



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

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

**ADJUSTMENT OF MAXIMUM HOUSING ALLOWANCE WITH EFFECT FROM
1 JULY 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on Housing, the maximum value of the Housing Allowance is calculated and maintained on the basis applicable to the repealed Home Owner Allowance Scheme.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 April 2005 remained at 11%.
3. Consequently, the Minister for the Public Service and Administration approved that, with effect from 1 July 2005, the maximum monthly housing allowance would remain at its current level as depicted in the attached Annexure.


DIRECTOR-GENERAL
FOR

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