

COMPENSATION FOR EX-MINEWORKERS FACT SHEET

The Financial Services Board (FSB) is an independent institution established by statute to oversee the South African Non-Banking Financial Services Industry in the public interest. Its mission and vision are to promote and maintain a sound financial investment in South Africa. In pursuit of this, the FSB regulates and maintains oversight over retirement funds registered in terms of the Pension Funds Act, 1956 (PFA). The FSB assists fund members or beneficiaries to identify and make contact with the retirement fund that may be holding an unclaimed benefit, surplus or benefit on their behalf.

A Steering Committee on Unclaimed Benefits led by the Department of Planning, Monitoring & Evaluation (DPME) covering Legal, Administrative and Tracking and Tracing interventions has been established to ensure unpaid retirement funds benefits reach ex-mineworkers.

According to the annual reports issued by the Registrar of Pension Funds (registrar), the number of members of funds subject to regulation and supervision in terms of the PFA and the number of people reported to be entitled to those unclaimed benefits has increased over the last few years as follows:

	2014	2013	2012	2011	2010
UB members	3,303,837	3,076,658	2,940,384	2,633,815	1,397,021
Contributing members, Pensioners & Beneficiaries	6,852,474	6,511,408	6,138,971	5,966,847	5,787,564
TOTAL	10,156,311	9,588,066	9,079,355	8,600,662	7,184,585

There are many reasons why there are such large numbers of unclaimed benefits, some of the reasons are listed below:

- the failure by many employers to inform their employees, for example-
 - that they were members of retirement funds in terms of their contracts of employment;
 - what the names of their funds were and how much was being contributed to them for the benefit of specific members employed by specific employers and whom the members could contact at the funds to obtain more information about it;
- the failure of many employers to provide their fund with up to date:
 - contact information so that the funds could make contact with the members when it needs to, such as when the members became entitled to benefits; and
 - information about the members' dependants so that the fund would know how to contact them if the members died while still members of the funds;

- employees do not know that they are eligible to a withdrawal benefit from the fund if he or she resigns or is retrenched and even if the member is dismissed for misconduct or absconds from work;
- former employees do not know how to claim their benefits and what information and documentation they need to provide to their funds when claiming their benefits, and
- the failure by many employers to timeously inform funds when members employed by that employer have left employment, have joined different funds, have become disabled or have died.

During discussions between the FSB and National Treasury a few years ago it was agreed that:

- the rights of members and beneficiaries to benefits payable in terms of the rules of a fund cannot prescribe; and
- when a member or his/her beneficiaries become aware that a benefit has accrued to the member or beneficiaries in terms of the rules of a fund but to date has remained unclaimed, the claim to the benefit must be honoured and the benefit paid

Whilst it remains the responsibility of the retirement funds in which unclaimed benefits have accrued for tracing and paying those entitled to unclaimed benefits that have accrued in or are being held by those funds, the registrar receives numerous enquiries from members of the public who ask us to advise whether they, or their parents or other relatives are entitled to any benefits in funds under our supervision which have remained unclaimed.

The FSB recognised the need to assist members of the public to determine which fund they belonged to and make enquiries with the administrator and/or retirement fund. Both to assist members of the public and to reduce the demands on our staff, the FSB engaged in a media campaign to advise the public what they can do to trace and claim their benefits.

From the enquiries received from the media campaign the FSB decided to embark on an outreach project in October 2015. The outreach project was conducted in Soweto for two days where the staff of the FSB assisted members of the public to complete enquiry forms.

Often the only information given to us by a person(s) is the name of the person to whom the enquiry relates, sometimes his or her identity number and the identity of the employer(s) for whom he or she worked at some point. In the mining industry the information is significantly less due to the following reasons:

- majority of the claimants are beneficiaries of a deceased member and were not aware of mine the person was employed
- Foreign migrant workers are required to leave the country shortly after the expiry of their work permits and the lack of sufficient mechanisms to enable them to claim their benefits from their home countries and be paid in those countries.

- changes in the forms of identification used by a member such as a change from the 'dompas' to the identity document used today;
- the closures of some companies, leaving their former employees and/or their dependants without a source of information about the funds from which they might claim their benefits;
- illiteracy and a lack of knowledge on the part of some members about their rights in relation to their funds and how to claim benefits due to them.

The table below summarises the number of complaints received for various initiatives and time periods:

	Number of enquiries received
Taking regulation to the people	3000
July 2014 to March 2015	857
July 2015 to March 2016	3426
Mining related enquiries July 2015 to March 2016	1500

Unfortunately we have discovered that there are a significant numbers of lawyers and other persons who have engaged in the business of assisting members of the public claim amounts due to them and having been taking percentages of the amounts of those benefits as fees, when those members could have claimed those benefits directly from the funds concerned without charge.

An unclaimed benefits data base into which we loaded information we voluntarily received from funds at our request was created. That data base is out of date and based on the insufficient information we receive from members and/or beneficiaries it was deemed prudent to revive the data base by requesting all retirement funds to submit their information regarding unclaimed benefits to the FSB. The process of establishing the data base is near completion and we anticipate that this will assist our office and members immensely.

The FSB plans to continue with its outreach initiatives and together with the participants in the Steering committee find improved methods of tracing and paying former members and beneficiaries.

It is important to note that the problem of unclaimed amounts held by financial institutions is not limited to retirement funds. No doubt there are also considerable numbers of:

- unclaimed bank deposits;
- unclaimed proceeds of insurance policies;
- unclaimed proceeds of investments in collective investment schemes;
- unclaimed dividends, and
- other unclaimed financial products.

National Treasury and the FSB with the assistance of various industry role players has to do a considerable amount of work to reduce the numbers of unclaimed benefits held by retirement funds under the supervision of the FSB, to minimise the numbers of unclaimed benefits that become unclaimed in the future.

How to get help if you think there is an unclaimed benefit due by a fund to you?

If you have any or all of these documents relating to you (or the member of the fund who earned a benefit you think that you are entitled to) please make copies of the document for the fund or the FSB. They may be needed for the purpose of assisting you:

- the identity document of the member / former member/ deceased member of the fund;
- a summary of your work history, or the work history of the member/ former member / deceased member including the names and addresses of each employer worked for and each period of such employment;
- payslips,
- pension fund or provident fund benefit statements, member information booklets, notices of changes in benefits, pension increases or the like;
- correspondence with the fund, its administrator;
- divorce order and divorce settlement agreement or consent order, if it made it clear that you were entitled to a share of your former spouse's retirement savings in a fund;
- medical certificate relating to disability, if applicable,
- death certificate, if applicable.

FSB contact information for queries relating to unclaimed benefits

General queries

FSB Call Centre:	0800 20 2087	0800 110 443
FSB switchboard:	012 428 8000	
Fax numbers:	012 367 7204	012 3466941
Email addresses	Pensions.Queries@fsb.co.za	FSB.PensionsUnclaimed@fsb.co.za
Media queries:	012 422 2823	
Postal address:	P.O. Box 35655, Menlo Park, Pretoria, 0081	
Physical address:	Riverwalk Office Park, Block B, 41 Matroosberg Road, Ashlea Gardens, Pretoria, South Africa 0081	