Dear Colleague

FOREIGN SERVICE DISPENSATION (FSD): ADJUSTMENT WITH EFFECT FROM 1 APRIL 2006

In terms of Clause 10 of the FSD Determination, revision of the FSD allowances/elements is considered annually based on the Employment Conditions Abroad (ECA) information of the September salary survey of the previous year and adjustment will only be effected with effect from 1 April of the following year if substantial changes took place.

As some of the benchmark norm amounts provided by ECA with regard to the September 2005 salary survey have adjusted negatively, it poses similar challenges to the 1 April 2005 adjustment. In view of the determined principle and authorization to the DPSA to ensure that any changes to the BER may not result in a negative impact on the COLA payable to foreign service officials serving abroad, I therefore determine in terms of section 3(3)(c) read with section 5(4) of the Public Service Act, 1994, to adjust the 1 April 2005 US$ benchmark norm amounts with the average USA CPI of 3.4% with effect from 1 April 2006. This will also ensure stability in the maintenance of the current Dispensation until such time that the envisaged review has been finalised.

In terms of the said provisions in the Public Service Act, 1994, I approved that the revised Annexure A to the FSD Determination be issued to be effective from 1 April 2006.

Kind regards

Geraldine J Fraser-Moleketi
MINISTER
20/04/06