



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

Private Bag X916, Pretoria, 0001, Tel: (012) 314 7911, Fax: (012) 323 2386 or (012) 324 5616  
Private Bag X9148, Cape Town, 8000. Tel: (021) 467 5140, Fax (021) 462 2299

**Inquiries: Mr MS Mashele/Ms J C Brink**  
Tel: (012) 314 7026/(012) 314 7099  
Ref: 1/6/4/1  
1/6/4/2

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

**IMPLEMENTATION OF THE HOUSING ALLOWANCE : PHASE 2**

- 1 In order to give effect to clause 7.1 of PSCBC Res. 2 of 2004, the Minister has, in circular 1 of 2004, approved that the implementation of the housing allowance be dealt with in two phases, i.e.:
    - 1.1 Phase 1 dealt with issues that warrant immediate implementation, e.g. issues related to the payment of the housing allowance to employees who are presently in receipt of a home owners allowance or became home owners on or after the date of signing the above-mentioned collective agreement, i.e. 29 September 2004. An interim determination was issued under cover of the above-mentioned circular.
    - 1.2 Phase 2 deals with the implementation issues that will become effective from 1 January 2005, i.e. issues related to the introduction of the housing allowance in the case of rentals, etc.
  - 2 For purposes of Phase 2, and with consideration to the fact that the employer should-
    - 2.1 develop a system to manage and control the housing allowance policy, including measures to ensure that the housing allowance is only paid to employees who qualify in terms of the agreement; and
    - 2.2 develop, in consultation with labour, guidelines on the implementation of the housing policy,
- the Minister for Public Service and Administration-

the Minister for Public Service and Administration-

2.3 with effect from 1 January 2005-

2.3.1 repeals the *Interim Determination on Housing*;

2.3.2 makes in terms of sec. 3(3)(c), read with section 5(4), of the Public Service Act, 1994, as amended, a determination as set out in the attached self-explanatory document *Determination on Housing*;

2.4 approves the attached self-explanatory *Guide For Employees To Access The Housing Allowance Scheme* to assist employees in the interim to access the housing allowance.

3 The key features of the *Determination on Housing* is that-

3.1 it integrates, as far as possible all the practices related to housing in the Public Service, i.e. the Housing Allowance Scheme, State and Other Housing and the State Guarantee Scheme. (The latter part contains only a reference to the relevant policy and procedure since the guarantees are being issued under the auspice of the Minister of Finance.);

3.2 it clearly demarcates the different kinds of beneficiaries, that being the different kinds of ownership and tenancies;

3.3 it identifies the different types of documents that should be submitted as proof to verify e.g. ownership, occupancy, etc., as well as the key features that could assist in determining the validity of the document and to verify information presented by the employee on his/her application;

3.4 it contains the necessary confirmation documents to facilitate the conversion of beneficiaries of the repealed Home Owners Allowance Scheme to the new Housing Allowance Scheme;

3.5 it contains application forms for both new home owners and tenants. The application forms have been designed in such a manner that departments could on the forms do certain checks and final decisions. To this end it should be added that the validation process is also supported by the validation sheets which should be used to validate the key features of proof submitted as well as cross checks between documents;

3.6 examples of all the different types of proof is added to the package to assist mainly department to see physical examples of the proofs to be submitted;

3.7 it also contains an abridged rental agreement, which an employee with an informal/verbal rental arrangement could use to formalise his/her rental arrangement in order to qualify for the housing allowance; and

3.8 a provision is included to regulate the qualifying date of the housing allowance, being that the employee will start to receive the allowance in the month s/he submitted her/his application, including all the supporting documentation. However, we do realise that departments will during this implementation phase be inundated with applications for the housing allowance. We therefore deemed it appropriate to add a further provision to waive the above-mentioned provision for a 12-month period, i.e. until 31 December 2005. (Par 8.4 of Part 2 of the Determination refers.)

4 The Guide For Employees To Access The Housing Allowance Scheme-

4.1 in short explains in simple language-

4.1.1 how to benefit;

4.1.2 how to become a home owner/tenant; and

4.1.3 how to apply for the housing allowance; and

4.2 is also supplemented with examples of the application forms as well as an abridged rental agreement.

4 The issuing of the *Guide* concurrently with the *Determination* will greatly contribute to a smooth implementation process. You are therefore requested to disseminate the *Guide* as soon as possible to all the employees in your Department.

5 Arrangements have been made with PERSAL on the implementation of the Housing Allowance Scheme.

6 Departments are requested to ensure that the measures contained in the attached *Determination on Housing* are implemented correctly. Should difficulties arise with the implementation of the measures, departments are welcome to approach **the dpsa** for assistance. Furthermore, **the dpsa** will conduct nationwide workshops on the implementation of PSCBC Res. 2 of 2004 early next year. The necessary arrangements will be made in due course.

7 **Note** should be taken that all the documentation with regard to the Housing Allowance Scheme is available on **the dpsa's** website [www.dpsa.gov.za](http://www.dpsa.gov.za).



for. DIRECTOR-GENERAL

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