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TO: ALL HEADS OF NATIONAL DEPARTMENTS, PROVINCIAL ADMINISTRATIONS AND INSTITUTIONS UNDER PSCBC

CIRCULAR NO. 33 OF 2022

GEHS CUSTOMER SERVICE – RECTIFICATION OF THE BACKLOG ON ADJUSTMENT OF HOUSING ALLOWANCE FOR EMPLOYEES IN THE PUBLIC SERVICE WHO ARE HOME-OWNERS BUT ARE STILL ON THE OLD HOUSING ALLOWANCE

1. The Government Employees Housing Scheme (GEHS) was established in terms of Public Service Coordinating Bargaining Council (PSCBC) Resolution 7 of 2015.
2. The main objectives of the scheme in terms of PSCBC Resolution 7 of 2015 are:
 - To support , educate and advise employees on housing options and opportunities;
 - To enhance employee access to affordable housing;
 - To promote home ownership and facilitate asset security among employees;
 - To assist employees to rent houses with a view to buy and own homes; and
 - To assist employees to access affordable housing loans and finance.
3. The GEHS administers the housing allowance and supports departments with interpretation of policies and prescripts where required.
4. Adjustment of housing allowance for employees in the public service was effected in line with the provisions of clause 4.5 of the PSCBC Resolution 7 of 2015, as indicated hereunder:-

- 4.1 The amount of the housing allowance paid to eligible employees shall increase to R1 200 (one thousand and two hundred) per month, as at 1 July 2015.
- 4.2 The amount of housing allowance shall be adjusted annually based on the average Consumer Price Index (CPI) for the preceding year with the first adjustment being effective 1 July 2017.
- 4.3 The current amount for the housing allowance as adjusted on 01 July 2021 is R1 500.02 (one thousand five hundred and two cents) per month.
- 4.3.1 Employees who are homeowners as prescribed in the *Housing Determination and Directive on Housing Allowance for Employees* in the Public Service shall receive the amount of R1 500.02.
- 4.3.2 Employees who were appointed prior to 27 May 2015, who are eligible to receive the housing allowance but do not own a house shall continue to receive R900 per month. The difference between the total housing allowance and the R900 shall be diverted into and accumulated in an Individual Linked Savings Facility (ILSF).
- 4.3.3 Employees who were appointed after 27 May 2015, who are renting an accommodation (Tenants) shall have their full housing allowance diverted and accumulated in the ILSF. The employees must apply for the allowance, and shall furnish HR with all relevant documents as prescribed in the determination and directive on the housing allowance.
- 4.3.4 It is mandatory for employees to enrol with the GEHS to access any and all service of the GEHS as per clause 4.1.4 of the PSCBC Resolution 7 of 2015. Employees must be encouraged to enrol in order to avoid forfeiting their savings in the ILSF. Enrolment can be done on the GEHS website – www.gehs.gov.za or telephonically through the GEHS enrolment call centre – 0861 12 3434.
- 4.3.5 Circulars (17/3/P) detailing the manner in which the implementation was supposed to occur were issued in 2015 and 2016 respectively.
- 4.4 The DPSA has since established that 6 355 employees are still on the old housing allowance of R900.00. This means that these employees did not migrate to the new announced dispensation on 1 July 2015, accessing the new housing allowance of R1 200, which is now R1 500.02.
- 4.5 The Government Employees Housing Scheme (GEHS) has identified all employees who are still on the old housing allowance as well as the

departments the employees are attached to. The list of affected employees in your department can be obtained from PERSAL system.


- 4.6 The implication of this is that these employees are not receiving the amount additional to the R900, which is currently R600.02, which is meant to enhance their chances of becoming homeowners.
- 4.7 Further to this, the DPSA through the GEHS has received numerous complaints from employees who have left the employment service in government, and are now claiming they have not been effectively informed about the new housing allowance and its implications, and that they should apply for the new housing allowance. Some have even lost their savings (in the ILSF) in the process.
- 4.8 The list of the affected employees in your **Department/Provincial Administration** can be obtained on PERSAL. Efforts should be made to assist the affected employees to migrate to the new housing allowance dispensation.
- 4.9 The GEHS is available to provide the necessary support and guidance throughout this process. Information Sessions may also be arranged to assist HR, finance and employees further with regard to home ownership and related issues.
- 4.10 To expedite the process, National and Provincial Administration including Public Institutions under the PSCBC are required to ensure that the contents of this letter is brought to the attention of affected employees. This, to enable them to submit the required documents as prescribed in the determination and directive on housing allowance.
- 4.11 One of the most important documents for the housing allowance is encapsulated in PERSAL Notice 337, which was sent to PERSAL Controllers on 10 June 2016. Old housing allowance codes (0543, 0544, 0545 and 0546) must be terminated at function 5.3.13. New housing allowance for Home Owners 0664 must be instated at function 5.3.13. Arrears payable to homeowners from the date HR received the application form up to date – 0136 at function 5.3.13. The **afore-mentioned** in 4.11 is contained in the Withdrawal Circular 17/3/P section D clause 14, signed 21/09/2016.

4.12 The GEHS can be contacted on 012 336 1133 or by e-mail at gehs@dpsa.gov.za

4.13 The target date to resolve this backlog is 31 December 2022.

It is trusted that this information will be found in good order.

Yours Sincerely,



MS. YOLISWA MAKHASI
DIRECTOR-GENERAL
DATE: 12/8/2022