

Circular 2 of 2024

09 July 2024

To: All Clothing Industry Pension Fund Members

Ref: Effects of non and late payments of member pension contributions to the Fund.

The Fund is advising all member companies who are not abiding by the Fund's Rules in remitting member contribution to the Fund in stipulated time frames that, the delay or non payment affects the Fund in submitting Group Life Cover subscription to the insurer. This poses a risk of some members not being able to be covered which may result in rejection of the respective claims.

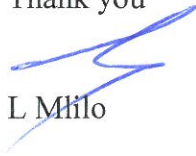
Note below reference is hereby made to the Pensions and Provident Fund Act [Chapter 24:32]

(3) Every participating employer shall, not later than fourteen days after the end of the month in respect of which the contribution is payable, remit all contributions that are payable to a fund in terms of its rules. (4) Any participating employer who fails to remit contributions within the period referred to in subsection (3) shall be guilty of an offence and liable to a category 1 civil penalty. (5) Where a participating employer fails to remit contributions in terms of subsection (3), the Principal Officer shall report to the Commission, within seven days after the expiration of the fourteen days referred to in subsection (3). (6) Where a participating employer fails to remit pension contributions for a period of three months, the Commissioner shall direct the employer to remit such contributions to the fund within such period as the Commissioner may specify: Provided that before giving the direction to the participating employer, the Commissioner shall invite representations from such employer, to give reasons for the non-remittance of contributions.



Member companies are also being made aware of interest charges being levied on any arrears and late payments. The interest being applied on outstanding contributions is the lending rate of the Fund's bank.

Thank you



L Mhilo

Principal Officer

