

Pension Funds in South Africa: Leadership Challenges

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Abstract

Service delivery in South Africa is a topical issue. What comes to mind immediately is the government's ability (or inability) to provide basic services, such as running water, electricity, flushing toilets and tarred roads, to citizens. This line of thinking can be squarely attributed to the political history of South Africa. The country's struggle for liberation was not limited to political freedom; the struggle was for economic freedom as well. Historically, the exclusion of Africans from mainstream economic opportunities also extended to pension benefits paid out upon retirement from active employment. Before 1994, only white beneficiaries had representation on boards of pension funds, but thereafter, Africans enjoyed full representation in pension funds in terms of leadership roles. However, many pension funds have recently been rocked by scandals resulting from poor leadership. We are reminded of the prophecy of O. R. Tambo that South Africa will experience a leadership crisis after achieving liberation. The aim of this article is to focus attention on the pension funds industry, which appears to suffer from a paucity of leadership. In the context of this article, pension funds are focused on as an aspect of service delivery as it can be regarded as a way of eradicating poverty among the historically disadvantaged. The author argues that if pension funds are administered properly, they have the potential to contribute to the eradication of poverty among historically disadvantaged communities. This argument is elucidated by the information provided by widows who are beneficiaries of pension funds in the Greater Sekhukhune District municipal area and by retired pension fund members with whom interviews were conducted. A focus-group discussion was also held with trustees employed in the Greater Sekhukhune District Municipality.

Keywords: beneficiaries; pension funds; trustees; trade unions



Introduction

Currently, South Africa faces a number of challenges, such as poverty, inequality and unemployment, which are covered in the news almost daily. Corruption is another challenge, which might be said to exacerbate many of the country's challenges. It seems that the political leadership of South Africa is unable to root out corruption. South Africa, being a welfare state, may be unable to eradicate poverty if one of the most critical mechanisms of poverty eradication, namely pension, is not administered well and if many undesirable things are allowed to continue that threaten the stability of the retirement fund industry. At present, the industry is left in the hands of trustees who are more accountable to trade unions than they are to members of retirement funds and their beneficiaries. There are no prescribed legislative consequences for ignorant trustees who abuse their positions as the administrators of pension funds.

Background

Relevant to the context of this article, is O. R. Tambo's speech in 1977 when he said: "Comrades, you might think it is very difficult to wage a liberation struggle. Wait until you are in power. I might be dead by then. At that stage you will realise that it is actually more difficult to keep the power than to wage a liberation war. People will be expecting a lot of services from you, and you will have to satisfy the various demands of the masses of our people. In the process, be prepared to learn from the enemy. The enemy is not necessarily doing everything wrongly. You may take his right tactics and use them to your advantage. At the same time, avoid repeating the enemy's mistakes."

After the 1994 democratic elections in South Africa, the government of national unity adopted the Reconstruction and Development Programme (RDP) as government policy. A few years later, RDP was silently dropped in favour of the neo-liberal policy of Growth, Employment and Redistribution (GEAR), which was aimed at addressing, among other things, the following:

- Poverty eradication
- Inequality
- Unemployment

Context

The delivery of basic services to the previously disadvantaged is associated with access to and convenient availability of, among other things, the following:

- Water
- Electricity
- Health services
- Education

- Police service
- Welfare service
- Tarred roads

Most of the violent service delivery protests witnessed in South Africa have been associated with one or two of the above. However, in the context of this article, pension funds are focused on as an aspect of service delivery as it can be regarded as a subway to poverty eradication among the historically disadvantaged. Specific reference is made to the Sekhukhune district.

The struggle for liberation included the liberation from the shackles of poverty that emanated from the exclusion of the masses from the management and administration of pension funds that were established to benefit them in their years of retirement.

