

NATIONAL ASSEMBLY

QUESTIONS FOR WRITTEN REPLY

QUESTION NUMBER: 991 [NW1227E]

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991. Mr V Pambo (EFF) to ask the Minister of Finance:

(1) In light of the judgment by the Bloemfontein High Court which has ordered the Mafube Local Municipality to repay R38 million of pension contributions it deducted from employees but never transferred the contributions to the Municipal Workers Retirement Fund (MWRF), what total number out of 257 municipalities are (a) compliant and up to date with pension fund deposits to workers' pension funds and (b) not compliant in this regard;

(2) (a) what is the total value of the pension contributions that the specified municipalities that were non-compliant had deducted from employees and never transferred them to the MWRF and (b) how were the pension contributions used by the municipalities, instead of the purpose they were meant for;

(3) whether any criminal charges have been filed against the officials who committed the despicable act of withholding and embezzling the workers' pension fund; if not, why not; if so, what are the relevant details?

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REPLY:

(1) (a) The relevant pension funds are required to submit information on defaulting municipalities to the Financial Sector Conduct Authority. According to the Financial Sector Conduct Authority, 108 municipalities were compliant as at 31 March 2024.

(b) Based on the information provided by the Financial Sector Conduct Authority, 149 municipalities were in arrears as at 31 March 2024.

(2) (a) Based on the information provided by the Financial Sector Conduct Authority, the total value municipalities owed to pension funds at at 31 March 2024 was R1 414 124 115.

(b) The National Treasury does not have the details on how the funds were used.

(3) The Municipal Finance Management Act, Act 56 of 2003, places the responsibility of implementing consequence management, including the reporting of alleged incidences of financial offences, on the municipal council.

The National Treasury is not aware of any criminal charges filed against officials who failed to pay-over pension fund contributions to the relevant pension funds in this municipality.