



**DEPARTMENT: PUBLIC SERVICE AND ADMINISTRATION
REPUBLIC OF SOUTH AFRICA**

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

**SPECIAL MEASURE: IMPLEMENTATION OF THE PAY PROGRESSION
SYSTEM FOR EMPLOYEES ON SALARY 1 TO 12 IN THE PUBLIC SERVICE.**

1. The pay progression system for employees on salary levels 1 to 12 in the Public Service, which became effective as from 1 April 2003, refers.
2. The system inter alia entails (see this Department's circular 1/7/1/4/1 dated 27 January 2003) that:-
 - 2.1. the first pay progression shall take place on 1 July 2003, on a basis of individual employees' performance assessments for the period 1 April 2002 to 31 March 2003;
 - 2.2. for progression to the next higher salary notch on the relevant salary level, an employee must complete a continuous period of at least 12 months on his/her salary notch on 31 March of a year; and
 - 2.3. for progression to the next higher salary notch, an employee must have performed at least satisfactorily as assessed in terms of the relevant department's Performance Management and Development System (PMDS).
3. As regards the PMDSs to be used, departments could make use of the "default" system developed by this Department if they have not yet developed their own PMDSs. Despite this arrangement, evidence to date indicates that a substantial number of departments do not yet have



functional performance management systems in operation, despite the requirement in the Public Service Regulations, 2001 that such systems should have been in place by 1 April 2001. The situation is thus that these departments will be unable to make salary progression awards in terms of the pay progression system.

4. The Minister for the Public Service and Administration has consequently as a transitional measure (inter alia to facilitate the awarding of pay progression on 1 July 2003 and 2004), determined in terms of section 3(2)(a)(i) of the Public Service Act, 1994 the following:

(a) Pay progression on 1 July 2003 (therefore based on performance during the assessment period 1 April 2002 to 31 March 2003) – Part A of Policy Framework

- (i) Those national and provincial administrations/departments that have implemented departmental PMDSs that are effective as of 1 April 2002:

Such departments must utilise their departmental PMDSs to assess their employees for the period 1 April 2002 to 31 March 2003 for the awarding of pay progression on 1 July 2003.

- (ii) Those national and provincial administrations/departments that have **not** implemented departmental PMDSs that are effective from 1 April 2002:

Certification (per individual employee) by a manager (at least SMS level) that the employee performed at least at a satisfactorily level during the period of 1 April 2002 to 31 March 2003 for pay progression purposes on 1 July 2003 in terms of the attached "Interim Performance Assessment Questionnaire" (IPAQ) (attached as Annexure A).

(b) Pay progression on 1 July 2004 (therefore based on performance during the assessment period 1 April 2003 to 31 March 2004) – Part A of Policy Framework

- (i) Those national and provincial administrations/departments that have implemented departmental PMDSs that are effective as of 1 April 2003:

Such departments must utilise their departmental PMDSs to assess their employees for the period 1 April 2003 to 31 March 2004 for the awarding of pay progression on 1 July 2004.

- (ii) Those national and provincial administrations/departments that have **not** implemented departmental PMDSs that are effective from 1 April 2003:

Such departments must utilise their departmental PMDSs **or** the Integrated PMDS provided by the DPSA to assess their employees for a period of at least 6 months (therefore the assessment period will commence at the latest from 1 October 2003 to 31 March 2004) for the awarding of pay progression on 1 July 2004.

- (c) **Merit bonuses in terms of PSCBC Resolution 3 of 1999 (Clause XXXV) for an assessment period that ended on 31 March 2003**

Departments must utilise their departmental PMDSs or other systems that were applied by departments for this purpose during this period.

- (d) **Performance bonuses for performance during the period 1 April 2003 to 31 March 2004 – Part B of Policy Framework**

This Department would like to emphasize that the interim measures contained in this letter and Annexure A **only** apply with regard to the awarding of pay progression and therefore in order to award performance bonuses, departments must utilise their departmental PMDSs **or** the Integrated PMDS provided by the DPSA to assess their employees. Furthermore, assessments for the awarding of performance bonuses must cover a full assessment cycle of 12 months.

- 5. The determinations in sub-paragraphs 4 (a) and (b) above are subject to the following measures:-

- 5.1. The "Interim Performance Assessment Questionnaire" may be used on a voluntary basis by departments that have no functional Performance Management and Development Systems in place and those that have PMDSs in place but have not yet link it to support pay progression system. Such departments should embark on a **consultative** process within departmental bargaining structures on the implementation of the interim performance assessment questionnaire prior to the implementation.

- 5.2. Departments must design their own procedures to-

- (a) moderate the assessments made on basis of the "IPAQ"; and

- (b) deal with cases where an employee does not agree with the assessment results.

5.3. The questionnaire serves as a base-line assessment tool. Departments may depending on practical needs and in consultation with organised labour, include additional criteria.

- 6. In conclusion, the Minister for Public Service and Administration (MPSA) has emphasized that the measures contained in this letter and the attached "Interim Performance Assessment Questionnaire" are only applicable for the assessment cycles 1 April 2002 to 31 March 2003 and 1 April 2003 to 31 March 2004 respectively. Therefore for the assessment cycle 1 April 2004 to 31 March 2005 and beyond, it is expected that all departments and provincial administrations/departments would have either developed and implemented their PMDSs or aligned this Department's Integrated PMDS to their PMDSs to support pay progression.



for **DIRECTOR-GENERAL**
DATE: 26/06/03.

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