In this article, a case study of current service delivery realities in relation to leadership after the first national democratic elections in South Africa is presented. It is based on a paper that was delivered at the 14th Annual Conference of the Oral History Association of South Africa (OHASA) held at Mthatha in the Eastern Cape in October 2017 (Makina 2017). The title of the paper was “Pension funds as the subway to poverty eradication among the historically disadvantaged with specific reference to Sekhukhune Municipal District, Limpopo Province of South Africa.”

Pension Funds Leadership Case Study

The earliest record of pension provision in South Africa dates back to 1837 when pensions were paid by the British government of the time to some of their military staff (George and Joubert 2007, 309). These authors posit that pension funds perform an important role within the economy, in the sense that they enable their members to make provision for old age and provide large sums of money for investment in various asset classes (2007, 307).

According to Webster (2015), the interest of trade unions in retirement funds in South Africa can be traced back to 1983 when the Metal and Allied Workers Union (the forerunner of the National Union of Metal Workers of South Africa (NUMSA) won the right to sit on the Pension Fund Board, and to 1987 when the Chemical Workers Industrial Union (CWIU) won the right to co-manage the Chemical Industries Pension Fund. Around 2007, some unions broke ranks as an alternative strategy of union investment companies emerged, like the Mine Workers Investment Company and Hosken Consolidated Investments (Webster 2015). The above is evidence that South Africa’s struggle for freedom was pushed through organised labour (trade unions) as an internal vehicle of waging the struggle. Hence, COSATU was also established in the 1980s. This emphasises how important pensions are in the lives of employees after retirement.

This importance is confirmed in the second quarter bulletin of 2008 of the Financial Services Board (FSB) (FSB 2008, 15) which mentions a resolution by the Chemical, Energy, Paper, Printing, Wood and Allied Workers' Union (CEPPWAWU) to seek to impose obligations on trustees elected or appointed by trade unions or its members to manage benefit funds established by the union. This resolution states that if trustees do not follow the union mandate, they would be in breach of their duties to the union and would face expulsion from the union and removal from the board of trustees.

However, it is stated that a court has found that a trustee has an obligation to exercise an independent judgment regardless of the views of the trade union or employer that appointed the trustee. Therefore, it can be said that a trustee is expected to exercise an independent judgment as to what constitutes the best interest of the fund, its members and beneficiaries. Thus, the CEPPWAWU resolution was declared unlawful (FSB 2008, 15).

Had the resolution been allowed to stay it was likely to have had undesirable results for the dependents of members, since the dependents were in most cases not members of the trade unions in question, nor employees of the organisations that were participating in the retirement funds that were co-managed by the trade unions.

Webster (2015) indicates that trustees are caught between being elected on the basis of their popularity and their ethical standing, and that NUMSA wants the Pension Funds Act amended to allow union representation on the funds, including union recall and accountability. This NUMSA demand is similar to the resolution of CEPPWAWU, which was nullified by a court of law. It can be inferred that the retirement fund industry has made significant progress when it comes to the representation of the masses in the boards of trustees.

Draft Information Circular of 2015 (reference 12/12/25, 1) provides for the appointment of board members in terms of section 7A of the Pension Funds Act as amended by the Financial Services Laws General Amendment Act, 45 of 2013 which states:

(1) Notwithstanding the rules of a fund, every fund shall have a board consisting of at least four board members, at least 50% of whom the members of the board shall have the right to elect.

(1A) The composition of the board shall at all times comply with the rules of the fund and any vacancy on such board shall be filled within such period as prescribed, which is ninety days from the date on which the position became vacant.

It is further noted that the registrar of pension funds recognises that sound governance of a fund requires that the members of the board of the fund must have the appropriate knowledge and skills in regard to matters such as the following:

- That the retirement funding, if applicable, provides for the risk cover needs of the members of the fund, taking into account the profiles of its membership as a group and the nature and needs of other stakeholders in the fund by ensuring the following aspects:
 - sound governance and compliance with applicable laws;
 - fair treatment of its members and other stakeholders;
 - appropriate and effective management of its risks;
 - appropriate and effective communication with members and other stakeholders; and
 - policies and strategies that would be appropriate for the fund to adopt in relation to the investment of its assets, and the manner in which those strategies may be implemented effectively.

