



**DEPARTMENT: PUBLIC SERVICE AND ADMINISTRATION
REPUBLIC OF SOUTH AFRICA**

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**TO ALL HEADS OF NATIONAL/PROVINCIAL DEPARTMENTS AND
PROVINCIAL ADMINISTRATIONS**

CIRCULAR 1 OF 2005

ADJUSTMENT OF THE INCLUSIVE FLEXIBLE REMUNERATION PACKAGES OF MEMBERS OF THE SMS: 1 JANUARY 2005

Introduction

1. This Circular deals with the Minister for the Public Service and Administration's determination for-
 - a 6% cost-of-living adjustment of the remuneration scale and remuneration bands for members of the SMS (not based on the outcome of their performance), effective from 1 January 2005; and
 - (b) the translation of members of the SMS to the revised inclusive flexible remuneration packages, effective from 1 January 2005.

Scope of applicability

2. This Circular applies to all members of the SMS who are appointed in terms of the following Acts:-
 - Public Service Act, 1994.
 - (b) Correctional Services Act, 1998.
 - Defence Act, 2002.

3. This Circular **does not apply** to the following members of the SMS or groups of personnel:-

Members employed in terms of the Employment of Educators Act, 1998.

Members employed in terms of the South African Police Service Act, 1995.

Members employed in terms of the National Prosecuting Authority Act, 1998.

4. The determination of the revised inclusive flexible remuneration packages for the personnel referred to in paragraph 3 above will be dealt with by the Ministers of Education, Safety and Security and the Minister for Justice and Constitutional Development respectively.

Implementation

5. The Minister for the Public Service and Administration has determined the following in terms of section 3(3)(c) of the Public Service Act, 1994, read with the Public Service Regulations (Chapter 4, Part 4, Section B1), effective from 1 January 2005:

The remuneration scale and remuneration bands attached as Annexure A for members of the SMS who are appointed in terms of the **Public Service Act, 1994, the Defence Act, 2002 and the Correctional Services Act, 1998.**


The translation of the members referred to in (a) above to the revised remuneration scale and bands in terms of the translation keys attached as Annexure B.

General

6. The translation of members referred to in paragraph 5 and the structuring of the package by members in terms of the SMS Dispensation (attached as Annexure C) will not be effected programmatically (automatic) by PERSAL or PERSOL.
7. Once members have been translated to the revised inclusive flexible remuneration packages, they have to be afforded the opportunity to structure their packages accordingly. This Department's SMS Model (Excel Spreadsheet) to assist members to structure the package can be electronically obtained from this Department's website <http://www.dpsa.gov.za> (Documents Archive/Circulars/Remuneration) or from the following e-mail addresses:-

- robertl@dpsa.gov.za
- esther@dpsa.gov.za
- braam@dpsa.gov.za

8. It is imperative that members must confirm their choice on the structuring of their packages in writing before it can be implemented by PERSAL or PERSOL and filed appropriately. The signing of a printout of the main page of the Model (spreadsheet) will be sufficient.
9. The expenditure emanating from the Minister's determination must be defrayed from the funds included in departmental budgets for the improvement in conditions of service in the 2004/05 financial year.
10. Members should be informed in writing that errors would be rectified. Furthermore, any amounts that may have been overpaid or underpaid due to errors will be adjusted.
11. As departments are aware, the Performance Management and Development System (PMDS) was implemented for the SMS with effect from 1 April 2002. Departments are again reminded that **all senior managers and professionals in the SMS shall enter into performance agreements, as stipulated in paragraph 12 of the PMDS.**
12. Departments are requested to ensure that the measures that are contained in this Circular are implemented correctly. Departments are welcome to approach this Department for assistance.


DIRECTOR-GENERAL
Date: 11 January 2005