

**PACKAGE DISPENSATION FOR EMPLOYEES  
(PUBLIC SERVICE ACT AND CORRECTIONAL  
SERVICES ACT APPOINTEES) COVERED BY THE  
FOLLOWING OSDs:**

- MEDICAL OFFICERS, DENTISTS, MEDICAL/DENTAL SPECIALISTS, PHARMACISTS, PHARMACIST'S ASSISTANTS AND EMERGENCY SERVICES PERSONNEL – PHSDSBC Resolution 3 of 2009**
- LEGALLY QUALIFIED EMPLOYEES**
- SOCIAL SERVICES OCCUPATIONS**
- ENGINEERS AND RELATED (INCLUDING SURVEYORS AND TECHNICIANS)**

**EFFECTIVE OF DATE OF RESPECTIVE OSD**

**Latest updates effective from 1 March 2010 – see amendment sheet**



**Determination by:**

**The Minister for the Public Service and Administration**

## COMPOSITION OF PACKAGE

### **PART A: EMPLOYEES WHO ARE APPOINTED PERMANENTLY OR ON A FIXED-TERM CONTRACT AND WHO, IN BOTH CASES, ARE ADMITTED TO THE GEPF**

1. The inclusive remuneration package consists of the **basic salary**, the **Employer's contribution to the GEPF** and a **flexible portion**.
2. The **basic salary** consists **70%** of the inclusive flexible remuneration package.
3. The State's contribution to the GEPF is calculated on the basic salary.
4. The remaining portion of the remuneration package is the flexible portion and may be structured by the member in terms of the rules for the structuring of the flexible portion, as set out below.

### **PART B: EMPLOYEES WHO ARE APPOINTED ON A FIXED-CONTRACT AND WHO ARE NOT ADMITTED TO THE GEPF**

5. The inclusive flexible remuneration package does not consist of components.
6. The member may structure the total inclusive flexible remuneration package in terms of the provisions and rules set out below.

## FLEXIBLE PORTION

7. Members may structure the flexible portion for the following allowances/benefits:

#### 7.1. **Motor vehicle allowance**

A maximum amount of 25% of the total package per annum.

#### 7.2. **13<sup>th</sup> Cheque**

- 7.2.1. Employees appointed permanently or on a fixed-term contract and who, in both cases, are admitted to the GEPF

A 13<sup>th</sup> Cheque equal to one-twelfth of the basic salary, to be structured as an annual non-pensionable payment, payable in the anniversary month of birth.

- 7.2.2. **Employees appointed on contract and who are not admitted to the GEPF**

Structuring for a 13<sup>th</sup> Cheque **not** permissible.

#### 7.3. **Medical Assistance**

Option to structure for an employer contribution towards medical aid if the employee is a member of a registered medical aid scheme.

#### 7.4. **Housing Allowance**

An amount as decided by the member.

#### 7.5. **Non-pensionable cash allowance**

Any remaining amount of the flexible portion.

8. Employees are not obliged to structure for all these allowances/benefits, or for the maximum permissible amounts, but the total amount of the flexible portion must be structured.

### **MEASURES AND OBLIGATIONS WHEN STRUCTURING THE FLEXIBLE PORTION**

#### 9. **Motor vehicle allowance**

##### 9.1. **Post specific measures**

##### 9.1.1. **Employees who occupied posts graded below salary level 13 before translation to OSD (i.e. Senior Medical and Dental Specialists, Chief Medical Officers)**

9.1.1.1. If an employee structures for a motor vehicle allowance, he or she is **obliged** to maintain a reliable (private) vehicle to be utilised for official journeys – therefore the employee's vehicle (or a substitute) must at all times be available for official journeys.

9.1.1.2. If an employee does not structure for a motor vehicle allowance, there is **no obligation** on him or her to utilise his or her own (private) vehicle for official purposes.

9.1.1.3. Employees may continue to participate in the Subsidised Motor Transport Scheme (SMTS) (A- and B-Schemes), as maintained by the national Department of Transport, provided that they comply with the criteria set by the said Department. Employees –

9.1.1.3.1. participating in the A-Scheme on the date prior to effective date of the respective OSD (eg 30 June 2009), or who enter the Scheme after the said date, **is** not allowed to structure for a motor vehicle allowance as of the date of admittance to the Scheme; and

9.1.1.3.2. participating in the B-Scheme is allowed to structure for a motor vehicle allowance.