A cause for concern mentioned by Webster (2015) is that there is R20 billion in unclaimed benefits. In addition, many beneficiaries are not adequately informed by their employers, unions and fund administrators that their dependents—including children—are entitled to death benefits. What is more, members are not told that even if they are dismissed they are entitled by law to a prescribed minimum benefit.

The question that can be asked is: Where is *leadership* when most people are living in poverty; when there is R20 billion in unclaimed benefits? Part of the struggle for representation in retirement funds boards was to ensure that the African masses are well represented and looked after to ensure that they get all the retirement benefits due to them.

At the launch of the book *Responsible Investment and Ownership: A Guide for Pension Funds in South Africa*, Hunter (2013) said in her speech:

A fund has a fiduciary to act in the best interest of its members whose benefits depend on the responsible management of fund assets, and that this duty supports the adoption of a responsible investment approach to deploying capital into markets that will earn adequate risk-adjusted returns suitable for the fund's specific member profile, liquidity needs and liabilities.

Hunter also stated that a fund must have an investment policy statement, which must be reviewed at least annually. She touched on the famous Fidentia investment scandal in association with the Living Hands Umbrella Trust and the Mineworkers Provident Fund, which had left many widows and orphans of the former mineworkers in a destitute situation, worse than before the scandal, taking into account that by virtue of their being widows and orphans they had not only lost breadwinners but also a great loss in socio-economic status.

The main victims of the Fidentia scandal were 46 000 widows and orphans of former mineworkers who had lost their lives (FSB 2008, 15). According to the FSB (2008, 14), the Mine Workers' Provident Fund entered into an agreement with the Mercantile Asset Trust Company to invest and administer the benefits of deceased members of the Mine Workers' Provident Fund. In 2003 the Mercantile Asset Trust Company was sold to Mantadia, which was later bought by Fidentia. Neither the trustees of the Mine Workers' Provident Fund nor the trustees of other retirement funds that had entrusted money to the Mercantile Asset Trust Company were given a say in this sale. It becomes clear that the trustees of the Mine Workers' Provident Fund were nowhere near the scene of events and could not have influenced the events to prevent the plunder (FSB 2008, 15).

The worrying factor in this regard would be the absence or silence of the trustees, as it has not been revealed what the trustees did after finding out that their business interests in the Mercantile Asset Trust Company had been sold to Fidentia, with terms and conditions not known to them as trustees. Therefore, one cannot say whether it was a failure on the part of the trustees, or whether it was a board resolution for the trustees not to worry about the transfer of their business from the Mercantile Asset Trust Company to Fidentia.

The question that can be asked is: Where was *leadership*, be it trustees or other statutory authorities entrusted to perform oversight work in respect of retirement funds, especially when retirement funds exchanged hands many times in a short space of time from the Mercantile Asset Trust Company to Mantadia, which was later bought by Fidentia. A similar pension fund scandal was reported by Masondo (2017) in an article on the pension monies belonging to members of the Anglo Group Provident Fund that were mismanaged under the Bophelo Beneficiary Fund. The chief executive officer (CEO) of the Bophelo Beneficiary Fund is Mr Bongani Mhlanga, former CEO of Mantadia, which was also involved in a pension fund scandal.

Another ongoing pension fund saga in South Africa that involves undesirable socio-economic implications for beneficiaries and their dependents is that of the Transnet Pension Fund. The South African Press Association (SAPA) reported on September 4, 2014 that Transnet's application for leave to appeal a ruling allowing its pensioners to bring a class action suit was dismissed by the High Court in Pretoria (SAPA 2014). However, there is no available official document for public scrutiny on what went wrong with the Transnet Pension Fund that necessitated a court action by the pensioners. It can be inferred with certainty that there was something that the trustees of the Transnet Pension Fund did not handle well and that probably entailed their making a wrong decision. This caused much dissatisfaction among the pensioners. It should further be noted that the beneficiaries of the Transnet Pension Fund belong to a government parastatal (i.e. Transnet) and therefore do not have recourse for a remedy at the Office of the Pension Funds Adjudicator (OPFA).

