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Department:
Public Service and Administration
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TO ALL NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

(FOR ATTENTION: HR MANAGERS/ HEADS OF CORPORATE SERVICES/ CHIEF FINANCIAL OFFICERS)

ADJUSTMENT OF THE MAXIMUM HOUSING ALLOWANCE WITH EFFECT FROM 1 APRIL 2007

1. According to PSCBC Resolution 2 of 2004 and the Determination on Housing made by the Minister for the Public Service and Administration, the maximum monthly housing allowance is revised on the first day of each quarter based on the weighed average interest rate levied by the five biggest financial institutions as on 01 January, 01 April, 01 July and 01 October of each year.
2. According to a survey conducted, the weighed average interest rate levied by the five biggest financial institutions as on 01 January 2007 was 12.5%.
3. Consequently, the Minister for the Public Service and Administration gave approval for the adjustment of the maximum housing allowance with effect from 01 April 2007 as shown in the attached Annexure. The financial manual will be amended accordingly.
4. National Treasury approval under reference SM.25/30 dated 22 March 2007 has been obtained for the relevant adjustment. Expenditure in respect of the increased allowance must be accommodated within departments' existing MTEF allocation.


DIRECTOR-GENERAL

DATE: 24/3/2007

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Staatsdiens en Administrasie • Ditirelo tsa Puso le Tsamaiso • Ditshebeliso tsa Mmuso le Tsamaiso • uMnyango wemiSebenzi kaHulumeni nokuPhata

Muhasho wa Tshumelo ya Muvhuso na Vhulanguli • Kgoro ya Ditirelo tsa Mmuso le Taolo • Ndzawulo ya Vutirhela-Mfumo na Valawuri

LiTiko le Tebasebenti baHulumende nekuPhatsa • ISebe leNkonzo kaRhulumente noLawulo • UmNyango wemiSebenzi kaRhumende nokuPhata

ANNEXURE A

REVISION OF THE MAXIMUM HOUSING ALLOWANCE

Date effective	Weighed Average Interest Rate	Monthly Maximum Housing Allowance
1 April 2005	11%	R374
1 July 2005	11%	R374
1 October 2005	10.5%	R346
1 January 2006	10.5%	R346
1 April 2006	10.5%	R346
1 July 2006	10.5%	R346
1 October 2006	11%	R374
1 January 2007	11.5%	R403
1 April 2007	12.5%	R456