



Financial Sector
Conduct Authority

PUBLICATION OF NAMES OF RETIREMENT FUNDS AND EMPLOYERS WITH ARREAR CONTRIBUTIONS

Private Security Sector Provident fund – Webinar

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Retirement Funds Conduct Supervision

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BACKGROUND

1. Arrear contributions long history within the industry and leads to prejudice and unfair outcomes for retirement fund members

2. On 9 June 2022 the FSCA published FSCA Communication 17 of 2022 (RF)
 - inform industry of intention to publish names of retirement fund and employers with arrear contributions

 - boards of retirement funds requested to share Communication 17 of 2022 with participating employers





PURPOSE

Inform members of retirement funds and relevant stakeholders of the names of retirement funds and employer with arrear contributions in direct contravention of section 13A(3)(a) of the Pension Funds Act ('PFA')






LEGISLATIVE LANDSCAPE

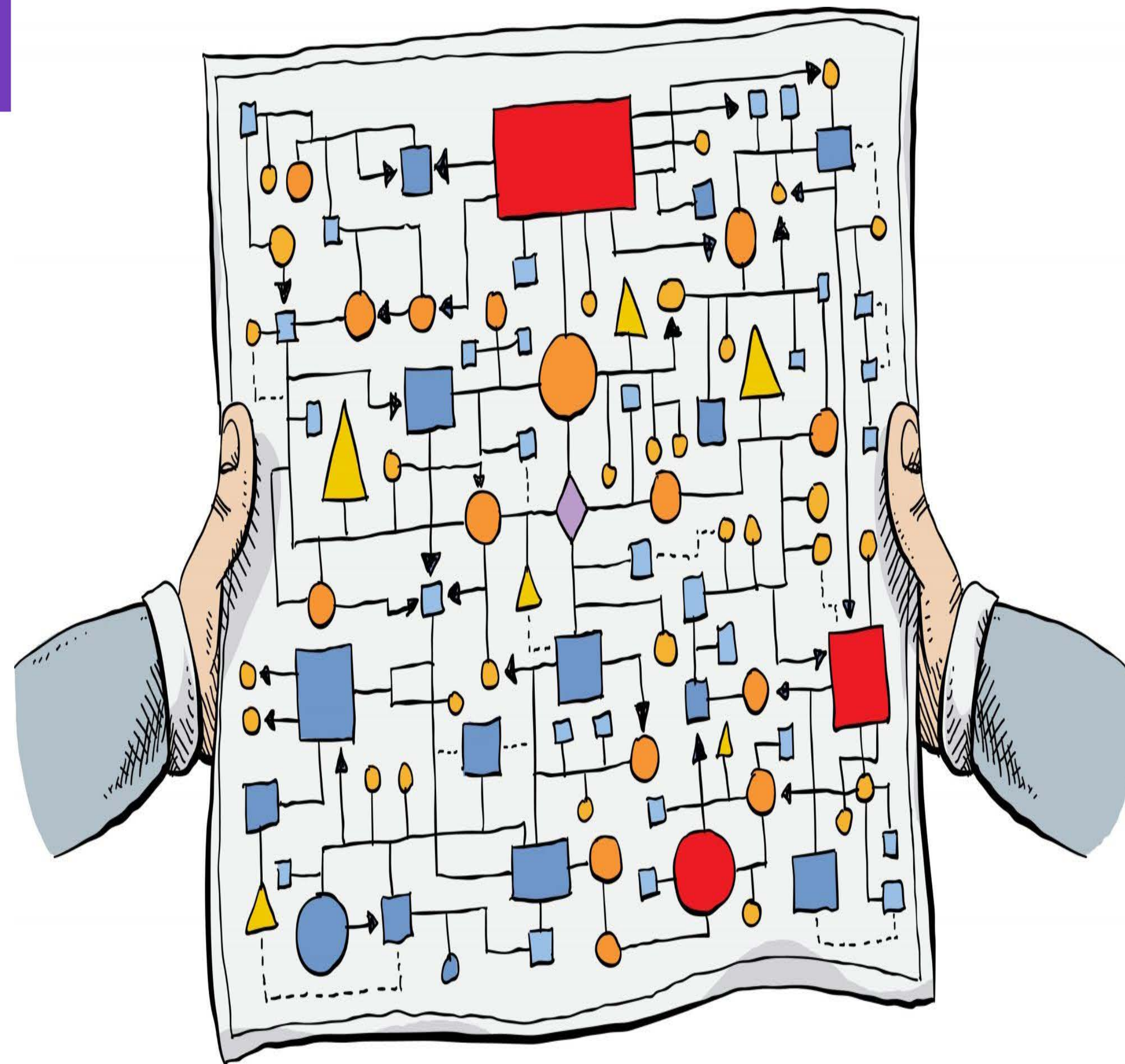
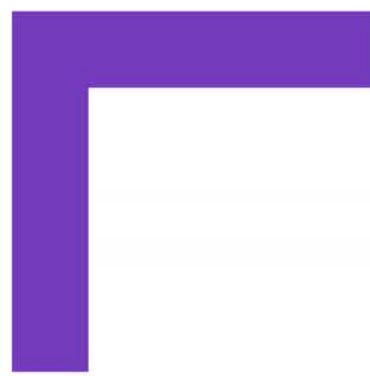
1. Section 13A(1) – employer deduct and pay contributions
2. Section 13A(2) – minimum information schedule
3. Section 13A(3)(a) – pay contributions by 7th
4. Section 37(1)(a) – any person who contravenes or fails to comply with section 13A of the PFA is guilty of an offence and liable on conviction to a fine not exceeding R10 million or to imprisonment for a period not exceeding 10 years or to both such fine and imprisonment
5. Paragraph 4(1)(a) of CS requires that the person responsible for receiving contributions in terms of section 13A(3)(a)(ii) of the PFA must report not later than the stipulated period if any contributions payable in terms of section 13A(1) have not been received as provided in section 13A(3)(a) of the PFA





