



**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  
Tel: (012) 314 7026  
Ref: 1/6/4/1

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**TO ALL NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL  
ADMINISTRATIONS**

**HOUSING ALLOWANCE: HOUSING TENURE**

1. An employee could in terms of the repealed Home Owner Allowance Scheme, participate in that scheme if the property was registered in -
  - 1.1 his/her name alone, or
  - 1.2 both the employee's name and the spouse's name, or
  - 1.3 both the employee's name and if not married, another co-owner (e.g. friend, sibling, parent, etc).
2. However, in terms of the Determination on Housing issued by the Minister for the Public Service and Administration in March 2005 to give effect to clause 7.1 of PSCBC Resolution 2/2004, par. 2.2.2.1 of Part 2 of the Determination on Housing stipulates that the home in respect of which the employee applies for a housing allowance must be registered in his/her name, whether alone or with his/her spouse.
3. Recognising that it was during the negotiation and conclusion of PSCBC Resolution 2/2004, never the intention to suspend any employee's housing benefits, we became aware during the implementation of the Housing Allowance that ownership by an employee together with another co-owner (e.g. friend, sibling or parent) was no longer recognised.

4. To rectify this omission, the Minister for Public Service and Administration determined that par. 2.2.2.1 of Part 2 of the Determination on Housing be amended to read as follows:

“The home in respect of which the employee applies for a Housing Allowance, must be registered in the employee’s name, whether alone or together with (an)other co-owner(s), (e.g. a spouse, friend, sibling or parent). For this purpose the following tenureships are recognised:”

5. Recognising that the employer must be consistent in the application of the above-mentioned principles, the Minister for Public Service and Administration further determined that par. 2.2.3.1 of Part 2 of the Determination on Housing be amended to read as follows:

“An employee applying for the Housing Allowance, as a tenant, must have a valid written rental agreement in his/her name alone or together with (an)other co-tenant(s), (e.g. a spouse, friend, sibling or parent) for the home s/he is occupying.”

6. Since the Determination on Housing will be amended in due course, this circular must be read and applied with the Determination on Housing.

  
DIRECTOR-GENERAL  
For