

# THE CONTRACT CLEANING NATIONAL PROVIDENT FUND

## COMPLIANCE ALERT 1/2022



### HOW TO KEEP A COMPLIANT STATUS WITH THE FUND AND QUALIFY FOR COMPLIANCE CERTIFICATES

- The monthly contributions must be paid into the Fund's bank account by month end or before the 7<sup>th</sup> of the following month that it is due, (the 7<sup>th</sup> is only a grace period) and quote your fund unique reference number (issued at registration stage) when making payment. Any payments made outside these timelines will result in your account being deemed non-compliant and late payment interest will be levied on your account.
- The contribution schedules must be emailed to [CleaningC@nbc.co.za](mailto:CleaningC@nbc.co.za) by month end or before the 15<sup>th</sup> of the following month that it is due (15<sup>th</sup> is a grace period only), Always quote your company name and fund unique reference numbers when communicating with the Fund.

The above two steps will ensure that after 6 months of active participation, participating employers will qualify for receiving compliance certificates which can be used when tendering for new business and renewing of cleaning contracts. This is valid for 6 months.

It is important to note that compliant participation with the Fund's rules is an employment condition for contract cleaning companies as directed by the Sectoral Determination for contract cleaning.

### TYPES OF NON-COMPLIANCE

1. Not deducting Provident Fund contributions,
2. Failure to pay contributions at all,
3. Failure to pay contributions within the prescribed timelines (monthly),
4. Underpaying contributions,
5. Not paying according to the correct contribution rate,
6. Failure to pay late payment interest,
7. Failure to submit member information schedules at all,
8. Failure to submit member information schedules to the fund monthly/ timeously.

### CONSEQUENCES OF BEING LISTED AS NON-COMPLIANT

1. Monthly reminders will be sent out to defaulting employers.
2. Late payment interest charged on late payment of contributions.
3. Matters will be handed over to Fund's compliance department, failure to resolve will result in the matters being handed over to the Fund's legal department.
4. Legal department will attempt to assist employer resolve their non-compliance, if no progress is made, they may refer cases to the Fund's attorneys (wherein legal fees will be incurred).

5. Non-compliance is reported to the Principal Officer, Board of Trustees and FSCA (Financial Sector Conduct Authority).
6. Non-compliance will be reported to the Cleaning Associations in South Africa such as NCCA and BEECA who may suspend membership until employers rectify their compliance status with the Fund.
7. Criminal case of fraud opened with SAPS against directors of such participating employers and being flagged as non-compliant on the Fund's records.
8. Compliance certificates will not be issued, this could prevent employers from renewing contracts and tendering for new opportunities.
9. Claims will be partially paid, members can seek relief by approaching The Pension Funds Adjudicator who would issue High Court rulings to compel the employer to pay entitled benefits including late penalties (late payment interest).
10. Risk benefits will not be honored by Insurer and the employer will be liable.
11. Members and unions will be informed of any non-compliance.

### STEPS TO REMEDY NON-COMPLIANCE

1. Welcome pack guides are sent to each participating employer detailing how to participate in the Fund and best become compliant.
2. Employer training done by the Fund is to encourage employers to pay monthly and understand the legislation behind being compliant month on month as this has a direct impact on risk benefits.
3. Scheduling meetings with participating employers either face to face or via Teams or Zoom.
4. Calculating employer's debt and entering into repayment plans / settlement agreements.

### CONTACT DETAILS FOR CCNPF COMPLIANCE TEAM:

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