



the dpsa

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TO HEADS OF NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

CIRCULAR NO 5 OF 2020

For Attention: The Head of Human Resources

PAYMENT OF LEAVE DISCOUNTING FOR PERSONS APPOINTED TO DEVELOPMENTAL PROGRAMMES

1. After the issuing of Circular 39 of 2019 it transpired that the contents thereof was not aligned to the provisions as contained in the Directive on the Employment of Persons to Developmental Programmes in the Public Service: Internship, Learnership, Apprenticeship, Graduate Recruitment Schemes and Related Programmes (hereafter referred to as the Directive) issued in May 2018 which replaced the Determination on Interns issued in December 2009. Circular 39 of 2019 is hereby retracted in its entirety and is replaced by this Circular.
2. 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.
3. The DPSA has been inundated with enquiries specifically with regard to payment of leave discounting of Persons appointed to Developmental Programmes. From the enquiries, it transpired that Persons appointed to Developmental Programmes 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.
4. In accordance with paragraph 17 of the Directive, persons appointed to Development Programs shall be paid a monthly allowance (stipend) in accordance with the approved Remuneration Schedule for Developmental Programmes. This provision however excludes a person who has been appointed to a developmental programme linked to an Occupational Specific Dispensation (OSD) who shall be compensated as per the salary scale provided in the relevant OSD as provided for in paragraph 17.1 of the Directive. In this regard the allowance (stipend) paid to a person who has been appointed to a

developmental programme, excluding a person who has been appointed to a developmental programme linked to an Occupational Specific Dispensation (OSD), does not adhere to the definition of remuneration as defined in clause 9.8 of Resolution 1 of 2007 and as such they do 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 Persons appointed to Developmental Programmes is thus an anomaly given that Persons appointed to Developmental Programmes are paid a stipend.

5. As an interim measure, Departments are advised to calculate leave discounting for employees who receive a stipend, manually and to exclude the 37% in lieu of benefits from such calculations until the Persal system has been reconfigured. This provision is not applicable to a person who has been appointed to a developmental programme linked to an Occupational Specific Dispensation (OSD).
6. Leave pay-outs for Persons to Developmental Programmes 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

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


DIRECTOR-GENERAL
DATE: 28/4/2020