



**the dpsa**

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## TO ALL HEADS OF DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

### CIRCULAR 34 OF 2024

#### ADJUSTMENT OF THE ALLOWANCES AND TARRIFS CONTAINED IN THE FINANCIAL MANUAL FOR PURPOSES OF THE CALCULATION AND APPLICATION OF ALLOWANCES AND BENEFITS

1. The Minister for the Public Service and Administration has determined in terms of section 3(5)(a) and 5(6)(b) of the Public Service Act, 1994, as amended, with effect from 1 July 2019 the adjustment of the -
  - 1.1. Allowances for personnel serving Political Office Bearers, Cabinet Secretariat and Public Office Bearers as depicted in paragraph 6 of the *Financial Manual for Purposes of the Calculation and Application of Allowances and Benefits* (Financial Manual); and
  - 1.2. Cryptographic allowance as depicted in paragraph 8 of the Financial Manual.
2. It will be noted from the attached Financial Manual that only the above-mentioned allowances are adjusted w.e.f. 1 July 2019. The reason being that the adjustments and methodology were subject to scrutiny and discussion within the DPSA. It emerged that the implementers of PSCBC Resolution 3 of 1999 at the time continued with the practice and methodology that existed prior to 1 June 1999 with the annual adjustments of allowances and rates. It further transpired that only in the above instances do the applicable collective agreements provide for an enabler for an annual adjustment and the indicator for the adjustment. The adjustments referred to above thus give effect to the applicable provisions contained in line with *PSCBC Resolutions 3 of 1999*.

The review of the above-mentioned allowances takes into account the cost-of-living adjustments and CPI, where applicable.

3. Flowing from the process referred to above no legal enabler and/or indicator for an annual adjustment could be identified in the applicable collective agreements. Thus, the allowances and/or tariffs in respect of the following dispensations have not been adjusted in which case the rates as of 1 July 2018 will be retained and continue to be paid-
  - 3.1. Standby allowances
  - 3.2. Separation allowance
  - 3.3. Sessional Assistance
  - 3.4. Bonuses for the Antarctic and Gough and Marion Islands
4. With due consideration to the above the Minister, subsequently, approved the amended Financial Manual, a copy of which is attached for departments' attention. The latter is also available on the DPSA website at [www.dpsa.gov.za](http://www.dpsa.gov.za).
5. Expenditure resulting from the adjusted tariffs and allowances must be met from current departmental budget allocations in terms of National Treasury approval dated 5 May 2024.
6. Unfortunately, due to the above-mentioned process in paragraph 2 a delay in finalizing the allowances for implementation w.e.f. 1 July 2019 occurred. This delay will have a knock-on effect in respect of the annual adjustments of the allowances mentioned in paragraph 1(a), above, for 2020, 2021, 2022, 2023 since the latter hinges on the finalisation of the previous year's adjustment. Attention is also drawn to changes forthcoming from the implementation of Chapter 3 of the Guide for Members of the Executive which provides for changes to the core staff establishment. It is also required in terms of the Guide that a Cabinet decision must be obtained on Ministerial staffing for purposes of the payment of the role-playing allowances (i.e. those mentioned in paragraph 1.1 above). A separate process for this purpose is unfolding. Hence, the process of alignment of the allowances payable to personnel supporting executive authorities appointed in accordance with the new structure provided for in Chapter 3 of the Guide for Members of the Executive will be finalised once the relevant Cabinet decision on Ministerial staffing is available. A communique in this regard will follow in due course.

Signed by: Yoliswa Makhasi  
Signed at: 2024-07-18 18:54:14 +02:00  
Reason: I approve this document



**MS YOLISWA MAKHASI**  
**DIRECTOR-GENERAL**  
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