

MEDIA RELEASE PSA outraged by employers' failure to pay employees' pension contributions

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The Public Servants Association (PSA) is shocked and outraged following reports that thousands of employers across South Africa have failed to pay over employees' pension contributions, with arrear contributions amounting to an alarming R8.3 billion.

The PSA regards this as a gross betrayal of workers' trust and a direct attack on the financial security and dignity of employees who work with the legitimate expectation that deductions from their salaries will be paid over to their respective pension funds. Instead, many workers face uncertainty regarding their retirement savings because of the unlawful and unethical conduct of employers. This situation is nothing short of a national disgrace. Pension contributions are not optional payments. They are deferred earnings belonging to employees. Any employer who deducts these contributions but fails to pay these over is effectively depriving workers of hard-earned retirement savings.

The PSA is extremely concerned that many employees only become aware of these outstanding contributions when they resign, retire, or lodge benefit claims, by which time the financial prejudice may already be substantial. Such conduct undermines confidence in South Africa's retirement system and places countless families at risk of financial hardship.

The PSA calls on President Cyril Ramaphosa and government to take decisive and immediate action against employers who fail to comply with their legal obligations. The current situation cannot be allowed to continue unchecked. The PSA specifically calls for the imposition of severe financial penalties on employers who fail to pay pension contributions, criminal prosecution of employers who unlawfully withhold or misappropriate employees' pension contributions, strengthened enforcement and regular compliance inspections by the relevant regulatory authorities, publication of names of defaulting employers to promote transparency and accountability, and urgent measures to ensure that all outstanding pension contributions, together with applicable interest, are recovered and paid into affected employees' retirement funds without delay.

Workers should not be forced to pay the price for employers who disregard the law and exploit employees' trust. The PSA will continue to advocate for stronger protection of workers' retirement benefits and will support every effort to ensure that employers who violate their legal obligations are held fully accountable. Retirement savings represent the future security of millions of South Africans and must never be treated as a source of cash flow for irresponsible employers.



The PSA urges all employees to regularly verify that pension contributions deducted from their salaries are being paid over to their retirement funds and to report any discrepancies immediately to the relevant authorities.

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