

FSCA

Financial Sector
Conduct Authority

Pension Funds Act 24 1956

Section 13A – Payment of Contributions

PSSPF Webinar

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Section 13A (1) – Employer Obligations

- An employer must pay the following to the fund in which the member belongs (1)-
 - amounts deducted from member's salary (a) i.e member contribution.
 - contributions for which an employer is liable (b) per the rules of the fund.





Section 13A(2) – Minimum Information

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- Minimum information must accompany the payment of contributions as prescribed (a) in paragraph 3 of Conduct Standard 1 of 2022.
- Not later than 15 days after the end of the month (b).



Section 13A (3) – Payment

Contributions must be paid no later than **7 days after** the end of the month in which they were payable into the fund's bank account (a);

*Example: May 2023 contributions must be paid by 7 June
2023*





Section 13A(6) – Monitoring

- Principal officer or monitoring person must **submit reports** in the prescribed manner and format to persons who have an interest in the compliance of the act.
- Prescribed in paragraph 4 of the Conduct Standard



Section 13A (7) – Late Payment Interest


- Levied on unpaid contributions as is required by section 13A(3).
- **Rate is prescribed** in paragraph 5 of the Conduct Standard and is compounded.
- Runs from the **first day after payment was due until date of payment** to the fund and is payable by the employer

Section 13A(8) – Liability

The following persons shall be held ***personally liable*** for late or non-payment of contributions:

- **Company: every director** regularly involved in management of company
- **Close Corporation (CC): every member** who controls or is regularly involved in the management of the CC's financial affairs
- **Any other category:** any person on whose **instructions the governing body acts** or who controls/regularly involved in the management of the employer's financial affairs





Section 13A (9) – Liability cont.

- A fund must request the employer to notify it of the identity of persons personally liable to section 13A(8):
 - ✓ Notice 8 of 2023 – Annexure A
 - ✓ Failure to comply with request shall result in personal liability for the following:
 - Company: All directors
 - CC: All members regularly involved in managing the affairs of the CC
 - Any other category: All persons comprising the governing body of the employer



Section 13A(10) – Board

Must report non-compliances to the following as prescribed:

- FSCA: Annexure B of Notice 8 of 2023
- SAPS: Annexure C of Notice 8 of 2023



Section 7 – Board Duties

Section 7C:

- Take all reasonable steps to ensure that members' interests are protected at all times; and
- Act with due care, diligence and in good faith.

Section 7D(d):

- Take all reasonable steps to ensure that contributions are paid timeously to the fund in accordance with the PFA.



QUESTIONS?

THANK YOU