9.1.1.4. An employee who structures a motor vehicle allowance must secure his or her own financing or loans, unless he or she qualifies for the financing arrangements provided for in the SMTS (B-Scheme).

**9.1.2. Employees who occupied SMS posts graded on salary levels 13 and higher before translation to OSD (i.e. Principal and Chief Medical and Dental Specialists)**

9.1.2.1. All employees appointed on these levels are obliged to maintain a reliable vehicle to be utilised for official journeys (when necessary), irrespective whether they have structured for a motor vehicle allowance or not.

9.1.2.2. Therefore, these employees must at all times have his or her vehicle (or a substitute) available for official journeys.

9.1.2.3. An employee may not participate in the Subsidised Motor Transport Scheme.

9.1.2.4. An employee must secure his or her own financing of loans. The State's contract with Stannic to grant loans to employees is available.

9.1.2.5. Should an employee not be able to successfully secure a loan, his or her department may apply for a guarantee from the National Treasury in order to secure a loan.

**9.2. General measures and obligations applicable to all employees who structure for a motor vehicle allowance**

9.2.1. As employees who structure for a motor vehicle allowance use their private vehicles for official purposes, no time frames exist when a vehicle should be replaced.

9.2.2. If an employees so wishes, he or she may purchase/lease a new or reliable pre-owned vehicle.

9.2.3. Heads of Department (or his or her delegate) must decide whether an employee, who has structured for a motor vehicle allowance, must utilise his or her own vehicle or make use of the provisions for official journeys when transport is used for official purposes, taking into account practical implications, cost effectiveness, road conditions etc.

- 9.2.4. An employee must obtain and maintain comprehensive insurance on the vehicle, and is fully responsible for all running and maintenance costs and registration and licensing.
- 9.2.5. The employee is responsible for parking fees (if it is levied) at the place of work. There is no obligation on the employer to provide parking at the employee's usual place of work.
- 9.2.6. Any journey between an employee's home and usual place of work constitutes a private journey.
- 9.2.7. As far as practically possible, an employee is obliged to provide free transport to official passengers to the same destination on an official journey.
- 9.2.8. The Executing Authority shall compensate the employee for the kilometres traveled for official purposes according to the tariffs payable for privately owned vehicles, as prescribed by the Department of Transport, provided he/she complies with all the prescribed qualifying criteria (i.e. **approved** official journey).
- 9.2.9. The Executing Authority shall reimburse all toll fees incurred by the employee in the execution of his or her official duties.

## 10. **13<sup>th</sup> Cheque**

- 10.1. The 13<sup>th</sup> Cheque is an annual payment in the month of birth.
- 10.2. The 13<sup>th</sup> Cheque is calculated on the basic salary component of the package.
- 10.3. The 13<sup>th</sup> Cheque will be paid on the day the member is normally paid his or her salary and allowances.
- 10.4. **The following transitional measures apply to those employees who are translated to a remuneration package for the 1<sup>st</sup> time with effect from the effective date of the respective OSD (e.g. 1 July 2009)**
  - 10.4.1. If an employee, who was in service on date prior to effective date of the respective OSD (e.g. 30 June 2009), **structures** for a 13<sup>th</sup> Cheque with effect from the effective date of the respective OSD (e.g. 1 July 2009) the following apply:
    - 10.4.1.1. The full 13<sup>th</sup> Cheque will be payable in the next anniversary month of birth. The 13<sup>th</sup> Cheque is calculated from the month in which the last service bonus was paid to the last day of the month preceding the anniversary month of birth.

- 10.4.1.2. In the event of the employee's services being terminated before the next anniversary month of birth, a pro rata 13<sup>th</sup> Cheque will be payable. The pro rata 13<sup>th</sup> Cheque is calculated from the month in which the last service bonus was paid to the last day of service.
- 10.4.2. If an employee, who was in service on date prior to effective date of the respective OSD (e.g. 30 June 2009), **does not structure** for a 13<sup>th</sup> Cheque with effect from the effective date of the respective OSD (e.g. 1 July 2009) the following apply:
- 10.4.2.1. A pro rata service bonus will be paid in terms of the provisions of PSCBC Resolution 3 of 1999, calculated from the month that the last service bonus was paid until the date prior to effective date of the respective OSD (e.g. 30 June 2009). This pro rata service bonus will be payable in the next anniversary month of birth and based on the employee's notch on the date prior to effective date of the respective OSD (e.g. 30 June 2009).
- 10.4.2.2. In the event of the employee's services being terminated before the next anniversary month of birth referred to above, **except in the case of resignation or discharge owing to misconduct**, a pro-rata service bonus is paid to the member in terms of the provisions of PSCBC Resolution 3 of 1999. The pro rata service bonus is calculated from the month that the last service bonus was paid until the date prior to effective date of the respective OSD (e.g. 30 June 2009). This pro rata service bonus will be payable at the last day of service and based on the employee's salary notch on the date prior to effective date of the respective OSD (e.g. 30 June 2009).
- 10.5. New appointees appointed (from outside the Public Service) after effective date of the respective OSD and who structure for an 13<sup>th</sup> Cheque, will receive a pro rata 13<sup>th</sup> Cheque for the period from date of appointment until the end of the month preceding the anniversary month of birth.
- 10.6. If an employee **restructures** his/her package with effect from a date after effective date of the respective OSD **from a position where a**

