



**the dpsa**

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

Private Bag X916, PRETORIA, 0001 Tel: (012) 336 1000, Fax (012) 326 7802  
Private Bag X9148, Cape Town, 8000. Tel: (021) 467 5120, Fax (021) 465 5484

Inquiry: L Reutener

Telephone: (012) 336 1182

File: 18/1/4

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

### **DPSA CIRCULAR 1 OF 2014**

#### **IMPROVEMENT IN CONDITIONS OF SERVICE OF MEMBERS OF THE SENIOR MANAGEMENT SERVICE (SMS): 1 APRIL 2014**

##### **Introduction**

1. This Circular deals with the Minister for the Public Service and Administration's (MPSA's) determination for the 2014/15 SMS cost-of-living adjustment, effective from 1 April 2014

##### **Scope of applicability**

2. The determination applies only to SMS members who are appointed in terms of the following Acts:-
  - 2.1 Public Service Act, 1994.
  - 2.2 Correctional Services Act, 1998.
3. The MPSA's determination is also applicable to SMS members in SASSA in terms of the SASSA Remuneration, Grading and Performance Management Framework.
4. The Ministers of Police, Defence and Military Veterans and Justice and Constitutional Development will make similar determinations for SMS members employed in terms of the following Acts:
  - 4.1 South African Police Service Act, 1995.
  - 4.2 Defence Act, 2002.
  - 4.3 National Prosecuting Authority Act, 1998.

Staatsdiens en Administrasie . Ditirelo tsa Puso le Tsamaiso . Ditshebeltso 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 kaRhulumente nokuPhata

## Determination

5. In terms of section 3(5)(a) of the Public Service Act, 1994, as amended, read with the Public Service Regulations (Chapter 4, Part 4, Section B1), the MPSA determined/approved the following for SMS members (salary levels 13 to 16) employed in terms of the **Public Service Act, 1994** and the **Correctional Services Act, 1998**, delinked from performance, effective from 1 April 2014:
  - 5.1 Cost-of-living adjustment of **6.2%** for salary level 13 (Director level).
  - 5.2 Cost-of-living adjustment of **5.7%** for salary levels 14 to 16 (Chief Director, Deputy Director-General and Director-General levels).
  - 5.3 Remuneration scales attached as **Appendices A and B** for SMS members referred to in sub-paragraphs 5.1 and 5.2 above.
  - 5.4 Translation of the SMS members referred to in sub-paragraphs 5.1 and 5.2 above to the remuneration scales referred to in sub-paragraph 5.3 above:
    - 5.4.1 SMS members appointed in terms of the Public Service Act: **Appendices C to F.**
    - 5.4.2 SMS members appointed in terms of the Correctional Services Act: **Appendix G.**

## Implementation

- 6 The DPSA advised the National Treasury (PERSAL) to implement the cost-of-living adjustment in the following manner:
  - 6.1 **SMS members admitted to the Government Employees Pension Fund (GEPF)**
    - The components *basic salary* and the *employer contribution to the GEPF* of the TCE package are adjusted programmatically.
    - The adjustment to the component *flexible portion* is added to the sub-component *non-pensionable allowance* as default.

### 6.2 **SMS members not admitted to the GEPF**

The adjustment to the total TCE package is added to the sub-component *non-pensionable allowance* (in the component *flexible portion*) as default.

- 7 SMS members are afforded the opportunity to re-structure their TCE packages, effective from 1 April 2014.

**General**

- 8 The expenditure emanating from the MPSA's determination has to be defrayed from current departmental (budget) baselines.
- 9 The DPSA Model (2015 tax year) to structure SMS TCE packages is available on the DPSA website.
- 10 Departments must inform SMS members in writing of their revised TCE packages, the manner in which the adjustment is implemented, that errors will be rectified, and that any amounts that may have been overpaid or underpaid will be adjusted.
- 11 Departments must ensure that they implement the MPSA's determinations, and the measures contained in this Circular, correctly. Departments are welcome to approach the DPSA for assistance.



**A DIRECTOR-GENERAL**

Date: 2014/4/7.