



The Registrar of Pension Funds
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UNDER CURATORSHIP
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30th September 2020

Attention: Cornelia Buitendag

BY HAND

BY EMAIL

Dear Madam

**(18TH) EIGHTEENTH REPORT TO THE REGISTRAR OF PENSION FUNDS:
MUNICIPAL COUNCILLORS PENSION FUND (UNDER CURATORSHIP) (“the Fund”)**

This is a follow up report of the Curator's report submitted to the Registrar which was dated 31st July 2020.

With the continuation of the National state of Lockdown and the relaxation of the regulations thereto, the Fund has been able to implement a phased approach to having its employees return to the workplace. The Fund is also able to have further engagements with its various stakeholders. This report thus details the Curators' actions during this period and the progress made by the Curators to date.

1. CONTROL, MANAGING AND INVESTIGATING THE OPERATIONS AND BUSINESS OF THE FUND

1.1 Membership as at August 2020

Description	Membership as at June 2020	Membership as at July 2020	Membership as at August 2020
Total active members at the beginning of period	5551	5552	5532
Total active new members joined for the period	5	19	13
Total exits for the period	4	39	87
Total active members =	5552	5532	5472

1.2 Contribution Breakdown at Municipal Level

Description	No of Municipalities June 2020	No of Municipalities July 2020	No of Municipalities August 2020
Municipality that have contributed	187	185	186
Municipalities in arrears (not contributed for 3 months or less)	0	4	7
Municipalities in arrears more than 3 months (Municipalities which decided to stop contributing)	33	31	30
Total Municipalities	220	220	223

1.3 Section 13A Administration

With the assistance of the Curators and through the establishment of a committee specifically dealing with section 13A matters, the Fund has made progress in ensuring compliance with the provisions of section 13A.

As previously reported, the Fund has commenced various campaigns to engage with its members and the various Municipalities regarding their section 13A contributions, the results of which are as follows:

- 1.3.1. In response to the formal communication sent to the Municipalities, the Fund received positive feedback from several Municipalities who expressed their intentions to resolve the matter amicably.
- 1.3.2. The Fund has started to receive contributions from members who were previously classified as non-contributing members.

The Fund will continue to engage with non-contributing Municipalities and other stakeholders in order to find an amicable resolution.

2. TRUST UPDATE

We previously reported that the tracing of beneficiaries had been and still continues to be negatively impacted by the national lockdown. However, our tracing agents are committed to proceed with the beneficiary tracing in view of the ease of the national lockdown regulations.



Summary of trust administrated by the Fund:

Total Trust at start of period	Total paid	Total unpaid Trusts
381	187	194

3. PROPERTY OWNING COMPANY

3.1 ARREAR RENTAL – WILLOWS OFFICE PARK

We are continuing in our litigation strategy to recover the arrear rental from defaulting tenants.

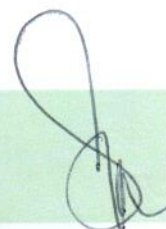
4. INVESTIGATIONS

The Fund has been informed that the HAWKS are still pursuing in their investigations and the Fund was requested by the investigating officer to provide further information. The Fund complied with the aforementioned request and are awaiting feedback on the further developments.

We have followed up with the Legal Practitioners Council and are still awaiting the date for the next hearing.

5. INVESTMENTS

The Curators continue to monitor the performance of the Fund's investments and engage with the investment advisors on a regular basis.



6. LEGAL PROCEEDINGS

With the easing of the National Lockdown Regulations, the Fund's attorneys have greater access to the Courts. The Fund is thus in a position to pursue its litigation strategy.

We are proceeding with litigation against the Councillors of the Nyandeni Municipality.

We have commenced the litigation process against the section 13A Municipalities and will provide a further update in due course.

7. ANNUAL FINANCIAL STATEMENTS

We are now preparing for the audit of the annual financial statements for the year ended 30 June 2020.

8. COMPLAINTS

Our complaint register for the duration of the Curatorship reflects the following:



MCPF ESCALATED CASES (PFA QUERIES/ COMPLAINTS) – AUGUST & SEPTEMBER 2020-SUMMARY

DESCRIPTION	NO OF NEW COMPLAINTS AS AT AUGUST 2020	NO OF NEW COMPLAINTS AS AT SEPTEMBER 2020	RESPONSE RATE %
New cases received during period under review	1	1	
Pending			
* With PFA (start of reporting period)	10	11	
* PFA Determinations received during the period	0	4	20%
* Awaiting PFA Response/determination (Previous matters awaiting response from the PFA)	6	5	55%
* With Fund (still to be responded)	4	2	30%
Total cases	10	11	

9. DEATH BENEFIT CLAIMS

The Distribution of Death Benefit Sub Committee sits every month to consider and discuss the pending death claims so that resolutions can be sought and claims finalised timeously.

10. DATA VERIFICATION

We continue to see progress in the data verification process, which is still ongoing, however we anticipate its conclusion in due course.

11. FUTURE OF THE FUND

We will be engaging with various stakeholders to ensure compliance with the Fund's procurement policies and will revert on this aspect and the progress therein in our future reports.

12. HR PERSONNEL ENGAGEMENT

We continue to engage with the HR Personnel of the respective Municipalities to deal and resolve the concerns raised by our members. In recent months HR Personnel and members have been enquiring about the Fund's readiness for the 2021 bulk exit of members. We held a number of meetings with Provincial Executive Council of SALGA and the members wherein we explained the processes and the readiness of the Fund to deal with the 2021 bulk exit.

13. GOVERNANCE

We are continuing to implement and review our Business Continuity Plan in line with the standards of good corporate governance. Our standing meetings are being conducted remotely through video conference platforms to avoid the spread of the

COVID 19 virus. The Curators are ensuring that the staff comply with the COVID 19 workplace policy.

14. CONCLUSION

Despite the challenges occasioned by the pandemic, the Fund has managed to improve on its administration. The stakeholder query turnaround time has improved to a satisfactory level. The measures and strategies put into place by the Curators are proving to yield positive results.

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