



**the dpsa**

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Public Service and Administration  
**REPUBLIC OF SOUTH AFRICA**

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

## **CIRCULAR NO. 2 OF 2010**

### **IMPROVEMENT IN CONDITIONS OF SERVICE: EMPLOYEES ON SALARY LEVELS 1 TO 12 AND THOSE COVERED BY OCCUPATION SPECIFIC DISPENSATIONS (OSDs): 1 JULY 2010**

#### **INTRODUCTION**

1. The Employer concluded an agreement, namely PSCBC Resolution 4 of 2010, which, *inter alia*, provides for the following:
  - 1.1 A cost-of-living adjustments of 7.5% for employees on salary levels 1 to 12, and those covered by Occupation Specific Dispensations (OSDs), who are appointed in terms of the Public Service Act, 1994, the Correctional Services Act, 1998 and the Police Act, 1995, effective from 1 July 2010.
  - 1.2 Increase of the Housing allowance from R500 per month (R6 000 per annum) to R800 per month (R9 600 per annum), effective from 1 July 2010, for employees on salary levels 1 to 10 and those OSD employees who are **not** remunerated by means of Cost-to-Employer (CTE) remuneration packages (therefore non-CTE package employees).

#### **SCOPE OF APPLICABILITY OF THIS CIRCULAR**

2. The salary adjustment contained in this Circular applies to personnel on salary levels 1 to 12 and those covered by OSDs who are appointed in terms of the **Public Service Act, 1994, the Correctional Services Act, 1998 and SA Social Security Act, 1994** and who are in service on the **date of implementation** of the adjustment.

Staatsdiens en Administrasie . Ditirelo tsa Puso le Tsamaiso . Ditshebeliso tsa Mmuso le Tsamaiso . uMnyango wemiSebenzi kaHulumeni nokuPhata

Muhasho wa Tshumelo ya Muvuso na Vhulanguli . Kgoro ya Ditirelo tsa Mmušo . Ndzawulo ya Vutirela-Mfumo na Valawuri

LiTiko le Tebasebenti baHulumende nekuPhatsa . ISebe leNkonzo kaRhulumente noLawulo . UmNyango wemiSebenzi kaRhumende nokuPhata

3. 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 Executing Authorities concerned:-
- (a) Senior Managers/Professionals 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.
  - (b) 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.
  - (c) Personnel employed in terms of the National Prosecuting Authority Act, 1998.

#### **DETERMINATION BY THE MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION**

4. In accordance with section 5(6)(a) of the Public Service Act, 1994 the Resolution is a **determination made by the Minister for the Public Service and Administration** in terms of section 3(5) of the Act. In accordance with section 5(6)(b) of the Act the Minister for the Public Service and Administration may for proper implementation of the collective agreement elucidate or supplement such determination by means of a directive, **provided that the directive is not in conflict or does not derogate from the terms of the agreement.**
5. This Circular therefore serves as Implementation Directive by the Minister for the Public Service and Administration to elucidate or supplement the Determination.

#### **IMPLEMENTATION OF PSCBC RESOLUTION 4 OF 2010**

##### **General**

6. The Minister approved the following revised salary scales, and translation keys to translate affected employees to the revised salary scales, in order to give effect to the cost-of-living adjustment of 7.5%, effective from 1 July 2010:

	<b>Appendix</b>	<b>Occupational category and PERSAL Table code</b>
7.1	<b>A</b>	Public Service Act appointees <b>who are <u>not covered</u> by an OSD</b> (so-called non-OSD employees) – PERSAL Tables 264 and 265
7.2	<b>B</b>	Public Service Act appointees <b>who are still <u>to be translated</u> to an OSD</b> (PERSAL Tables 225 and 232)

7.3	C	OSD for Professional Nurses, Staff Nurses and Nursing Assistants (PERSAL Tables 247 and 248)
7.4	D	OSD for Legally Qualified employees (PERSAL Tables 249 and 250)
7.5	E	OSD for Correctional Services Act employees (PERSAL Tables 262 and 263)
7.6	F	OSD for Educators in the Department of Correctional Services (PERSAL Tables 273 and 274)
7.7	G	OSD for Social Services professions (PERSAL Tables 260 and 261)
7.8	H	OSD for Engineering professions and related occupations (PERSAL Table 269 and 270)
7.9	I	OSD for Medical Officers, Medical Specialists, Dentists, Dental Specialists, Pharmacologists, Pharmacists and Emergency Care Practitioners (PERSAL Tables 267 and 268)

7. Departments' attention is drawn thereto that the revised Housing allowance with effect from 1 July 2010 did not change the Housing allowance policy as far as it relates to eligibility for payment etc.
8. Departments will be informed on the outcome of the following investigations:
  - 8.1 Home ownership scheme for Public Service employees.
  - 8.2 Equalisation of the provision of the medical aid subsidy granted to non-CTE package employees who are members of GEMS and to those that are members of other registered medical aid schemes.
  - 8.3 Minimum Service Agreement

**Measures that must be complied with when translating personnel**

9. The employees referred to paragraph 2 above who qualify for an annual notch increment on 1 July 2010 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**

10. 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.

11. 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.
12. A revised schedule containing the sessional rates payable to employees covered by the OSD for Medical Officers, Medical Specialists, Dentists, Dental Specialists, Pharmacologists, Pharmacists and Emergency Care Practitioners will be provided to the affected national and provincial departments in due course.
13. Departments will be informed on the outcome of the investigation to possible equalise the employer contribution towards open medical schemes for non-CTE package employees with that applicable to non-package employees who have membership with GEMS;

#### **Implementation by National Treasury (PERSAL)/PERSOL**

14. The translation of personnel on salary levels 1 to 10 and those non-CTE package employees covered by OSDs to their revised **notches**, as well as the translation of employees on salary levels 11 and 12 (MMS members) and CTE package employees covered by OSDs to their revised **total remuneration packages**, will be dealt with as follows:

- 14.1 **Employees on salary levels 1 to 10 and non-CTE package OSD employees**

PERSAL/PERSOL will implement the translation programmatically.

- 14.2 **Employees on salary levels 11 and 12 (MMS members) and CTE package OSD employees**

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

- 14.2.1 Employees admitted to the GEPF

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

- 14.2.2 Employees not admitted to the GEPF

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**".

15. Employees on salary levels 11 and 12 (MMS members) and those CTE package OSD employees may re-structure the **"flexible portion"** of their packages, effective from 1 July 2010, if they wish to do so.
16. Implementation of the cost-of-living adjustment for **CTE-package employees** covered by the OSD for Medical Officers, Medical Specialists, Dentists, Dental Specialists, Pharmacologists, Pharmacists and Emergency Care Practitioners (PERSAL Table 267) is unfortunately delayed. The reason for this decision is allow PERSAL the opportunity to finalise translation of affected employees to the revised remuneration structures for identified OSD post classes in terms of PHSDSBC Resolution 1 of 2010, **backdated to 1 April 2010**. PERSAL will implement the cost-of-living adjustment with effect from 1 July 2010, based on the revised 1 April 2010 remuneration structure, after implementation of PHSDSBC Resolution 1 of 2010. This delay is not applicable to **notch employees** (PERSAL Table 268) covered by the said OSD (e.g. Pharmacy Assistants and the majority of Emergency Services personnel). The national Department of Health has already communicated this message to affected Departments.
17. Arrangements have also been made with PERSAL to implement the revised Housing allowance for eligible employees programmatically.

#### GENERAL MATTERS

18. The **DPSA Financial Manual** will be updated and made available in due course.
19. 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).
20. 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.

  
DIRECTOR GENERAL (Acting)

Date: 25/10/2010