

Last-placed pupil in pension fund class to sue adjudicator and her office

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NBC, the black-owned employee benefits company which runs what has been named as South Africa's worst pension fund, has started legal proceedings against the Office of the Pension Funds Adjudicator (OPFA), which made the accusation.

NBC administers the Private Security Sector Provident Fund. This fund was placed last in the OPFA's first scorecard of the industry which was launched last week.

The company said it was also taking legal action against Mamodupi Mohlala, the outgoing pension funds adjudicator, in her personal capacity, in response to "the damaging media coverage" it was subjected to last week.

"Following the release of

the results of the OPFA scorecard on September 28, the office continued making statements prejudicial to NBC," the company said in a statement.

In another attack, the National Union of Metalworkers of SA (Numsa) said the OPFA was "painfully" inefficient. Numsa, which has members in provident funds with assets in excess of R100 billion, said on Friday that the office often summoned funds for cases that had already been dealt with more than three years earlier.

The NBC-ruri Numsa Staff Provident Fund was also listed among the 20 worst performing funds by the OPFA.

Mohlala said the 20 worst performing funds faced the prospect of having their licences revoked by the Financial Services Board (FSB). She told Business Report last week

that the worst-rated funds would be turned over to the FSB, which would then take a decision on whether to reconsider their licences.

The NBC did not want to reveal more details about its legal challenge last night to Business Report, saying it would do so at a media briefing today.

Attempts to get comment from Mohlala were unsuccessful. She has been appointed as director-general of the Department of Communications.

Other poor performers, administered by other managers, included the Motor Industry Pension Fund, Denel Retirement Fund, Reckitt Benckiser Retirement Fund, Smollan Group Pension Fund and the Sanlam Retirement Fund.

Referring to the worst performers last week, Mohlala was quoted as saying: "There are

clear indications that the funds are failing to meet the standards required of them."

Numsa said that the statement that its provident fund was among the worst performers had no substance.

Sam Tsiane, the benefits coordinator at Numsa, said the union was not consulted about the scorecard, which did not address the challenges facing the industry.

"The key challenge is the number of employers who do not pay the contributions to the funds though they deduct money from the workers' wages," Tsiane said.

Numsa had trustees in the retirement funds for the metal, new tyre and motor industries, which "together represent half a million workers and there has been not a single ruling against all these funds", Tsiane added.



Outgoing pension funds adjudicator Mamodupi Mohlala faces a suit by NBC, which she named as worst manager.

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