



**the dpsa**

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## TO HEADS OF NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

### CIRCULAR NO 39 OF 2019

***For Attention: The Head of Human Resources***

#### PAYMENT OF LEAVE DISCOUNTING FOR INTERNS

1. In terms of paragraph 9.1 of the Determination and Directive on Leave of Absence in the Public Service (hereafter referred to as the Determination), "Employees shall be paid a cash value in respect of unused leave credit upon termination of service and in terms of paragraph 5.14 and 5.15 above. The payment will be limited to a maximum number of days, equivalent to the annual leave entitlements". Paragraph 9.3 provides that payment of annual leave credits shall be calculated using the employee's remuneration.
2. The DPSA has been inundated with enquiries specifically with regard to payment of leave discounting of interns. From the enquiries, it transpired that interns are paid leave discounting inclusive of the 37% in lieu of benefits in the same manner as contract employees when processed on the PERSAL system.
3. In accordance with paragraph 5.4 of the Determination on Interns an intern shall be paid a monthly allowance (stipend) not less than the amount determined in accordance with the approved Schedule for Interns' Allowances in the Public Service. In this regard the stipend paid to an intern does not adhere to the definition of remuneration as defined in clause 9.8 of PSCBC Resolution 1 of 2007 and as such does not qualify for the inclusion of the 37% in lieu benefits. The inclusion of the 37% in lieu of benefits as it pertains to leave discounting of interns is thus an anomaly given that interns are paid a stipend.
4. As an interim measure, Departments are advised to calculate leave discounting for interns manually excluding the 37% in lieu of benefits from such calculations until the Persal system has been reconfigured.

5. Leave pay-outs for interns shall be computed in terms of the following formula:

$$\frac{(A - B) \times C}{260.714}$$

Where-

A = represents the full annual or pro rata leave entitlement

B = represents the annual leave taken

C = represents the interns stipend at the last day of duty

6. National Treasury has been approached to effect the necessary system changes on PERSAL to facilitate the calculation of leave discounting for interns without the 37% in lieu of benefits and once finalised departments will be advised.



**DIRECTOR-GENERAL**

**DATE:** 23/12/19