There are current developments around a pending intervention of the Government Employees Pension Fund (GEPF) through its investment wing, the Public Investment Corporation (PIC), by the state through National Treasury to raise funds needed to bail out failing state-owned entities (Donnelly 2017). Donnelly further reports that the Public Sector unions are said to be preparing to take to the streets if necessary to protect their members' pensions following government's denial that the PIC could be forced to bail out ailing parastatals, regardless of Minister Malusi Gigaba's and Deputy Minister Sfiso Buthelezi's denial that the government is seeking R100 billion to plug gaps in parastatals.

Although it has been reported that the CEO of PIC, Dr Dan Matjila, is denying that he is being targeted for removal from PIC, there are rumours that he is under siege from some of the PIC board members, under the stewardship of the Deputy Minister of Finance, Mr Sfiso Buthelezi, who is the chairperson of the PIC board. It is alleged that Dr Matjila is considered to be a stumbling block for the National Treasury to access GEPF monies, hence the need for his removal from PIC (Donnelly 2017).

The numbers of affected beneficiaries of funds that are experiencing leadership crises and/or scandals are as follows:

- The Fidentia scandal related to the Mine Workers' Provident Fund negatively affected more than 47 000 beneficiaries, mainly mineworkers and their families.
- The Bophelo Beneficiary Fund scandal related to the Anglo Group Provident Fund has 7 229 beneficiaries.
- The Transnet Pension Fund scandal has affected 65 0000 beneficiaries.
- In the event of the GEPF becoming a casualty of a leadership crisis, 375 pensioners and beneficiaries stand to be affected negatively, and 1,2 million active members will face the risk of retiring without retirement benefits.

An academic study was conducted in 2017 at the Greater Tubatse Municipality (one of the five local municipalities constituting the Greater Sekhukhune District Municipality) under the auspices of the University of KwaZulu-Natal to determine the impact of the decisions of pension fund trustees on the socio-economic welfare of beneficiaries in the Greater Tubatse municipal area. This study indicated the existence of a leadership vacuum on the part of pension funds (Makina 2016, 77). The study also revealed that the widows who had been failed by trustees resorted to the South African Social Security Agency (SASSA) for financial support.

Therefore, it can be inferred that all the beneficiaries mentioned above that have been failed by Fidentia, the Bophelo Beneficiary Fund and the Transnet Pension Fund will most likely depend on SASSA for financial support. The question that can be asked is what the impact will be on the fiscus of the Republic of South Africa through SASSA should GEPF also fail its beneficiaries.

In respect of the abovementioned pension fund scandals, the Sekhukhune district has its own share of affected beneficiaries. In the absence of a competent and committed leadership to ensure efficient service delivery, pension funds may not be a subway to poverty eradication among the historically disadvantaged in the district.

Leadership failures in the retirement fund industry and the lack of statutory oversight authority perpetuate the increase of dependency on the state for financial survival. Lastly, the leadership of the country seems to be at peace with these undesirable developments in respect of leadership crises and the realities of service delivery failures. The implication of uncertainty about PIC and GEFP will be a mass resignation of civil servants who render essential services, such as educators, nurses and police officers.

Problem Statement

Currently it appears that decisions taken by trustees when executing their duties as defined in section 37C of the Pension Funds Act, No. 24 of 1956 can be successfully challenged by beneficiaries through the Office of the Pension Funds Adjudicator (OPFA). This is heartening, considering the increasing incidence of pension fund investment scandals that are reported in the media.

