



the dpsa

Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

STATEMENT:

PAYMENT OF 0.2% SHORTFALL FOR 2013/14 COST-OF-LIVING ADJUSTMENT

The State as Employer undertook at the PSCBC to pay the shortfall of 0.2% on 1 May 2014 and this did not happen. The Employer wishes to apologise for this.

The PSCBC Resolution 1 of 2012 provides for a multi-term wage agreement between the State as Employer, and organised labour and covers the annual cost-of-living adjustments in the Public Service for the period 1 April 2012 to 31 March 2015.

The agreement also stipulates that if the actual average Consumer Price Index (CPI) for a particular financial year is higher or lower than the projected figure, the employer shall add or subtract the difference from the adjustment for the following financial year.

The adjustment of 6.6% with effect from 1 April 2013 was based on the 2013/14 CPI *projected* in the 2013 Budget Review at 5.6% plus an additional 1%. However, the *actual* CPI for 2013/14 was 5.8%, resulting in a shortfall of 0.2% that is to be added to the 2014/15 adjustment in terms of the wage agreement.

The 0.2% shortfall will be added to the 2014/15 adjustment, thus resulting in an adjustment of 7.4% (i.e. 7.2% adjustment for 2014/15 plus the 0.2% shortfall in the actual CPI for 2013/14), effective from 1 April 2014.

The back-pay will be effected on the salary run of May 2014.

The Employer regrets any inconvenience caused to organised labour and all employees.

Issued by the Director-General: Department of Public Service and Administration