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CIRCULAR NR 04 OF 2018

TO: ALL HEADS OF NATIONAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

SUBJECT: REVISION OF THE CASH AWARDS FOR LONG SERVICE RECOGNITION SYSTEM

1. The Long Service Recognition System was amended on 31 July 2012 where a cash award and leave encashment awarded after 20 and 30 years of continuous service, was replaced with cash amount for 20, 30 and 40 years service. According to PSCBC Resolution 1 of 2012 and paragraph.5.16 of Chapter 3 of the SMS Handbook, the cash award must be adjusted annually on 01 April according to the average CPI for the period commencing in January to December of the preceding year.
2. According to calculations based upon information obtained from Stats SA, the average CPI for the period January 2017 to December 2017 resulted in an increase of 5.3%.
3. The Minister for the Public Service and Administration has in terms of section 3(5) (a) and 5(6) (b), of the Public Service Act, consequently made a determination that the cash award for the Long Service Recognition System be revised with effect from **01 April 2018** as indicated in the table hereunder:

Effective Date	Years of Continued Service	Revised Amount
1 April 2018	20 years continued service	R 10 410.00
1 April 2018	30 years continued service	R 20 819.00
1 April 2018	40 years continued service	R 27 759.00

4. Attached please find the updated Provisions on the Long Service Recognition in the Public Service.
5. Treasury approval under **reference: M3/15/22(1258/18)** has been obtained for the implementation of this dispensation. Additional expenditure incurred as a result of this approval will have to be met from existing budgets of affected departments.

MS THULI RADEBE
ACTING DIRECTOR-GENERAL

DATE: 12/07/2018



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

1 APRIL 2018

ISSUED BY THE MINISTER FOR THE 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 1 APRIL 2018

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

This Determination and Directive is made by the Minister for the Public Service and Administration in terms of the provisions of section 3(5)(a) and 5(6)(b) of the Public Service Act, 1994; as amended.

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 **R10 410.00**
- 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 **R20 819.00**
- 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 **R27 759.00**

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:
 - 5.1.2. Continuous service in terms of a former provincial ordinance.
 - 5.1.3. Continuous service rendered in terms of the:-
 - 5.1.3.1. Precious Stone Act, 1964 (Act 73 of 1964)
 - 5.1.3.2. National Water Act, 1998 (Act 36 of 1998); and
 - 5.1.3.3. Abolition of Racially Based Land Measures Act, 1991 (Act 108 of 1991).
 - 5.1.4. Continuous service rendered in terms of education acts.
 - 5.1.5. 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 executing 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.