



**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

19 September 2005

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

**ADJUSTMENT OF MAXIMUM HOUSING ALLOWANCE WITH EFFECT FROM
1 OCTOBER 2005**

- 1 In terms of clause 7.1.1 and 7.1.2 of PSCBC Resolution 2 of 2004 read with par. 3.1 of the Determination on Housing, the maximum value of the Housing Allowance is calculated and maintained on the basis applicable to the repealed Home Owner Allowance Scheme. In other words the maximum Housing Allowance is based upon a maximum bond of R70 000, reviewed quarterly on the first day of each quarter based on the weighed average interest rate levied by the five biggest financial institutions as on 1 January, 1 April, 1 July and 1 October.
2. According to the survey conducted, the weighed average interest rate levied by the five biggest financial institutions, as on 1 July 2005 was 10.5%.
3. Consequently, the Minister for the Public Service and Administration approved that, with effect from 1 October 2005, the maximum monthly housing allowance be decreased as depicted in the attached Annexure.

FOR

DIRECTOR-GENERAL

ANNEXURE

Date Effective	Weighed Average Interest Rate	Monthly Maximum Housing Allowance
1 July 2004	11.5%	R 403
1 October 2004	11.5%	R 403
1 January 2005	11%	R 374
1 April 2005	11%	R 374
1 July 2005	11%	R 374
1 October 2005	10.5%	R 346