners and trustees. These persons can be held personally liable for payments to the Fund and failure to do so could lead to fines of up to R10-million, or even imprisonment.

The Fund has also implemented payment arrangement mechanisms to recover outstanding contributions from defaulting employers. Employers enter into a payment arrangement with the Fund and commit to a repayment process, while still maintaining current monthly contributions.

Failure to meet this obligation will result in litigation, the attachment of assets and possible liquidation. The success, to date, includes over R165-million that has been secured by way of these agreements and over R80-million has already been received into the Fund's bank account. Various matters are also in court and

being pursued to recover members' monies.

The Fund, in conjunction with the Administrator, is embarking on employer educational programmes with the aim of increasing the level of understanding of the Fund and the legal obligation of employers.

The Fund continues to engage its members and other stakeholders through various mediums such as benefit statements, SMS, roadshows, newsletters, mainstream media, social media platforms and others to not only educate them on Fund rules and benefits, but to also provide regular insight on various Fund initiatives on improving the quality of service and attaining industry-wide compliance.

The PSSPF believes it is headed in the right direction considering that it was established in 2002 from a zero base and that 12 years later, it currently has an asset base of over R5-billion.

Although the Fund has a long way to go in achieving industry-wide compliance, there has been satisfactory progress and the ongoing engagement with relevant authorities and industry bodies is helping to expedite the process.

The Trustees are determined to act swiftly in further reducing member complaints that escalate to the Office of the Pension Funds Adjudicator.

However, in order to ensure that every member query is not crystallised into a PFA query, it is important that matters are referred back to the Fund and/or the Fund's Administrator allowing them the 30 day time-frame set out in the Pension Funds Act to resolve the matter before the OPFA deliberates on these matters. ■



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