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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 Minister for the Public Service and Administration has in terms of section 5(6)(b), read with section 5(4) of the Public Service Act, issued a directive to give effect to provisions of Public Service Co-Ordinating Bargaining Council (PSCBC) Resolution 1 of 2012.
2. The new resolution in the main provides for the improvement in the recognition of long service on the basis indicated hereunder.
3. The Long Service Recognition System was amended on 31 July 2012, where the leave encashment after 20 and 30 years of continuous service, was replaced with a cash amount as follows:
 - (a) 20 years continued service: a cash award of R7 500 plus a certificate.
 - (b) 30 years continued service: a cash award of R15 000 plus a certificate; and
 - (c) 40 years continued service: a cash award of R20 000 plus a certificate.
4. According to the Provisions on the Long Service Recognition in the Public Service, and par. 5.16 of Chapter 3 of the SMS Handbook, the cash award must be adjusted annually on 01 April according to the annual average CPI for the period commencing in January to December of the preceding year.
5. According to calculations based upon information obtained from Stats SA, the annual average CPI for the period January 2012 to December 2012 resulted in an increase of 5.6%.

6. The Minister for the Public Service and Administration has consequently made a determination that the cash award for the Long Service Recognition in the Public Service be revised with effect from **01 April 2013** as indicated in the table hereunder:

Effective Date	Increase/decrease in CPI	Revised Amount
1 April 2013	20 years continued service	R 7 920.00
1 April 2013	30 years continued service	R 15 840.00
1 April 2013	40 years continued service	R 21 120.00

7. Attached please find the updated Provisions on the Long Service Recognition in the Public Service.
8. Treasury approval under reference 17/7/P dated 21 June 2013 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.


PP **ACTING DIRECTOR-GENERAL**

DATE: 2013/06/25



**Provisions
on
Long Service Recognition
in the
Public Service**

01 April 2013

ISSUED BY THE MINISTER FOR PUBLIC SERVICE AND ADMINISTRATION

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INTRODUCTION

- 1 The employer through the Long Service Recognition System recognises an employee's long relationship with the Public Service.
- 2 The current provisions and entitlements in recognising long service in the Public Service are presently regulated in terms of Part XXVIII of PSCBC Res. 3 of 1999, PSCBC Res. 6 of 2003, PSCBC Res. 1 of 2012.
- 3 The purpose of these provisions is to give effect to the provisions contained in Part XXVIII of PSCBC Res. 3 of 1999, PSCBC Res. 6 of 2003 and PSCBC Res. 1 of 2012, and to introduce transitional arrangements to facilitate the introduction of recent amendments to the Long Service Recognition System.

PART 1: TRANSITIONAL ARRANGEMENTS TO FACILITATE IMPLEMENTATION OF CHANGES TO THE LONG SERVICE DISPENSATION

1. INTRODUCTION

- 1.1. This Part provides transitional arrangements in respect of those amendments effected to the long service dispensation that warrant special attention to facilitate proper/smooth implementation.
- 1.2. This Part must be read in conjunction with Part II of this document.

2. TRANSITIONAL ARRANGEMENTS TO FACILITATE IMPLEMENTATION OF PSCBC RESOLUTION 6 OF 2003

- 2.1. An employee who has completed 30 years continuous service *on or before 31 March 2003* and qualified in terms of Part XXVIII of PSCBC Resolution 3 of 1999 for the wrist watch, may be afforded the choice between the wristwatch contemplated in Res. 3 of 1999 or the R 3 000 cash award contemplated in PSCBC Res. 6 of 2003.
- 2.2. In the event where the employee contemplated in paragraph 1 above chooses the wristwatch, departments should acquire the necessary watch through their *own* procurement processes from retail outlets in terms of the directive issued by the Minister for Public Service and Administration under reference 1/6/16 dated 24 February 2003 (Attached as **Annexure A** to these provisions).
- 2.3. It is in this context also important to bear in mind that such an employee with 30 years service ***is not eligible to both*** the wrist-watch and cash award of R 3 000. In other words if the employee received a wrist-watch in terms of PSCBC Res. 3 of 1999, s/he is not eligible to the cash award of R 3 000, or vice versa.

3. TRANSITIONAL ARRANGEMENTS: IMPLEMENTATION OF PSCBC RESOLUTION 1 OF 2012

- 3.1. An employee who has completed 20 and 30 years continuous service before *31 July 2012* shall only be eligible to the following long service awards:
 - 3.1.1. 20 years service
 - a) A certificate; and
 - b) Encashment of 10 days annual leave
 - 3.1.2. 30 years service
 - a) A certificate;

- b) Encashment of 15 days annual leave; and
 - c) The cash award as applicable at the time of completion.
- 3.2. The employee may in the event of the encashment of his/her annual leave as contemplated in paragraph 3.1 above, select to use either his/her capped annual leave and/or annual leave of the previous leave cycle (if applicable) and/or current leave cycle.
- 3.3. The employee should be afforded the opportunity to choose to have these leave days paid out. If an employee exercises this choice at a later date, payment of these leave days should be based on the basic salary as on the date that s/he has completed the 20/30 years service, respectively.
- 3.4. Employees whom qualified for the encashment of annual leave before 31 July 2012 and have chosen to have their leave encashment deferred must be recorded and allowed to have the leave encashed at a later date of their preference. The provisions in paragraph 3.2, above, applies *mutatis mutandis*.
- 3.5. For purposes of calculating an employee's encashment of his/her annual leave as contemplated in paragraphs 3.1 and 3.4 above, the following formula should apply:

$$\frac{A \times B}{260,714}$$

Where-

A = represents the employee's basic annual salary payable to him or her on the day he or she qualifies for a 20 or 30 years long service award.

