

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 1526

DATE OF PUBLICATION: 21 MAY 2010

Dr D T George (DA) to ask the Minister of Finance:

Whether any cases referred to the Office of the Pension Funds Adjudicator were outstanding as at 31 March 2010; if not, why not; if so, (a) how many cases in total were outstanding for (i) 30 days, (ii) 60 days, (iii) 90 days and (iv) over 120 days and (b) what steps will he take to resolve the backlog?

NW1782E

REPLY:

I am informed by the Office of the Pension Fund Adjudicator (OPFA) that there were 8696 cases referred to the OPFA which were outstanding (or open) on 31 March 2010.

The OPFA considers a file that is older than 9 months after close of correspondence or failed conciliation, a backlog. For clarification, once a complaint is received at the OPFA, it is assessed for proper formulation. If not, further information is sought. This often takes time as complainants are ill equipped to provide the necessary information. Only when the complaint has been properly formulated, will it be sent to the respondents in terms of the Act. Whilst the Act provides for a response within 30 days, respondents often delay or seek more time to formulate their responses. Once received, the responses are forwarded to the complainant for comment. Whilst a period of 14 days is allowed for the complainant to respond, this is seldom strictly adhered to by the complainant. Extensions are generally allowed.

A case may be indentified for conciliation. This process means getting parties to meet. Parties are allowed 21 days notice to attend a conciliation hearing. However, there are often requests for adjournments thereby further delaying the process of finalising the complaint. Only when all these processes are exhausted does the file find its way to the adjudication process. This may also require the seeking of further information or the joining of other interested parties. It is only thereafter that a draft determination may be prepared for final approval by the Adjudicator.

(a) Based on information from the OPFA:

- (i) 30 days: 8 245 cases were open on 28 February 2010;
- (ii) 60 days: 7 784 cases were open on 31 January 2010;
- (iii) 90 days: 7 289 cases were open on 31 December 2009.
- (iv) over 120 days: 7 216 cases were open on 30 November 2009.

The new Pension Fund Adjudicator, who assumed office on 1 April 2010, has instituted an audit of the entire system of cases referred to that office, and the above statistics are subject to this audit. Once completed, it is likely that the above numbers will be revised, for the following reasons: duplications (which were not currently identified); inconsistency of the data capturing; and files not being closed off on the system after their resolution. These problems were also exacerbated by the closure of the Cape Town office of the OPFA and its absorption into the Johannesburg office.

(b) The new Pension Funds Adjudicator (OPFA) assumed office on 1 April 2010, and has indicated to the National Treasury that he has since launched a program to deal with the backlog and improve the case management system, with instruction to staff that:

- Files that are outside jurisdiction are to be resolved within a week;
- Properly formulated complaints are to be dispatched to respondents within strict timelines;
- Where there is a need to resolve a complaint by guidance and referral to the correct forum, that this be done immediately.

The OPFA anticipates that the backlog will be eliminated within this fiscal year.

Since his appointment, the Adjudicator has released 136 determinations and the teams appointed to deal with the backlog and current case load have doubled their output to ensure that the strategic plan to eliminate the backlog within the year is achieved.