As mentioned earlier, a study was conducted by the Greater Tubatse Municipality in the Greater Sekhukhune area. The overarching aim of the study was to determine the impact of the decisions of pension fund trustees on the socio-economic welfare of beneficiaries, and the specific study objectives were as follows:

- To determine the impact that decisions made by trustees have on the socio-economic welfare of beneficiaries who have to rely on pension pay-outs or death benefits.
- To establish the challenges that beneficiaries, surviving spouses and retired members face and what their experiences are in dealing with trustees.
- To find out the nature of changes in the lifestyles of widows before and after losing their families' breadwinners.
- To determine which complaints received by the OPFA are the most common, and to establish how the OPFA interacts with society at large.

Research Methodology

A research methodology refers to a logical and well organised set of methods that support one another so as to achieve a "goodness-of-fit" delivery of data findings that reflect the research problem and match the research aim (Henning 2004, 36). The current study was conducted within a qualitative research paradigm. The choice of the qualitative research method was informed by the nature of the research question and the study objectives. The aim of the study was to seek an understanding of the feelings,

ideas and the practical experiences that survivors went through during and after the funerals of their families' breadwinners.

Henning (2004, 3) asserts that qualitative descriptive studies should be chosen when the researcher wants to understand and explain the phenomenon that is being studied by using evidence from data and from the literature. Therefore, a qualitative research approach was regarded as being suitable for this study. Swart (2012, 45) states that the purpose of any qualitative research study is to describe and understand rather than to explain human behaviour.

The study was conducted within the theoretical framework of the grounded theory approach since it allowed the researcher to generate theory from the data obtained or to expand or modify existing theory. According to Wagner, Kawulich, and Garner (2012, 131), grounded theory relies on data from interviews, observations and documents, and it allows for the use of data from quantitative or mixed methods to be used if needs be. In addition to the grounded theory, the researcher also incorporated a phenomenological approach to the study, which, according to Wagner, Kawulich, and Garner (2012, 132), involves pure and simple descriptions of people's experience. These authors (2012, 125) state that qualitative research requires the researcher to engage on a personal level with people who hold the data, which means that the researcher has to enter into the lives of the persons being studied as fully as possible. This approach is called the phenomenological approach (Struwig and Stead 2004, 16), and it was chosen for this study since one of the objectives was to understand the experiences and challenges of beneficiaries or dependents of pension funds when dealing with pension fund trustees.

The methodological approach chosen for the study was appropriate since the aim of the study was to understand the reason behind the fact that in most cases the decisions taken by the trustees were challenged at the OPFA. Secondly, the aim was to understand the views of the trustees about the impact of their decisions on the socio-economic welfare of beneficiaries, and ultimately to understand what trustees considered as the main reason for making wrong investment decisions.

The researcher made use of information from the case study that Swart (2012, 45) conducted in researching the subject of pension funds. Swart conducted a series of interviews with different role players in the pension industry. It is against this background that the researcher conducted interviews with members of provident/pension funds, ex-members, beneficiaries (who in this study were the surviving spouses or orphans) and officials from the OPFA, and had a focus group discussion with people in the Greater Tubatse municipal area who were trustees of provident/pension funds.

Study Population

For the purpose of this study, the population sample comprised stakeholders of retirement funds, surviving spouses (widows), active pension fund trustees, and officials from the OPFA. All of them reside in the Greater Tubatse municipal area, except the official from OPFA. This study was limited to the Greater Tubatse municipal area, and the research was confined to the specified available beneficiaries (surviving spouses (widows) and retired former members) and active pension fund trustees in the Greater Tubatse municipal area. The official from the OPFA was based outside the specified geographic area, and for that reason the interview was conducted in Pretoria at the OPFA.

Sampling Method

Non-probability sampling is recommended for use when it is nearly impossible to determine who the entire population is or when it is difficult to gain access to the entire population (Du Plooy-Cilliers, Davis, and Bezuidenhout 2014, 137). This study followed a non-probability sampling method because the topic touched on a sensitive matter, namely, money.

