



**FRAMEWORK FOR THE
DETERMINATION AND
COMPENSATION FOR SCARCE
SKILLS IN THE PUBLIC SERVICE
(SCARCE SKILLS FRAMEWORK)**

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DEFINITIONS

1. In this Framework-
 - (a) **Scarce skills occupations mean** occupations or sub-categories within an occupation with which the employer experiences various degrees of difficulty to recruit and retain their services. (As a rule such an employee requires an advanced knowledge in a field or science or learning, acquired by a prolonged course of study and/or specialized instruction. The work requires consistent exercise of discretion and judgement and is predominantly intellectual and varied in character.)
 - (b) **Scarce skills allowance** means non-pensionable allowance, calculated as a percentage of the employee's basic monthly salary (notch), and payable on a monthly basis.

SCOPE

2. This framework provides for the introduction of departmental and provincial scarce skills allowances.
3. This framework does not apply if PSCBC/Sectoral agreements exist on recruitment and retention strategies for identified scarce skills occupations.
4. The determination of a scarce skill is subject to the determination and approval by the Minister for Public Service and Administration (MPSA) in consultation with the Minister of Finance.

IDENTIFICATION OF THE SCARCE SKILLS OCCUPATION/SUB CATEGORIES WITHIN AN OCCUPATION

5. The Executing Authority shall determine in consultation with the MPSA, the occupational and sub-occupational categories. The following criteria shall be applied.
 - (a) Turn over rate of employees in a particular occupation must be high - this relates to employees leaving the public service and not turnover between other national or provincial departments - resulting in a high vacancy rate.
 - (b) The demand for a particular skill/s should outweigh supply.
 - (c) The skill should require advanced knowledge in a field/science or leaning by a prolonged course of study and/or specialized instruction and/or years of service.

- (d) Vacancies should prove difficult to fill.
- (e) There should be a demand for the occupation in the private sector - indicating strong factors pushing or pulling such employees into the private sector.
- (f) The number of employees in an occupation per 100 000-population who are dependent on the Public Service must be considerably below the national norm (**where such norms are applicable/available**).

6. The Executing Authority shall: -

- (a) utilise an the criteria referred to in paragraph 5 above to identify the scarce skills occupations; and
- (b) may add additional criteria.

DEGREE TO WHICH AN OCCUPATION/SUB-OCCUPATION IS CONSIDERED AS A SCARCE SKILLS OCCUPATION

7. Executing Authorities must classify the occupations, based on the outcome of the identification of the occupations in terms of the criteria in paragraph 5 above to determine the degree (extent) the occupation is considered as a scarce skill occupation:

Degree	Criteria
Degree 0	No problems are being experienced to recruit and retain.
Degree 1	Moderate (and often cyclical) problems are being experienced to recruit and retain
Degree 2	Serious problems are being experienced to recruit and retain.
Degree 3	Extreme and severe problems are being experienced to recruit and retain

PERCENTAGE TO BE PAID IN THE FORM OF A SCARCE SKILLS ALLOWANCE

8. Executing Authorities may apply the following percentages, based on basic salary (notch) to be paid in the form of a **monthly non-pensionable scarce skills allowance**:

Degree	Allowance
Degree 0 and 1	Nil
Degree 2	10%
Degree 3	15%

9. The monthly allowance is calculated as the percentage of the basic salary (notch), divided by 12.

PAYMENT MEASURES

10. The allowances are payable to employees (including employees appointed on term contract) in full-time employment in approved posts on the establishment or additional to the establishment.
11. The allowance rate must not be taken into account when-
 - (a) determining any benefits/payments derived from/based on basic salary; and
 - (b) classifying employee according to their salaries for purposes of granting any service benefit, payment of home owner allowance, overtime remuneration, assessment of rent for official quarters, or any other allowance or benefit.
12. These allowances are payable, in monthly instalments, together with basic salary and where a reduced basic salary is payable on a pro-rata basis, for whatever reason, the allowance must be reduced in the same ratio.
13. Before the allowance is payable, the employee must sign an undertaking that the payment of the allowance shall be terminated or reduced in the following circumstances:
 - (a) If an identified scarce skills occupation or the degree to which the occupation is considered as a scarce skills occupation is no longer classified as a scarce skill occupation by the relevant Executing Authority: Provided that the payment of the allowance will only be terminated or reduced after the employee has been given at least three (3) months notice in writing of the reclassification.
 - (b) If the employee is transferred/promoted to a post in the same or another occupation, with a lower classification in terms of the degree to which the occupation is considered as a scarce skills occupation: The scarce skills allowance is reduced or terminated with effect from date of transfer/promotion.

REVIEW OF DEPARTMENTAL AND PROVINCIAL SCARCE SKILLS STRATEGIES

14. In consultation with the MPSA, Executing Authorities shall every 24 months review the departmental or provincial scarce skills strategy in totality to ensure that it is still appropriate and address peculiar needs (i.e. changes in terms of oversupply of affected human resources which may effect the degree). Any changes to-
 - (a) identified scarce skills occupations;
 - (b) the degree to which his or her occupation is considered as a scarce skill occupation,

shall be done in time to give effect to the provision that the termination or reduction of the allowances in certain circumstances must be communicated in advance (in writing) to the effected employees.

15. Nothing prohibits the Executing Authority, in consultation with the MPSA, to effect changes to the departmental or provincial scarce skills strategy during a review cycle due to peculiar needs that may arise.

MONITORING OF DEPARTMENTAL AND PROVINCIAL SCARCE SKILLS STRATEGIES.

16. All Executing Authorities shall submit its departmental or provincial scarce skills strategy to the MPSA for approval prior to implementation.

FINANCING OF DEPARTMENTAL AND PROVINCIAL SCARCE SKILLS STRATEGIES.

17. Departments have to defray any expenditure emanating from the introduction of scarce skills allowances in terms of departmental and provincial scarce skills strategies-
 - (a) from existing budgets: or
 - (b) through the adjustment of departmental or provincial baselines in terms of the MTEC process.
18. Departments' funding of the departmental or provincial scarce skills strategy may not be at the detriment of service delivery.