

ANNEXURE J



**INTERIM DETERMINATION ON
HOUSING**

MADE BY THE MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

TABLE OF CONTENT

PART 1: GENERAL	3
1. INTRODUCTION	3
2. SCOPE	3
3. AUTHORISATION	3
PART 2: HOUSING ALLOWANCE	4
1. REQUIREMENTS FOR ACCESSING THE HOUSING ALLOWANCE	4
1.1. ELIGIBILITY	4
1.2. OWNERSHIP	4
1.3. OCCUPANCY	4
1.4. LOCATION	5
2. VALUE OF THE HOUSING ALLOWANCE	5
3. GENERAL MEASURES	6
PART 2: STATE GUARANTEE SCHEME	7
ANNEXURE A	8
DETAILS OF THE REVISED MAXIMUM HOUSING ALLOWANCE	8

PART 1: GENERAL

1. INTRODUCTION

- 1.1. The provisions on the Housing Allowance and State and Other Housing are contained in PSCBC Resolution 2 of 2004 and Part XVI of Annexure B to PSCBC Resolution 3 of 1999. The provisions and procedures in respect of the State Guarantee Scheme are contained in the policy and procedure manual regulating the State Guarantee Scheme.
- 1.2. The purpose of this directive is to give effect to selected clauses as contained in PSCBC Resolution 2 of 2004, i.e. of clauses 7.1.1 and 7.1.4 (a) and (b) and 7.1.6, with effect from 29 September 2004.
- 1.3. Determinations and guidelines to give effect to the remainder of the relevant clauses will be developed. This document will thus be updated in due course.

2. SCOPE

This directive is applicable to employees employed in terms of the Public Service Act and who fall within the scope of the Public Service Co-ordinating Bargaining Council.

3. AUTHORISATION

This determination was made in terms of section 3 (3) (c), read with section 5(4) of the Public Service Act, 1994, as amended, by the Minister of Public Service and Administration.

PART 2: HOUSING ALLOWANCE

1. REQUIREMENTS FOR ACCESSING THE HOUSING ALLOWANCE

1.1. ELIGIBILITY

- 1.1.1. An employee appointed on a full time basis, i.e. permanent or on a fixed-term contract may receive a housing allowance if s/he meets the requirements regulating the payment of the said allowance.
- 1.1.2. Employees, who received in terms of the repealed Home Owner Allowance Scheme a home owners allowance, qualify with effect from 29 September 2004 for a housing allowance.
- 1.1.3. Employees who purchase (d) a home on or after 29 September 2004 qualify for the housing allowance.
- 1.1.4. The housing allowance shall be paid-
 - 1.1.4.1. for one home only; and
 - 1.1.4.2. for one spouse only if both spouses are in the employ of the Public Service, unless for operational reasons they are stationed in different magisterial districts and maintain two separate homes.

1.2. OWNERSHIP

- 1.2.1. An employee may receive a housing allowance for a home, which is registered in his/her name, whether singly or with his/her spouse. For this purpose, an employee is required to submit proof of purchase and registration of a bond and property.
- 1.2.2. Property registered in the name of a company, closed corporation and trust are not recognised for purposes of the housing allowance.

1.3. OCCUPANCY

- 1.3.1. The employee and/or his/her immediate family must occupy the home in respect of which the housing allowance is paid, except s/he cannot occupy the home temporarily for reasons beyond his/her control.
- 1.3.2. For this purpose immediate family includes only-
 - 1.3.2.1. the employee's spouse; and/or
 - 1.3.2.2. dependent children.

1.3.3. In respect of employees who receive a home owners allowance in terms of the repealed Home Owners Allowance Scheme, immediate family also includes relatives who rely on the employee for the bulk of their subsistence.

1.4. LOCATION

The home in respect of which the employee receives the housing allowance must be located within the borders of South Africa.

2. VALUE OF THE HOUSING ALLOWANCE

2.1. The maximum value of the housing allowance is based upon a maximum bond of R 70 000.

2.2. The Minister for the Public Service and Administration will until 1 January 2009 revise the maximum value of the housing allowance quarterly based on the weighed average interest rate levied by the five biggest financial institutions, as at the start of each quarter, i.e.:

Effective Date of Revised Housing Allowance	Applicable Weighed Average Interest Rate
1 January	1 October
1 April	1 January
1 July	1 April
1 October	1 July

2.3. The applicable maximum housing allowance is contained in the table at Annexure A.

2.4. The housing allowance so revised will be capped with effect from 1 January 2009.

2.5. The value of the housing allowance for employees who received a home owners allowance in terms of the repealed Home Owners Allowance Scheme will be equal to-

2.5.1. the value of the maximum housing allowance if the employee received the maximum home owners allowance; or

2.5.2. the value of the home owners allowance s/he received, if less than the maximum value of the repealed home owners allowance. The

value of their housing allowances will be increased to the maximum housing allowance as part of the phasing-in process, which will be dealt with as part of the final directive on housing.

- 2.6. An employee who purchased/purchases a home on or after 29 September 2004 qualifies for the maximum housing allowance.

3. GENERAL MEASURES

- 3.1. The housing allowance is payable from the date that the employee meets the requirements contemplated in paragraph 1 above.
- 3.2. An employee is obliged to notify his/her department each time in writing of any changes that affects his/her eligibility for the housing allowance, i.e. change in ownership, etc.
- 3.3. In the event where an employee has paid up his/her bond or home loan, s/he continues to qualify for the housing allowance on or after 1 January 2005 for as long as s/he complies with the qualifying requirements applicable from the said date.

PART 2: STATE GUARANTEE SCHEME

1. The State Guarantee Scheme remains in force.
2. The State Guarantee Scheme is regulated in terms of the policy and procedure manual, *Guarantee Scheme for Housing Loans for Officials and Employees in the Public Sector* as issued and administered by the National Department of Public Works.

ANNEXURE A

DETAILS OF THE REVISED MAXIMUM HOUSING ALLOWANCE

Date effective	Weighed Average Interest Rate	Monthly Maximum Housing Allowance
1 July 2004	11.5%	R 403
1 October 2004	11.5%	R 403