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MARCH 1992

CIRCULAR P F NO 77

(to all self-administered pension funds)

PENSION FUNDS ACT, 1956: SUBMISSION OF RETURNS

1. This Office must send numerous reminders every year to pension funds which fail to submit the prescribed financial returns and the report of the investigation by the valuator within the periods prescribed in section 15(1) and 16(2) of the Act. After closer investigation it appeared that in most cases it is the same pension funds who year after year fail to meet their obligations to this Office timeously.

2. This situation cannot be allowed to continue and pension funds should take notice that strong action will be taken against pension funds who fail to comply. In addition to the penalty clauses contained in section 37 of the Act, there is also a fine prescribed in Regulation 26 promulgated by Government Gazette R98 dated 26 January 1962, in terms of which a fine of R10 per day for each day of default will be levied.

3. Pension funds are, therefore, informed that this Office is going to levy the prescribed penalties against all pension funds who fail to submit the financial returns due on or before 31 July 1992 and the reports by the valuator which must be submitted on or before 31 December 1992. This procedure will also be followed in future.

4. Should a pension fund be unable to submit the returns or a report on time, application for extension of time should reach this Office before expiration of the submission date together with full particulars of the reasons why the returns cannot be submitted on time. The application must also indicate whether any contributions are in arrear in respect of the financial period for which extension is required. Extension will only be granted in deserving

cases. This Office reserves the right to investigate and confirm the reasons which are submitted by pension funds for the late submission of returns.

5. Pension funds are cautioned that if returns are not submitted in the prescribed format it can be rejected by this Office in terms of provisions of section 15(3) of the Act, and it shall be deemed that the pension fund did not submit the returns. Pension funds will thus have failed to submit the returns in time.

6. This Office stresses the fact that in future a less lenient attitude will be taken towards the late submission of returns and valuation reports - also in cases where the returns are incomplete - as the cost of this Office is carried by the industry and the procedures mentioned above are necessary to improve the efficiency of this Office.

REGISTRAR OF PENSION FUNDS

(Circular P F No. 76 was addressed to all insurers who underwrite pension funds)