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REPUBLIC OF SOUTH AFRICA**

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**TO HEADS OF NATIONAL/PROVINCIAL DEPARTMENTS AND
PROVINCIAL ADMINISTRATIONS**

**IMPLEMENTATION OF AN ACTING ALLOWANCE POLICY FOR EMPLOYEES
ON SALARY LEVELS 1 TO 12**

Introduction

This Department's letter E1/6/4/1 dated 21 May 2002 refers.

Amendments to the acting allowance policy

2. The Minister for the Public Service and Administration has made further determinations in respect of the following:

Appointment of two employees to act in a single higher (graded) funded vacant post and the compensation of such employees.

Calculation basis to determine the acting allowance proportionally if the payment thereof commences after the 1st day or terminates before the last day of a month.

- (c) Payment of the acting allowance where the employee's notch is equal to or higher than the minimum notch (or pensionable part of the package in the case of a funded and vacant SMS position) of the post in which he or she is acting.
3. The determinations are effective from 1 April 2002 (date of implementation of the acting allowance policy). The particulars of the Minister's determinations are contained in the revised policy (attached as Annexure A). The revised policy replaces the policy that was conveyed to departments in this Department's letter E1/6/4/1 dated 21 May 2002.

4. Departments' attention is drawn thereto that this policy only applies to employees employed in terms of the Public Service Act, 1994 and the Correctional Services Act, 1998 and **who fall within the scope of the GPSSBC**.
5. Any expenditure emanating from the Minister's determinations must be defrayed from departments' budgets (funding of vacant higher posts).
6. The revised acting allowance policy for employees on salary levels 1 to 12 is available on this Department's website (<http://www.dpsa.gov.za>)

Status of PSR Chapter I, Part VII/B.5.2

7. This Department is inundated with requests for clarity regarding the relationship between the acting allowance policy, as contained in the policy document attached as Annexure A, and the provision contained in PSR Chapter I, Part VII/B.5.2. The said provision stipulates that "a head of department (HOD) may also compensate an employee for acting in a post **due to the actual incumbent of the post acting in a higher vacant post**, provided that no more than two employees may simultaneously be compensated as a result of a single vacancy".
8. It should be noted that the said provision does not form part of the acting allowance policy, as contained in Resolution 1 of 2002 and the acting allowance policy attached as Annexure A. It is included in the PSR to grant HOD's additional flexibility to manage the appointment of employees and to compensate them for acting in higher graded posts that are **not vacant** due to the actual incumbent of the post acting in a higher vacant post. Although the application of this provision is not covered in the acting allowance policy, it does not prohibit a HOD to apply this provision. Although the provision does not stipulate that the higher vacant post must be funded, the Minister for Public Service and Administration has indicated that such higher post should be funded if HOD's are to apply this provision.
9. The calculation of the compensation in terms of this provision should be the same as the basis that apply to employees who act in a higher vacant post, as contained in the acting allowance policy attached as Annexure A. HOD's should, however, apply this provision with circumspection because it will result in additional expenditure. Departments will have to defray any expenditure emanating from the application of this provision.

Payment of the acting allowance to employees on the maximum notch of salary level 12 who act in a funded and vacant Director (SMS Grade A) position during the period 1 July 2002 to 31 December 2002

10. The acting allowance policy provides that an employee not part of the SMS appointed to act in a post in the SMS will receive the difference between his/her current salary notch and 60% of the commencing inclusive flexible remuneration package applicable to the post level, where 60% of the package constitutes the pensionable part. (This percentage was 62% in the case of a SMS post in the Department of Correctional Services and 74% in the case of a SMS post (Foreign Service post) in the Department of Foreign Affairs prior to 1 January 2003).
11. The maximum notch of salary level 12 adjusted to R225 384 with effect from 1 July 2002 with the annual salary adjustment, whilst 60% of the commencing package applicable to a Director (SMS Grade A) constitutes R223 004 prior to 1 January 2003. Therefore, the difference is in favour of the current salary position.
12. The Minister has determined that the payment of the acting allowance to employees on the maximum of salary level 12 who act in a funded and vacant Director (SMS Grade A) post should be dealt with in terms the revised policy (attached as Annexure A).



DIRECTOR-GENERAL

Date: 24/01/03.