It was difficult to compile a list of surviving spouses/widows, in particular those whose former breadwinners had belonged to a pension fund and who had had the opportunity to interact with trustees. The same applied in the case of former members, since not all retired members were willing to participate in a discussion that was related to their pension monies. Regarding the trustees who constituted the focus group, for different reasons not all trustees were willing to participate. It was against this background that the researcher had to embark on non-probability sampling. Du Plooy-Cilliers, Davis, and Bezuidenhout (2014, 137) state that the representativeness of the sample is not considered important when using non-probability sampling for qualitative research.

Sampling Design

The Research Committee of the University of KwaZulu-Natal recommended to the researcher that a maximum of five surviving spouses should be considered to be participants in this study due to the fact that only certain widows in the geographic study area would meet the study's criteria of participation. Obtaining more than five participants might be difficult given that the widows needed for this study might still be angry with trustees. Furthermore, as they might consider themselves victims of the trustees or the pension funds, they might not be interested in participating in this study. It was also recommended that the number of retired members of pension funds be limited to four, and that a maximum of five trustees of different pension funds in the Greater Tubatse municipal area should be used. The limitation of no more than five participants per category was necessary as the use of more participants would be time

consuming and financially expensive and because the accessibility of participants was very critical for this study.

In consideration of the recommendations of the said Research Committee and of those made by Du Plooy-Cilliers, Davis, and Bezuidenhout (2014, 144), the researcher observed the following considerations for this study:

- It was important to consider the budget of the project by carefully choosing a sampling method that would provide the same kind of data from a smaller number of elements.
- The researcher worked within time constraints. Therefore, there was a need to ensure that the sample size and sampling method were not time consuming.
- The purpose of the research took precedence over other issues since this research was not designed to be generalisable to the larger population.
- In situations where error was not the main concern, a sampling method was chosen according to the specific requirements.

Sample Size

The sample, which was selected through purposive and snowball sampling, comprised the following numbers of both males and females older than 18 years of age:

- Five widows whose deceased breadwinners had been members of pension funds and who had had the opportunity to interact with trustees
- Four males who were former members of pension funds
- Four males who were active pension fund trustees
- One official from the OPFA

In the following section, the research findings, as measured against the study objectives, are presented in tabular form (see Table 1).

Research Findings Measured against Study Objectives

Table 1: Research findings measured against study objectives

<i>Research objectives</i>	<i>Findings</i>
<ul style="list-style-type: none"> • To determine the impact that the decisions that trustees make have on the socio-economic welfare of beneficiaries who rely on pension pay-outs or death benefits. • To establish the challenges that 	<ul style="list-style-type: none"> • Poor treatment of widows by trustees • Widows appeared to be at the mercy of trustees instead of being treated according to the criteria set out in section 37C of the Pension Funds Act.

<i>Research objectives</i>	<i>Findings</i>
<p>beneficiaries, surviving spouses and retired members face, and what their experiences are in dealing with trustees.</p> <ul style="list-style-type: none"> • To find out the nature of changes in the lifestyles of widows before and after losing their families' breadwinners. • To determine which complaints received by the OPFA are the most common, and to establish how the OPFA interacts with society at large. 	<ul style="list-style-type: none"> • The unavailability of trustees to former members has adverse impacts on their psychological well-being, emanating from worries that no one is available to clear up their concerns. • Trustees possess poor soft skills. • Beneficiaries are vulnerable to exploitation by lawyers who are not assisting to resolve their problems. • Beneficiaries who cannot afford to engage the services of a lawyer do not have any other recourse to have their problems resolved. • There is a drop in the quality of life of widows when comparing their lifestyles before losing their families' breadwinners to their lifestyles after their loss. • There is a lack of prescribed minimum academic qualifications for trustees. • There is no uniform support to trustees in terms of logistical support and exposure, which include presentations of national conferences and workshops about trends and developments in the pension fund industry. • Currently there is no legislation that prescribes consequences for trustees who are lazy, ignorant

<i>Research objectives</i>	<i>Findings</i>
	<p>and neglectful in executing their duties.</p> <ul style="list-style-type: none"> • Although some widows know about the OPFA, others do not. Former pension fund members also do not know about the OPFA. • The OPFA is planning to embark on community awareness campaigns through road shows to teach communities about the OPFA and to inform them how this office can assist them in dealing with their challenges.

