

Call for action against employers who fail to pay pension funds – COSATU

The Congress of South African Trade Unions (COSATU) demands urgent action against employers failing to pay contributions owed to workers' pension funds.

COSATU welcomes the comprehensive report by the Financial Sector Conduct Authority (FSCA) into the large number of employers in both the private and public sectors, who owe billions of Rands in employer and employee contributions to workers' pension funds.

The report, following on previous reports, provides a harrowing insight into the state of pension funds and their administration. Over 4 000 employers, largely in the security, cleaning, metals, engineering and municipal sectors have been failing to pay for months and in many instances, years at a time, monies due from employers and monies deducted from workers' salaries to their pension funds.

Workers pay the price as their insurance and funeral policies lapse due to non-payments. Workers' savings that are meant to take care of them in retirement, are denied the monies needed to ensure they are sufficient and grow with interest.

These non-payments constitute theft and fraud by the employers. The failure by pension fund trustees who fail to report such matters to the relevant authorities, law enforcement and workers too are criminal offences.

Whilst the FSCA has reported some positive progress with an estimated 90 employers making settlement plans in the past year, this is a drop in the ocean.

The only way that this wholesale theft of workers' hard-earned pensions and wages by employers will be halted, is for these employers, finance and human resource managers and pension fund board trustees to be arrested, personal assets attached, prosecuted and imprisoned. We cannot continue to treat corruption with kid gloves or assume that the public sector has a monopoly on it.

COSATU will be requesting an urgent meeting at Nedlac with the FSCA and National Treasury as well as Business Unity South Africa and the Association for Savings and Investment South Africa, to craft a way forward to ensure that workers' monies are paid and those implicated held accountable.

Source: https://www.politicsweb.co.za/politics/call-for-action-against-employers-who-fail-to-pay-#google_vignette

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