Private security sector probe

More than 1000 non-compliant workers get investigated with hundreds of millions of rands debt acknowledged

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THE Private Security Sector Provident Fund (PSSPF) has investigated more-than 1000 non-compliant employers in the sector and secured 390 acknowledgments of debt.

The fund has secured acknowledgments of debt amounting to R275m with R145m collected and allocated to members' accounts.

Following the amendment of the Pension Funds Act Section 13 A in 2014, which allows for the criminalisation 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.

PSSPF communications chairperson Jackson Simon said they were closing in on non-compliant private security employers who continue to defraud employees by deducting monies from their salaries intended for their retirement and not paying it to the fund.

"PSSPF has pursued the litigation process on 149 matters and 28 have been settled as a result of employers finally accepting liability and entering into an AOD arrangement," Simon said.

He added that there were 121 matters in litigation with five of those on liquidation. "The litigation process includes reporting the matter to the SAPS and the National Prosecuting Authority (NPA) to prosecute those employers in breach of Section 13 A which is constituted as committing a fraudulent activity," Simon said.

Seven of the remaining 114 non-compliant employers are being pursued criminally by the fund.

Some of these continue to get lucrative tenders despite being in serious breach of the Act.

The fund has had 16 judgments granted in its favour and has since engaged the sheriff of the court to ascertain how much assets are in those employers' businesses to sell them and retrieve the money owed to the beneficiaries.

Simon said the collection rate from defaulting employers by the fund had increased to about 53% mainly as a result of the stakeholder engagement enforcement and regulatory bodies such as the Private Security Industry Regulatory Authority (PSIRA) and the Pension Fund Adjudicator (PFA).

"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."

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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Private Security Sector Provident Fund (PSSPF) current status

- The PSSPF has engaged **1000** non-compliant employers
- The fund has secured **390** AODs (acknowledgements of debt)
- The secured AODs amount to R275m
- The Fund has received **R145m** AOD payments
- Litigation process has included **149** matters
- Out of the **149**, 28 cases have been settled
- The Fund has had **16** judgments granted in its favour
- Four years ago, monthly complaints to the PFA (Pension Funds Adjudicator) averaged between **300 and 350**
- Presently, an average of **100** complaints have been reported