



EFF WELCOMES THE BLOEMFONTEIN HIGH COURT RULING AGAINST MAFUBE MUNICIPALITY IN THE FREE STATE, WHICH WAS ORDERED TO REPAY R37.7 MILLION OF STOLEN MUNICIPAL WORKERS' PENSIONS

Monday, 16 September 2024

The Economic Freedom Fighters (EFF) welcomes the ruling by the Bloemfontein High Court handed down against the Mafube Local Municipality in the Free State, which ordered the municipality to repay R37.7 million of municipal workers' pension funds which had been embezzled by officials within the municipality.

In a scathing judgment, the court found that the violation of Section 13A of the Pensions Fund Act, which obligates timeous payments to the pensions of employees was a ***“practice by the municipality (that) seems to have continued over the years; frivolous defences and non-payment of its employees' pension fund contributions remains unabated”***

The judgement goes further to affirm the criminality practiced by this municipality, and states that ***“. . .the municipality considers it prudent to present various remedies and strategies to obtain the outstanding monies, but conveniently avoids addressing the elephant in the room: what happened to the pension fund contributions that had been deducted by the Municipality?”***.

Acting Judge Thiloshni Ramdeyal therefore correctly instructed that the registrar of the court bring the matter to the attention of the National Prosecuting Authority (NPA), to further bring charges to the municipality on the criminal activities and violations of the Pensions Fund Act.

The EFF is vindicated by this judgement, as we have been consistently raising the matter of unpaid municipal workers pension funds by local government municipalities,

since the Financial Sector Conduct Authority (FSCA) released its report listing non-compliant municipalities. As things stand, local government municipalities owe a combined R1 billion to municipal pension funds, and of greater concern is how this theft of workers' monies now renders the two-pot system as ineffective to needy workers, who are realising day by day that their pension funds are empty.

The EFF wrote to the Minister of Finance Enoch Godongwana on the 28th of February 2024, and is yet to receive any response regarding this massive pension funds heist occurring in our municipalities. We have further written to the Speaker of the National Assembly, Thoko Didiza requesting the establishment of an Ad Hoc Committee of Inquiry not only into the theft of pensions in the municipal sphere, but also in the private security company sector which the FSCA has cited as owing more than R6 Billion to their pension fund contributions.

The EFF urges local government municipalities and the SA Treasury to comply with the laws of South Africa, and where they are in arrears, repay the monies of workers now! It should not take non-ending court battles to recover the hard-earned money of workers which has been deducted from their salaries.

The EFF will utilise all legislative avenues to ensure that the money of workers is recovered and all those who have been involved in stealing it are arrested and prosecuted.

We will further explore radical review of the management of pension fund assets in South Africa, and this includes the exploration of the establishment of a state-owned asset management system for the administration and investment of municipal pension funds, so that the assets of these pensions may be used to invest in municipal infrastructure and skills development.

ISSUED BY THE ECONOMIC FREEDOM FIGHTERS

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