Conclusions Reached

In analysing the data obtained from the interviews, the researcher reached the following conclusions:

- Regardless of the existing guidelines to assist trustees when executing duties related to section 37C of the Pension Funds Act, trustees seem to be lazy when tracing, identifying and verifying dependents. Even the existence of reliable evidence is not assisting the situation.
- Despite the available guidelines in the Pension Funds Act, trustees are battling to trace, identify and verify dependents and information at their disposal. There is a possibility of unnecessary omissions by trustees when tracing and identifying dependents, and this can be ascribed to ignorance.
- The time when beneficiaries become aware of the existence of trustees is a challenge in the sense that it happens during the period when they mourn the death of their loved one and when most of them are still in a psychological state of shock.
- Trustees can be said to be unknown persons to widows in the Greater Tubatse municipal area. This has the potential of making it difficult for widows to engage openly and freely.

- It can be said that widows only cooperate with trustees because there is hope of receiving money at the end of their painful exercise of engaging with the trustees.
- Widows face the challenge of engaging with strangers (trustees) who are empowered to make decisions that will impact on their socio-economic welfare for the duration of their lifetime.
- Financial planning can be difficult when there is non-disclosure by trustees to beneficiaries regarding the amounts due to them. At times the waiting period for widows before receiving death benefits can be very long. A case in point is the matter between N. M. Komana versus Samancor Group Provident Fund, PFA/MP/4828/2005/LM/th, where the beneficiary waited for nine years for the death benefit to be paid. Another example is that of a Giyani-based widow versus GEPF, which was reported in the *Sowetan* in an article by Thuli Zungu dated March 4, 2015. In the latter case, the Giyani-based widow and her two children who had been living in abject poverty for the previous 14 years, had almost R500 000.00 sitting in government coffers in the GEPF.
- Retired members and widows in the Greater Tubatse municipal area who do not know about the OPFA rely on lawyers for assistance when they do not get any response from trustees or former employers regarding death benefits and retirement packages. Those who cannot afford to engage the services of lawyers do not have any other recourse.
- The socio-economic quality of life of beneficiaries worsens after losing their families' breadwinners.
- If the experiences of the widows in the Greater Tubatse municipal area are taken into account, it can be said that the trustees of pension funds do not inspire confidence in widows who find themselves in similar circumstances and situations. For instance, trustees do not give widows a voice, do not share information with widows about the amount of money payable to beneficiaries, do not educate beneficiaries, and fail to trace and identify legitimate beneficiaries.
- Unless trustees fulfil their duty to inform and educate beneficiaries, retiring members are facing a challenge since there is no trustee to give them a voice if they have queries about their pension pay-out benefits.

Final Conclusion

The aim of this study was to determine the reasons why the decisions taken by trustees were often challenged by beneficiaries at the OPFA. Secondly, the researcher engaged with the participating trustees in order to understand what they went through when discharging their duties and what they thought about the impact of their decisions on

the socio-economic welfare of the beneficiaries. The focus of this study was confined to the nature of the interactions between beneficiaries of pension funds living in the Greater Tubatse municipal area and trustees, and to the services available to former members of the retirement funds used in the Greater Tubatse municipal area. The study revealed that trustees rendered poor service to beneficiaries, that retired members of pension funds were disgruntled, and that trustees operated under difficult and challenging circumstances.

Recommendations that could be made are, for example: the OPFA must be decentralised so that its services are accessible to rural communities; the support given to trustees to ensure uniformity should be regulated; the professionalisation of trusteeship should be attended to; there should be consequences for trustees who neglect their duties; and pension fund members should be educated about their benefits and the procedures for claiming death benefits before they retire so that they can inform their beneficiaries.

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