**13<sup>th</sup> Cheque HAS BEEN structured to a position where a 13<sup>th</sup> Cheque IS NOT BEING structured**, the following will apply:

10.6.1. A pro rata 13<sup>th</sup> Cheque will be paid, calculated from the date that the member's last 13<sup>th</sup> Cheque has been paid until the month prior to the effective date of the revised restructuring. The pro rata 13<sup>th</sup> Cheque will be payable in the next anniversary month of birth, based on the basic salary in the month prior to the effective date of the revised restructuring.

10.6.2. In the event of an employee's services being terminated before he/she reaches his/her next month of birth referred to above, a pro rata 13<sup>th</sup> Cheque is payable on the last day of service. The pro rata 13<sup>th</sup> Cheque is calculated from the last month in which the employee received his/her last 13<sup>th</sup> Cheque until the month prior to the effective date of the revised structuring, based on the basic salary in the month prior to the effective date of the revised restructuring

10.7. If an employee **restructures** his/her package with effect from a date after effective date of the respective OSD **from a position where a 13<sup>th</sup> Cheque HAS NOT BEEN structured to a position where the member STRUCTURES a 13<sup>th</sup> Cheque**, the following will apply:

10.7.1. A pro rata 13<sup>th</sup> Cheque will be payable in the employee's next anniversary month of birth, calculated from the effective date of the revised structuring to the last day of the month preceding the anniversary month of birth.

10.7.2. In the event of an employee's services being terminated before or in his/her next anniversary month of birth, a pro rata 13<sup>th</sup> Cheque is payable on the last day of service. The pro rata 13<sup>th</sup> Cheque is calculated from the effective date of the revised restructuring to the last day of service.

10.7.3. In the event of an employee's services being terminated after his/her next anniversary month of birth, a pro rata 13<sup>th</sup> Cheque is payable on the last day of service. The pro rata 13<sup>th</sup> Cheque is calculated from the month in which the employee received his/her last 13<sup>th</sup> Cheque to the last day of service.

11. **Medical assistance** (amended with effect from 1 March 2010)

11.1. Employees who are members of registered medical aid schemes **are not obliged** to structure for an employer contribution towards the scheme.

11.2. The Executing Authority shall pay the total medical aid scheme subscription fee directly (per the pay system) on a monthly basis to a registered medical scheme.

11.3. In respect of those employees who are members of registered medical aid schemes and **who elect not to structure** for an employer contribution, the total medical aid scheme subscription fee will be a normal (monthly) salary deduction.

11.4. In respect of employees who are members of registered medical aid schemes and **who elect to structure** for an employer contribution, the subscription fee shall be composed as follows:-

11.4.1. **Employer contribution**

- Any amount, to a maximum of the following caps - depending on their membership profile - in the form of an employer contribution.

<b>Membership profile</b>	<b><u>Maximum</u> amount that member may structure as an employer contribution (with effect from 1 March 2010)</b>
Principal member	R8 040 per annum
Principal member plus 1st dependant	R16 080 per annum
Per additional dependant (unlimited number of dependants)	An additional R4 920 per annum per additional dependant

11.4.2. **Member contribution**

- The difference between the total registered medical aid scheme fee and the amount structured as employer contribution.
- The member's own contribution is a normal (monthly) salary deduction.



**AMENDMENT SHEET**

	<b>ITEM/PARAGRAPH AMENDED</b>	<b>EFFECTIVE DATE OF AMENDMENT</b>
1	<b>Item 11.4.1</b> (revised caps on structuring for employer medical contribution)	1 March 2010