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TO: ALL HEADS OF NATIONAL/PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

REVISION OF THE CASH AWARD: LONG SERVICE RECOGNITION SYSTEM

1. The Long Service Recognition System was amended on 1 April 2003, where a wrist-watch awarded after 30 years of continuous service, was replaced with a cash amount of R3 000.00. According to PSCBC Resolution 6 of 2003 and par. 5.16 of Chapter 3 of the SMS Handbook, the cash award must be adjusted annually on 01 April according to the CPI-X for the period commencing in January to December of the preceding year.
2. However, following the rebasing and re-weighting of the Consumer Price Index by Statistics South Africa (Stats SA) where the CPI-X was replaced with the new CPI, the new index was used for this latest adjustment. According to calculations based upon information obtained from Stats SA, the CPI for the period January to December 2008 resulted in an increase of 7.65%.
3. The Minister for the Public Service and Administration has consequently made a determination that the cash award for the Long Service Recognition System be revised with effect from **01 April 2009** as indicated in the table hereunder:

Effective Date	Increase/decrease in CPI	Revised Amount
1 April 2003		R3 000.00
1 April 2004	3% increase	R3 090.00
1 April 2005	3.14% increase	R3 187.00
1 April 2006	4% increase	R3 314.00
1 April 2007	4.2% increase	R3 454.00
1 April 2008	7.4% increase	R3 710.00
1 April 2009	7.65% increase	R3 994.00

4. Attached please find an updated Determination on Long Service Recognition in the Public Service.
5. Treasury approval under reference SM 5TP dated 30 March 2009 has been obtained for the implementation of this dispensation. However, additional expenditure emanating from the implementation should be met from the existing departmental budgets of the affected departments.



DIRECTOR-GENERAL

DATE: 1/4/2009