



# the dpsa

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Public Service and Administration  
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## TO ALL HEADS OF NATIONAL/PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

### CIRCULAR NO. 1 OF 2015

**IMPROVEMENT IN CONDITIONS OF SERVICE FOR EMPLOYEES ON SALARY LEVELS 1 TO 12 AND THOSE COVERED BY OCCUPATION SPECIFIC DISPENSATIONS (OSDs): COST-OF-LIVING ADJUSTMENT WITH EFFECT FROM 1 APRIL 2015**

#### INTRODUCTION

1. PSCBC Resolution 8 of 2015, which amends clause 3 of PSCBC Resolution 2 of 2015 regarding the multi-term cost-of-living adjustments over the 2015 Medium-Term Expenditure Framework, provides for the following cost-of-living adjustment 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. Salary adjustment, for the period 1 April 2015 to 31 March 2016, effective from 1 April 2015, of 7%.
  - 1.2. Salary adjustment, for the period 1 April 2016 to 31 March 2017, effective from 1 April 2016, will be based on the average projected Consumer Price Index (CPI) plus 1%.
  - 1.3. Salary adjustment for the period 1 April 2017 to 31 March 2018, effective from 1 April 2017, will be based on the average projected CPI plus 1%.
  - 1.4. The forecasts of National Treasury shall be used to determine the average projected CPI.

#### SCOPE OF APPLICABILITY OF THIS CIRCULAR

2. The cost-of-living adjustment 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.
3. These measures 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:-

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 kaRhulumente nokuPhata

- 3.1. Members of the Senior Management Service (SMS) (salary levels 13 to 16).
- 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, PSCBC Resolutions 2 of 2015 and 8 of 2015 are determinations made by the MPSA in terms of section 3(5) of the Act for Public Service Act and Correctional Service Act appointees.
5. In accordance with section 5(6)(b) of the Public Service Act the MPSA may for proper implementation of the Resolution 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. This Circular therefore serves as Directive by the MPSA to elucidate or supplement the Determination for employees employed in terms of the Public Service Act and the Correctional Services Act.
6. Therefore, the MPSA had determined a cost-of-living adjustment of 7% for the 2015/16 financial year effective from 1 April 2015.

#### IMPLEMENTATION OF THE COST-OF-LIVING ADJUSTMENT

##### General

7. To give effect to the cost-of-living adjustment, the MPSA approved the following revised salary scales, and translation keys to translate affected employees to the revised salary scales:

	Appendix	Occupational category and PERSAL Table code
1	A	Public Service Act appointees who are <u>not covered</u> by an OSD (so-called non-OSD employees) (PERSAL Tables 264 & 265)
2	B	OSD for Professional Nurses, Staff Nurses and Nursing Assistants (PERSAL Tables 247 & 248)
3	C	OSD for Legally Qualified employees (PERSAL Tables 249 & 250)
4	D	OSD for Correctional Services Act employees (PERSAL Tables 262 & 263)
5	E	OSD for Educators in the Department of Correctional Services (PERSAL Tables 273 and 274)
6	F	OSD for Social Services professions (PERSAL Tables 260 & 261)
7	G	OSD for Engineering professions and related occupations (PERSAL Table 269 & 270)

8	H	OSD for Medical Officers, Medical Specialists, Dentists, Dental Specialists, Pharmacologists, Pharmacists and Emergency Care Practitioners (PERSAL Tables 267 & 268)
9	I	OSD for Therapeutic, Diagnostic and other related Allied Health Professionals (PERSAL Tables 278 & 279)

#### Effect of the cost-of-living adjustment on general conditions of service

8. For 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 posts are deemed to be in receipt of salaries equivalent to the maximum notches of the standard salary levels attached to the grading level of their posts.
9. Noting that in terms of section 5(4) of the Public Service Act no functionary may deviate from any collective agreement or the determined salary scales, departments should submit to the DPSA any remuneration, rates, allowances, etc. which are not covered in this Circular, or the Appendices thereto, and which have to be adjusted.
10. The sessional rates payable to employees covered by the following OSDs, effective from 1 April 2015, are attached as Appendix J.
  - 10.1. Professional Nurse, Staff (Enrolled) Nurse and Nursing Assistant.
  - 10.2. Medical Officers, Medical Specialists, Dentists, Dental Specialists, Pharmacologists, Pharmacists and Emergency Care Practitioners.
  - 10.3. Therapeutic, Diagnostic and other related Allied Health Professionals.

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

11. 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 Total Cost-to-Employer (TCE) packages, will be dealt with as follows:

##### 11.1. Salary level 1 to 10 and OSD Non-TCE employees

PERSAL/PERSOL will implement the translation to the revised notches programmatically.

##### 11.2. Salary level 11 and 12 and OSD TCE package employees

PERSAL/PERSOL will implement the translation to the revised TCE packages programmatically in the following manner:

##### 11.2.1. Employees admitted to the GEPF

- The components "**basic salary**" and "**employer's contribution to the GEPF**" are adjusted accordingly.
- The adjustment to the component "**flexible portion**" is added as default to the item "**non-pensionable cash allowance**".

11.2.2. Employees not admitted to the GEPF

The adjustment to the entire TCE package is added as default to the item "*non-pensionable cash allowance*" in the component "*flexible portion*".


12. TCE package employees may re-structure their packages, effective from 1 April 2015, if they wish to do so.

**GENERAL MATTERS**

13. The DPSA will issue an updated Financial Manual in due course.
14. The 2014 Financial Manual provides in Appendix B for RATES FOR CASUAL WORKERS. Please note that these hourly or daily rates will no longer be published in the 2015 Financial Manual with effect from 1 July 2015. Where there is still a need to determine an hourly rate for contract and casual employees appointed in terms of the Public Service Act, 1994 and Correctional Services Act, the following formula must be used:

$$\frac{\text{Notch (Inflated with 37\%) or TCE remuneration package}}{\text{Prescribed work hours per week for a full-time employee X 52 weeks}}$$

15. A daily rate is determined by multiplying the hourly rate by the prescribed work hours per day.
16. In the event that hourly/daily rates in Annexure B to the 2014 Financial Manual are already higher than what it would be in terms of the stipulated calculation basis, the MPSA determined that the affected rates must be retained at existing rates, without any adjustment, until such time that it is equal to the rates in terms of the formula. Departments' attention is drawn to Public Service Regulations Chapter 1, Part V/C.8 and DPSA Circular 2 of 2013 in this regard.
17. It is possible that the measures contained in this Circular (or Appendices thereto) may be erroneous or that errors may be made in the implementation thereof. Departments must inform affected employees in writing that errors will be rectified and that any overpayments or underpayments due to errors will be rectified.
18. Executing Authorities are to ensure that they implement these measures correctly. Should any problems arise with the implementation thereof, departments must approach the DPSA for assistance.

  
DIRECTOR-GENERAL  
DATE: 23/07/2015