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TO ALL HEADS OF NATIONAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

ADJUSTMENT OF THE HOUSING ALLOWANCE FOR PUBLIC SERVICE EMPLOYEES

1. The housing allowance as contained in the Public Service Co-ordinating Bargaining Council (PSCBC) Resolution 7 of 2015 (clause 4.6) provides that the amount of the housing allowance shall be adjusted annually on the basis of the average Consumer Price Index (CPI), for the preceding financial year, with the first adjustment being effective on 1 July 2017.
2. The average CPI for the period 1 April 2018 to 31 March 2019 is 4.65%.
3. The adjustment gives effect to provisions of PSCBC Resolution 7 of 2015 as indicated hereunder:-
 - 3.1. The housing allowance, for home-owners, is increased from R1336.22 to R1398.35 per month effective from 1 July 2019 as per PSCBC Resolution 7 of 2015, clause 4.6.
 - 3.2. Employees who are eligible to receive the housing allowance but do not own a house shall continue to receive R900 per month. The difference (R498.35) between the total housing allowance (R1398.35) and the R900 shall be diverted into and accumulated in the Government Employees Housing Scheme: Individual-Linked Savings Facility (GEHS: ILSF).
4. The necessary instruction has been communicated to PERSAL to programmatically adjust the housing allowance.
5. Expenditure resulting from the adjusted housing allowance must be met from current departmental budget allocations.

DIRECTOR-GENERAL

DATE: 5/08/19