



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) 467 5484

Inquiry: AJ Van der Walt  
Telephone: (012) 336 1258  
File: 18/1/4

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

### DPSA CIRCULAR 17 OF 2018

#### IMPROVEMENT IN CONDITIONS OF SERVICE OF MEMBERS OF THE SENIOR MANAGEMENT SERVICE (SMS): 1 APRIL 2018

##### Introduction

1. The Circular deals with the Minister for the Public Service and Administration's (MPSA's) determination for the 2018 SMS cost-of-living adjustment, effective from 1 April 2018.

##### Scope of applicability

2. The determination applies to SMS members who are appointed in terms of the Public Service Act, 1994 and SMS members in the SA Social Security Agency (SASSA) in terms of the SASSA Remuneration, Grading and Performance Management Framework.
3. The Ministers of Police, Defence and Military Veterans and Justice and Correctional Services will make appropriate determinations for SMS members employed in terms of the following Acts:
  - 3.1. SA Police Service Act, 1995.
  - 3.2. Defence Act, 2002.
  - 3.3. Correctional Services Act, 1998.

##### Determination

4. The MPSA determines in terms of section 3(5)(a) of the Public Service Act, 1994, read with Regulation 89 of the 2016 Public Service Regulations, the following differentiated cost-of-living adjustment for SMS members employed in terms of the **Public Service Act, 1994**, effective from **1 April 2018**, delinked from performance, and approves the following revised scales and translation keys to give effect to the determination:

4.1.	SMS level	Percentage
	Director level (salary level 13)	6.0%
	Chief Director (CD), Deputy Director-General (DDG) and Director-General (DG) (salary levels 14 to 16)	5.5%

- 4.2. Remuneration scales attached as **Appendix A** for SMS members appointed in terms of the Public Service Act, 1994.
- 4.3. Translation of SMS members to the remuneration scales referred to in sub-paragraph 4.2 above, in terms of **Appendices B to E**.

### **Implementation**

5. The DPSA requested the National Treasury (PERSAL) to implement the cost-of-living adjustment in the following manner:
  - 5.1. **SMS members admitted to the Government Employees Pension Fund (GEPF)**
    - 5.1.1. The components *basic salary* and the *employer contribution to the GEPF* of the Total Cost-to-Employer (TCE) package are adjusted programmatically.
    - 5.1.2. The adjustment to the component *flexible portion* is added to the sub-component *non-pensionable allowance* as default.
  - 5.2. **SMS members not admitted to the GEPF**
    - 5.2.1. The adjustment to the total TCE package is added to the sub-component *non-pensionable allowance* (in the component *flexible portion*) as default.
6. SMS members are afforded the opportunity to re-structure their TCE packages, effective from 1 April 2018.

### **General**

7. The expenditure emanating from the MPSA's determination has to be defrayed from current departmental (budget) baselines.
8. The DPSA Model (2018 tax year) to structure SMS TCE packages is available on the DPSA website.
9. 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.
10. 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.



**Professor Richard Levin**  
**Director-General**  
Date: 14/08/18