R J BOTHA (012) 428-8075
12/12
May 1997

CIRCULAR PF NO. 91

(To all self-administered pension funds or their administrators (where applicable))

PENSION FUNDS ACT, 1956 : SUBMISSION OF FINANCIAL RETURNS AND VALUATION REPORTS

The object of this Circular is to consolidate the abovementioned matters raised in previous Circulars and to inform funds and administrators of the procedures to follow in future.

Funds were already reminded in paragraph 4 of Circular PF 28 of 30 June 1976 to submit applications for extension of time for the submission of their returns to reach this Office timeously (that is before the last date for submission) and they must give full reasons why the documents cannot be submitted in time. Funds were also informed that this Office will in future adopt a less lenient attitude in this respect. Circular PF No 77 issued in March 1992 reiterated the position and in paragraph 2, funds were warned that in addition to the penalty clauses contained in section 37 of the Act, there is also a fine of R10 per day for each day of default prescribed in Regulation 26 in the Government Gazette R.98 dated 26 January 1962. This approach to the provisions of the Act and Regulations remains in force.

Funds which did not submit their 1995 financial returns timeously or failed to obtain the necessary extensions, were fined for late submissions and their names will be published in the annual report of the Registrar, prepared in terms of section 34 of the Act for tabling in Parliament.

Similarly, funds which have not obtained the necessary extensions and fail to submit the required financial returns in respect of their 1996 financial year by 30 June 1997 will be penalised. Again, the names of these funds will be published in the appropriate annual report.

In future, submissions will be monitored on a monthly basis and the necessary steps taken against funds which fail to furnish returns and reports on due date without a valid extension. The action contemplated by this Office includes penalties and the listing of fund names in the Registrar's annual report.

This Office further advises that it will only consider granting an extension in terms of section 33 of the Act on condition that the letter requesting extension reaches it before the due date for the submission of the returns and the request is signed by the chairman of the board, one employee board member (if requirements are not yet in place by any other board member) and the principal officer. The application must also contain the following information :

(a) well-founded reasons for requesting the extension;
(b) whether any contributions payable in terms of section 13A are in arrears;
(c) whether the fund complied with the requirements of fidelity guarantee;
(d) if the extension was discussed with the auditor/actuary of the fund; and
(e) the time for which the extension is required. Extension for up to one month will be considered.

Draft financial returns will not be accepted in lieu of the prescribed financial returns.

The following circulars are hereby withdrawn, either entirely or to the extent indicated :
PF 28, paragraph 4 of 30 June 1976; and
PF 77 of March 1992.

Please hand a copy of this Circular to your auditor and the Board of Management (where applicable).

Yours faithfully

REGISTRAR OF PENSION FUNDS