B = represents the number of annual leave credits that the employee chooses to discount but limited to 10 or 15 working days respectively.

PART 2: RECOGNITION OF LONG SERVICE: EMPLOYEES ON SALARY LEVELS 1 TO 12 WITH EFFECT FROM 31 JULY 2012

1. SCOPE

The provisions are applicable to all those that are employed either on full-time, part-time or occasional basis in terms of the Public Service Act, 1994, as amended, the Employment of Educators Act, 1998, the Correctional Services Act, 1998, the South African Police Services Act, 1995 and the Civilian Secretariat for Police Service Act, 2011 and fall within the scope of the PSCBC

2. AUTHORISATION

The provisions are issued by the Minister for Public Service and Administration as:-

- 2.1. a determination in terms of section 3(5)(a) read with section 5(4) of the Public Service Act, 1994; and
- 2.2. a directive in terms of section 5(6)(b), read with section 5(4) and (6)(a), of the Public Service Act, in respect of any applicable collective agreement concluded on or after 1 April 2008.

3. OBJECTIVE

The objectives of the Long Service Recognition System are to:-

- 3.1 acknowledge and applaud employees who have rendered a continuous service to the employer over a given period; and
- 3.2 recognise predetermined milestones through predetermined awards outlined in these provisions.

4. LONG SERVICE AWARD

- 4.1. An executing authority shall make a long-service award to an employee who has served the government continuously for 10, 20, 30 and 40 years respectively.
- 4.2. An employee who has rendered 10 years or more of continuous service, is eligible to:-
 - 4.2.1. a certificate, and
 - 4.2.2. an increased annual leave entitlement as regulated in the Determination and Directive on Leave of Absence.
- 4.3. An employee who has rendered 20 years of continuous service, is eligible to-
 - 4.3.1. a certificate, and

- 4.3.2. a cash amount of **R7 920**.
- 4.4. An employee who has rendered 30 years of continuous service, is eligible to-
 - 4.4.1. a certificate, and
 - 4.4.2. a cash amount of **R15 840**.
- 4.5. An employee who has rendered 40 years of continuous service, is eligible to-
 - 4.5.1. a certificate, and
 - 4.5.2. a cash amount of **R21 120**.

5. GOVERNMENT SERVICE

- 5.1. Government service includes continuous service for a government department, a state or state-assisted school. In other words, the following types of service are recognised for purposes of the long service awards:
 - 5.1.1. Service in the public service as contemplated in section 8 of the Public Service Act, 1994, the Employment of Educators Act, 1998, Correctional Services Act, 1998, the South African Police Services Act, 1995 and the Civilian Secretariat for Police Service Act, 2011 may be acknowledged, as well as the following service on condition that there is no break in service during the transfer to/appointment in the public service:
 - 5.1.1.2. Continuous service in terms of a former provincial ordinance.
 - 5.1.1.3. Continuous service rendered in terms of the:-
 - 5.1.1.3.1. Precious Stone Act, 1964 (Act 73 of 1964)
 - 5.1.1.3.2. National Water Act, 1998 (Act 36 of 1998); and
 - 5.1.1.3.3. Abolition of Racially Based Land Measures Act, 1991 (Act 108 of 1991).
 - 5.1.1.4. Continuous service rendered in terms of education acts.
 - 5.1.1.5. Continuous service at a statutory institution in those cases where a function and the personnel therewith were transferred from the public service and the same personnel, with the 're-transferring' of such function to the public service is appointed again in the public service.

6. GENERAL MEASURES

- 6.1. The cash award contemplated in paragraph 4 above will be adjusted annually on 1 April according to the CPI for the period January to December of the previous year.
- 6.2. The cash award in paragraph. 4 above is subject to taxation in terms of the current tax legislation.
- 6.3. Heads of Department may print and issue translated replicas of the long service certificates in the language of the employee receiving the award. The wording of the current certificates could be utilised as basis for these certificates. These certificates are to be signed by the relevant executive authority.
- 6.4. The Head of Department, in valuing the employee and recognition of achieving the milestone may consider sharing these achievements with peers, the executive and top management of the department, through designated ceremonies. Noting that there is a conscious drive regarding efficiency savings, it is advisable that these ceremonies could be tied in with current departmental events such as the department's end of the year function.