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HEADS: NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

CIRCULAR NO. 60 OF 2026

IMPLEMENTATION OF THE AMENDED DETERMINATION AND DIRECTIVE ON HOUSING ALLOWANCE FOR EMPLOYEES IN THE PUBLIC SERVICE 2025.

1. Following the conclusion of negotiations in the Public Service Coordinating and Bargaining Council (PSCBC) and subsequent adoption of Resolution 1 of 2025, the Minister for the Public Service and Administration determined and directed amendments in terms of Section 3(5)(a) and 5(6)(b), of the Public Service Act, 1994, (Proclamation No. 103 of 1994) (the PSA), the Determination and Directive on the Housing Allowance for Employees in the Public Service (Determination 2025). This Determination was later amended in January 2025 and following the adoption of the PSCBC Resolution 1 of 2025.
2. The Determination was reviewed and amended to address the following matters:
 - 2.1.1. Improve access to housing benefits;
 - 2.1.2. Address policy gaps and audit findings; and
 - 2.1.3. Enhance access to accumulated savings in the Individual-Linked Savings Facility (ILSF).
3. The amended Determination was approved by the Minister on 5 May 2026 and replaces the 2018 framework, as amended. This Determination is effective from the publication of this circular.
4. **Key policy changes:**
 - 4.1. **Access to ILSF Savings (Major Reform)**
 - 4.1.1. Employees who resign or are dismissed are now entitled to receive the full value of their accumulated ILSF savings with effect from **1 April 2025**.
Change from 2018: Previously, such savings were forfeited.

4.2. Recognition of Communal Property Associations (CPA)

Introduction of CPA as a recognised form of tenure:

- 4.2.1. Employee/s qualify if their name/s appears on a verified CPA beneficiary list.
- 4.2.2. CPA provisions extend eligibility to employees residing on communal land.

4.3. Additional Proof of Ownership and Tenure

New acceptable documents include:

- 4.3.1. CPA beneficiary list (Annexure H).
- 4.3.2. Transfer letter from conveyancing attorneys.
- 4.3.3. Clarification on municipal letters:
 - 4.3.3.1. Formally recognised letters signed by a relevant municipal official from the relevant municipality.
 - 4.3.3.2. Required to meet the prescribed conditions. (This addresses the previous administrative inconsistencies).
- 4.3.4. PTO certificates remain valid but:
 - 4.3.4.1. Must comply with strengthened verification requirements.
 - 4.3.4.2. Must be issued by a relevant authority.

4.4. Expanded Definition of Immediate Family

The definition now includes:

- 4.4.1. Parents.
- 4.4.2. Step-parents.
- 4.4.3. In-laws.
- 4.4.4. Grandparents.
- 4.4.5. Siblings
- 4.4.6. Adopted children.
- 4.4.7. Extended family members.

*This affects occupancy requirements for qualification.

4.5. Housing Construction Timelines (Homeowners)

- 4.5.1. Employees building houses must complete construction within 36 months.
- 4.5.2. A further 12-month extension may be granted.
- 4.5.3. Failure to occupy may result in termination of the Housing Allowance.
- 4.5.4. *Previously, 12 months was the period granted for employees to build – now extended to accommodate realities of building a house.

4.6. Rental (Tenant) Provisions

4.6.1. Lease Agreements: month-to-month agreements are NOT permitted.

4.7. Access to Housing Allowance for married employees

Clarified provisions allow:

4.7.1. Employees married out of community of property (married with Antenuptial Contract (ANC) are allowed to rent from one another.

*Addresses previous limitation in applying de-linking principle.

4.8. Issuing of confirmation of Housing Allowance benefit letters for employees applying for mortgage loans

5. The Determination and Directive on Housing Allowance for Employees in Public Service as reviewed, is attached as Annexure A and available on the DPSA website (www.dpsa.gov.za).

6. Heads of Departments and Provincial Heads are requested to direct their Human Resource Practitioners within their Departments to co-ordinate physical and/or virtual Educational and Outreach Sessions through Offices of the Premiers, for attendance by HR and Finance Administrators, PERSAL Controllers as implementers within the various departments, as well as government employees. Offices of the Premiers are also requested to send contact details of HR and Finance Administrators, PERSAL Controllers dealing with Housing Allowance to: gehs@dpsa.gov.za. GEHS stakeholders will also participate in the sessions to ensure that employees are educated and empowered on the various GEHS products and services offered by GEHS partners.



Mr Willie Vukela
Director-General (Acting)
Date: 09/10/26