



the dpsa

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

CIRCULAR NO. 3 OF 2009

ANNUAL COST-OF-LIVING FOR EMPLOYEES ON SALARY LEVELS 1 TO 12 IN TERMS OF PSCBC RESOLUTION 5 OF 2009: 1 JULY 2009

INTRODUCTION

1. Resolution 5 of 2009 was concluded in the Public Service Co-ordinating Bargaining Council (PSCBC) on the improvement of conditions of service for personnel who fall within the registered scope of the PSCBC, and is effective for the 2009/10 financial year.

PSCBC RESOLUTION 5 OF 2009

2. The Resolution provides inter alia for the following
 - 2.1. Annual general salary adjustment with effect from 1 July 2009 on a sliding scale between 13% and 10% as per table below:

Salary levels	Sliding Scale
1 – 3	13%
4 – 6	12%
7 – 8	11%
9 – 10	10.5%
11 – 12+	10%

- 2.2. The sliding scale will be implemented for the different Occupation Specific Dispensations (OSDs), taking into the OSD salary grades equivalent to salary levels 1 to 12+;
- 2.3. That the salary negotiation process for the 2010/11 financial year commence by 30 September 2009 and be finalised by 30 October 2009; and
- 2.4. That the parties to the PSCBC finalise, negotiate and implement all outstanding matters in terms of PSCBC Resolution 1 of 2007.

SCOPE OF APPLICABILITY OF THIS CIRCULAR

3. The salary adjustment contained in this Circular applies to personnel on salary levels 1 to 12 and on salary grades above the maximum notch of salary level 12 in the case of OSDs, who are appointed in terms of the Public Service Act, 1994 and the Correctional Services Act, 1998 and who are in service on the effective date of the adjustment.
4. The measures contained in this Circular do not apply to the personnel groups listed below. The (possible) adjustment of salaries of these personnel groups, or the implementation/adjustment of the formulae to accommodate such improvements, is being dealt with separately and, where applicable, particulars thereof will be announced as soon as possible by the Executive Authorities concerned:-
 - 4.1. Senior Managers/Professionals (not covered by an OSD) on SMS Grades A to D (former salary levels 13 to 16) appointed in terms of the Public Service Act, 1994, the Correctional Services Act, 1998, the Defence Act, 2002, South African Police Service Act, 1995 and the Employment of Educators Act, 1998.
 - 4.2. Personnel on salary levels 1 to 12 employed in terms of the Employment of Educators Act, 1998, the South African Police Service Act, 1995 and the Defence Act, 2002.
 - 4.3. Personnel employed in terms of the National Prosecuting Authority Act, 1998.

DETERMINATION BY THE MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

General

5. The Minister for the Public Service and Administration has determined the following:

5.1. A cost-of-living salary adjustment based on the above sliding scale for employees on salary levels 1 to 12, effective from 1 July 2009.

5.2. Implement as an interim measure the cost-of-living adjustment on the current salaries for employees who are covered by an OSD that must still be implemented. The interim revised salary structure and translation measures are attached as Annexure H and I below.

5.3. Implementation of the revised salary scales and translation keys contained in the (attached) Annexes referred to hereunder, effective from 1 July 2009:

- (i) Annexure A – Public Service Act appointees – non- Occupation Specific Dispensation (OSD)
- (ii) Annexure B: OSD Nurses
- (iii) Annexure C – OSD Legally Qualified employees
- (iv) Annexure D – OSD Correctional Officials: Centre based
- (v) Annexure E – OSD Correctional Officials: Non-Centre based
- (vi) Annexure F – OSD Social Service Occupations
- (vii) Annexure G – OSD Engineers and related
- (viii) Annexure H - OSD Medical Officers, Dentists, Medical Specialists, Dental Specialists, Clinical Pharmacologists, Stomatologists, Pharmacists, Pharmacist Assistants and Emergency Services personnel
- (ix) Annexure I – Interim Salary Scales for Public Service Act appointees covered by OSD
- (x) Annexure J – Translation keys for Public Service Act appointees covered by OSD

5.4. The translation of personnel currently on personal salary scales (on the salary key scale which applied on 30 June 1996 or who were awarded a (personal) salary scale or notch since 1 July 1996) that is not reflected on the salary grading system key scale, to the salary grading system in terms of this Department's circular minute 1/2/1/P dated 11 January 1999. Such employees must again exercise the choice as per the form attached as Annexure K.

Measures that must be complied with when translating personnel

6. The employees referred to sub-paragraph 5(d) above who qualify for an annual notch increment on 1 July 2008 on their personal scales, but who will be translated to one of the standard salary levels of the salary grading system, will

not receive the increment on the personal salary scales on the said date on translation to the salary grading system.

Effect of the cost-of-living adjustment on general conditions of service

7. For the purpose of classifying officers and employees according to their salaries, when applying the directives with regard to official journeys, means of transport, subsistence allowance etc., employees who receive personal salaries higher than the maximum of the standard salary levels attached to their ranks are deemed to be in receipt of salaries equivalent to the maximum notches of the standard salary levels attached to their ranks.
8. Departments should submit proposals to this Department on any remuneration, rates, allowances, etc. which are not covered in this Circular or the Annexes thereto, and which have to be adjusted.

GENERAL MATTERS

9. The translation of personnel on salary levels 1 to 10 and salary levels 11 and 12 (MMS members) to the revised salary notches and inclusive packages respectively, will be dealt with as follows:

- (a) **Employees on salary levels 1 to 10**

PERSAL/PERSOL will effect the translation programmatically.

- (b) **Employees on salary levels 11 and 12 (MMS members) and those employees covered by the OSDs who are remunerated by means of total remuneration packages**

PERSAL/PERSOL will effect the translation programmatically in the following manner:

- (i) **Employees admitted to the GEPP**

The components "**basic salary**" and the "**employer's contribution to the GEPP**" will be adjusted programmatically, whilst the adjustment to the component "**flexible portion**" will be channelled as default to the item "**non-pensionable cash allowance**".

- (ii) **Employees not admitted to the GEPP**

The adjustment to the total package will be channelled as default to the item "**non-pensionable cash allowance**" provided for in the component "**flexible portion**".

10. Employees on salary levels 11 and 12 (MMS members) and those employees covered by the OSDs who are remunerated by means of total remuneration packages may re-structure the "flexible portion" of their packages, effective from 1 July 2009, if they wish to do so.
11. The dpsa **Financial Manual** will be updated and made available in due course.
12. It is possible that the measures contained in this Circular (or Annexes thereto) may be erroneous or that errors may be made in the implementation of the measures. All affected employees must be informed in writing that errors will be rectified and that any amounts that have been overpaid or underpaid because of errors will be rectified (either paid or recovered).
13. Departments are requested to ensure that these measures are implemented correctly. Should any problems arise with the implementation of these measures, departments should approach this Department for assistance.



198
DIRECTOR-GENERAL

Date: 29/09/2009