



<b>MEDIA RELEASE</b>	<b>Pension contributions: PSA condemns employers who fail to pay and calls for transparency in financial distress</b>
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The Public Servants Association (PSA) is extremely concerned about the alarming revelation that thousands of employers have failed to pay over pension contributions, leaving employees without the retirement savings and the benefits they are entitled to.

The recent introduction of the two-pot pension system has exposed more than 3 000 employers, including municipalities, that have failed to contribute to their employees' pension funds, in some cases for as long as 20 years. These failures have placed affected employees in financial jeopardy, many of whom only discovered this matter when attempting to access a portion of their pension. This betrayal of trust has left employees without critical retirement savings, eroding their future financial security and burdening the state with increased social assistance responsibilities.

The PSA condemns the conduct of these employers and the lack of oversight that allowed this situation to persist. Pension-fund trustees have a legal and ethical duty to ensure compliance with pension-fund regulations. It is unacceptable that they did not enforce these rules rigorously. This failure to act violates the law and undermines the purpose of pension funds of safeguarding employees' financial future. Whilst it is acknowledged that some of the employers involved face legitimate financial difficulties, there are legal mechanisms in place that provide relief to such employers. Many employers have, however, failed to follow proper processes, making no effort to seek relief or communicate challenges to employees. This lack of transparency exacerbates the problem, leaving employees uninformed and vulnerable.

The PSA advises employers experiencing financial problems to immediately inform their employees of any issues relating to pension contributions. Transparency is essential for building trust. Employees are entitled to be kept informed regarding their retirement savings. Employers must engage with pension funds and make proper arrangements to rectify contribution shortfalls. Failure to do so violates the rights of employees and is a criminal offense that could lead to prosecution and imprisonment.

The PSA calls on pension funds **to** strengthen enforcement mechanisms. Employers failing to meet obligations must face swift and decisive action. Fund trustees must be held accountable for oversight failures. The Financial Sector Conduct Authority's "name and shame" approach is a step in the right direction, but more must be done to ensure that pension contributions are paid on time and in full.

The PSA urges employees **to** regularly monitor their pension-fund balances and to act immediately when noticing discrepancies. Employees should demand an annual benefit statement and escalate concerns to the pension fund and, if necessary, the Pension Funds Adjudicator. The PSA is committed to protecting the rights and financial security of employees and will continue to hold employers and pension-fund trustees accountable.

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