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TO ALL HEADS OF NATIONAL/PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

CIRCULAR NO. 2 OF 2012

IMPROVEMENTS IN CONDITIONS OF SERVICE: EMPLOYEES ON SALARY LEVELS 1 TO 12 AND THOSE COVERED BY OCCUPATION SPECIFIC DISPENSATIONS (OSDs): 2012/13 FINANCIAL YEAR

INTRODUCTION

1. Parties to the Public Service Coordinating Bargaining Council (PSCBC) concluded an agreement, namely PSCBC Resolution 1 of 2012, which, amongst others, provides for the following improvements in conditions of service for employees on salary levels 1 to 12 and those employees covered by Occupation Specific Dispensations (OSDs), who are appointed in terms of the Public Service Act, 1994, the Correctional Services Act, 1998, the Police Act, 1995, and the Employment of Educators Act, 1998.
 - 1.1 A cost-of-living adjustment of 7% for the 2012/13 financial year, effective from 1 May 2012.
 - 1.2 Increase in Housing allowance from R800 to R900 per month.
 - 1.3 Increase in Night Shift allowance from R2.12 to R2.69 per month.
 - 1.4 Introduction of a cash award of R7 500, R15 000 and R20 000 in recognition of long service of 20, 30 and 40 years respectively.
 - 1.5 Adjustment to other policy matters.

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 baHufumende nekuPhatsa . ISebe leNkonzo kaRhulumente noLawulo . UmNyango wemiSebenzi kaRhulumente nokuPhata

SCOPE OF APPLICABILITY OF THIS CIRCULAR

2. The cost-of-living 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 and the Correctional Services Act, 1998** and who are in service on the **date of implementation** of the adjustment.
3. The measures contained in this Circular do not apply to the personnel groups listed below. The (possible) cost-of-living adjustment for these personnel groups, or the implementation/adjustment of the formulae to accommodate such adjustments, is being dealt with separately and, where applicable, particulars thereof will be announced as soon as possible by the Executive Authorities concerned:-
 - 3.1 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.
 - 3.2 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.
 - 3.3 Personnel employed in terms of the National Prosecuting Authority Act, 1998.

DETERMINATION BY THE MINISTER FOR PUBLIC SERVICE AND ADMINISTRATION (MPSA)

4. In accordance with section 5(6)(a) of the Public Service Act, 1994 the Resolution is a **determination made by the MPSA** in terms of section 3(5) of the Act for Public Service Act and Correctional service Act appointees. In accordance with section 5(6)(b) of the Public Service Act the MPSA 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 Directive by the Minister for Public Service and Administration to elucidate or supplement the Determination in respect of the **cost-of-living adjustment** for employees employed in terms of the Public Service Act and the Correctional Services Act. The amendments to the Housing allowance, Night Shift allowance, recognition of long service and the other policy matters, and the implementation thereof, will be dealt with in separate letters.

IMPLEMENTATION OF THE COST-OF-LIVING ADJUSTMENT PROVIDED FOR IN PSCBC RESOLUTION 1 OF 2012

General

6. The MPSA 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%, effective from 1 May 2012:

	Appendix	Occupational category and PERSAL Table code
6.1	A	Public Service Act appointees who are <u>not covered</u> by an OSD (so-called non-OSD employees) (PERSAL Tables 264 & 265)
6.2	B	Public Service Act appointees who are <u>still to be translated</u> to an OSD (PERSAL Tables 225 & 232)
6.3	C	OSD for Professional Nurses, Staff Nurses and Nursing Assistants (PERSAL Tables 247 & 248)
6.4	D	OSD for Legally Qualified employees (PERSAL Tables 249 & 250)
6.5	E	OSD for Correctional Services Act employees (PERSAL Tables 262 & 263)
6.6	F	OSD for Educators in the Department of Correctional Services (PERSAL Tables 273 and 274)
6.7	G	OSD for Social Services professions (PERSAL Tables 260 & 261)
6.8	H	OSD for Engineering professions and related occupations (PERSAL Table 269 & 270)
6.9	I	OSD for Medical Officers, Medical Specialists, Dentists, Dental Specialists, Pharmacologists, Pharmacists and Emergency Care Practitioners (PERSAL Tables 267 & 268)
6.10	J	OSD for Therapeutic, Diagnostic and other related Allied Health Professionals

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 Appendixes thereto, and which have to be adjusted.
9. A revised schedule containing the sessional rates payable to employees covered by the following OSDs with effect from 1 May 2012 will be provided to the affected national and provincial departments in due course:
 - 9.1 Medical Officers, Medical Specialists, Dentists, Dental Specialists, Pharmacologists, Pharmacists and Emergency Care Practitioners.
 - 9.2 Therapeutic, Diagnostic and other related Allied Health Professionals.

Implementation by National Treasury (PERSAL)/PERSOL

10. The translation of employees on salary levels 1 to 10 and OSD employees to their revised **notches**, as well as the translation of employees on salary levels 11 and 12 (MMS members) and affected OSD employees to their revised **Cost-to-Employer (CTE) packages**, will be dealt with as follows:
 - 10.1 **Salary level 1 to 10 and OSD Non-CTE employees**

PERSAL/PERSOL will implement the translation to the revised notches programmatically.
 - 10.2 **Salary level 11 and 12 and OSD CTE package employees**

PERSAL/PERSOL will implement the translation to the revised CTE packages programmatically in the following manner:
 - 10.2.1 Employees admitted to the GEPF

The components ***“basic salary”*** and the ***“employer’s contribution to the GEPF”*** will be adjusted programmatically, and the adjustment to the component ***“flexible portion”*** will be channelled as default to the item ***“non-pensionable cash allowance”***.
 - 10.2.2 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”***.

11. CTE package employees may re-structure the "**flexible portion**" of their packages, effective from 1 May 2012, if they wish to do so.

GENERAL MATTERS

12. The DPSA Financial Manual has been updated accordingly.
13. It is possible that the measures contained in this Circular (or Appendixes thereto) may be erroneous or that errors may be made in the implementation of the adjustment. Affected employees must be informed in writing that errors will be rectified and that any overpayments or underpayments due to errors will be rectified.
14. 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

Date: 9/10/2012.