LEGISLATIVE LANDSCAPE Cont.

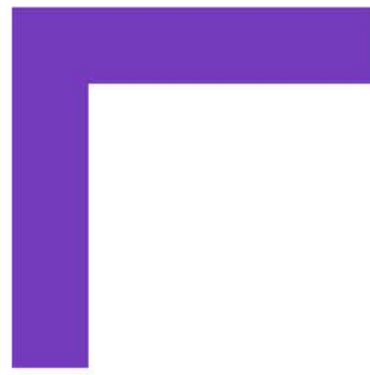
6. Section 251(2)(a) of the FSR Act provides that a financial sector regulator must disclose information gathered in terms of section 251(1)(a) of the FSR Act if the financial sector regulator determines it is necessary to comply with its obligations
- to perform functions in terms of, or as enabled by, a financial sector law
 - to warn financial customers against conducting business with a financial institution or other person conducting activities in contravention of a financial sector law
 - to alert financial customers to activities carried out by a financial institution that a financial sector regulator believes to constitute a risk to financial customers
 - to protect the public interest
 - to deter, prevent, detect, report and remedy fraud or other criminal activity in relation to financial products or financial services
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Process followed

1. FSCA Communication 17 of 2022
2. Letter to the funds to provide accurate information as at 30 April 2023
3. Information received and publication issued

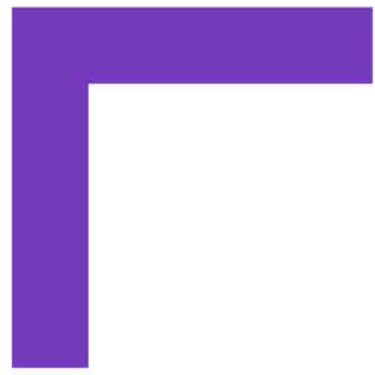




PSSPF List

1. Employers as at 30 April 2023
2. Employer in contravention of section 13A including prior periods
3. Outstanding late payment interest including prior periods
4. “technical” non-compliance – non-compliance with the collective agreement
5. Letter of good standing not applicable to FSCA and Fund requested to revise process and information contained therein





Next steps

1. Stakeholder engagements including employers, members, SAPS and NPA
2. Publication every quarter
3. Issue a retraction where it is proven there was an error
4. Issue a list of employers that have subsequently complied
5. Referral to South African Revenue Services



THANK YOU