



**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. 13 OF 2022**

## **IMPROVEMENT IN CONDITIONS OF SERVICE FOR MEMBERS OF SENIOR MANAGEMENT SERVICE**

### **INTRODUCTION**

1. This Circular deals with the Minister for the Public Service and Administration's (MPSA) determination for the 2021 Senior Management Service (SMS) cost of living adjustment.
2. This Circular provides for the implementation of two distinct types of benefits for SMS members namely:
  - 2.1 The payment of a non-pensionable monthly cash allowance with effect from 1 April 2021; and
  - 2.2 A once-off pensionable salary adjustment of 1.5% in lieu of pay progression to all SMS members with effect from 1 April 2021.

### **SCOPE OF APPLICABILITY OF THIS CIRCULAR**

3. The determination applies to SMS members who are appointed in terms of the Public Service Act, 1994 and SMS members in the South African Social Security Agency (SASSA) in terms of the SASSA Remuneration, Grading and Performance Management Framework.
4. The sectoral Ministers of Defence and Militarily Veterans, Justice and Correctional Services and Police will make appropriate determinations for SMS members employed in terms of the following Acts:

- 4.1 Defence Act, 2002.
- 4.2 Correctional Services Act, 1998.
- 4.3 Police Act, 1995.

#### DETERMINATION BY THE MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

- 5. 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, a non-pensionable cash allowance, effective from 1 April 2021 and once-off pensionable salary adjustment of 1.5% to all members of the SMS with effect from 1 April 2021 in lieu of pay progression.

#### PAYMENT OF A NON-PENSIONABLE MONTHLY CASH ALLOWANCE

- 6. The MPSA approved the non-pensionable cash allowance for the period 1 April 2021 to 31 March 2022, effective from 1 April 2021, for the SMS as follows:

Salary level	Allowances for full-time employees	6/8 part-time employees	5/8 part-time employees	3/8 part-time employees
SL 13 – SL 15	R1 695	R1 271	R1 059	R636
SL 16	R1 818	R1 364	R1 136	R682

- 7. The following categories of SMS members **are eligible** for payment of the non-pensionable cash allowance:
  - 7.1 Contract appointees.
  - 7.2 Part time SMS members (i.e. 6/8, 5/8 and 3/8).
  - 7.3 Full-time SMS members appointed on or after 1 April 2021.
  - 7.4 Any SMS member who was in the employ on 1 April 2021, but whose services were terminated, for whatever reason, before the implementation of the non-pensionable cash allowances. Therefore, those SMS members must receive the payment of the non-pensionable monthly cash allowance for the months he or she was in service.

### **PAYMENT OF A ONCE-OFF PENSIONABLE SALARY ADJUSTMENT OF 1.5% TO ALL SMS MEMBERS**

8. As was the case with the cost-of-living adjustments for employees on salary levels 1 – 12, the salary adjustment for members of the SMS are granted in lieu of pay progression. **This means that no pay progression should be effected for the 2020/21 performance cycle to prevent so-called “double dipping”.**
9. All salary notches of SMS members will be adjusted by 1.5%. **PERSAL will implement the payment of the once-off pensionable salary adjustment of 1.5% programmatically.**
10. With reference to paragraph 8 above, this process does not eliminate the normal performance management process except for the implementation of the pay progression and therefore the Departments are required to complete all PMDS processes for the 2020/21 performance cycle as required and all records must be kept. Therefore, upon conclusion of the PMDS process, the Departments are still required to inform members of the SMS of the outcome of their assessments for 2020/21 performance cycle.
11. It should also be noted that the regular pay progression arrangements as contained in the 2019 Incentive Policy Framework for Employees in the Public Service will again be applicable with effect from the 2021/22 performance cycle, unless otherwise agreed.

### **REVISED SALARY SCALES AND TRANSLATION KEYS**

12. To give effect to the adjustment with effect from 1 April 2021, the MPSA approved the **following revised salary scales and translation keys to translate Public Service Act Appointees to the revised salary scale:**

<b>Appendix</b>	<b>Occupation category and PERSAL Table Code</b>
<b>A</b>	Public Service Act appointees
<b>B</b>	Translation key: full time SMS members
<b>C</b>	Translation key: 6/8 SMS members
<b>D</b>	Translation key: 5/8 SMS members
<b>E</b>	Translation key: 3/8 SMS members

## IMPLEMENTATION

13. The DPSA requested the National Treasury (PERSAL) to implement the cost-of-living adjustment in the following manner:

### 13.1 SMS members admitted to the Government Employees Pension Fund

13.1.1 The component basic salary and the *employer contribution* to the GEPF of the Total Cost-to-Employer (TCE) package are adjusted programmatically.

13.1.2 The adjustment to the component *flexible portion* is added to the sub-component non-pensionable allowance as default.

### 13.2 SMS members not admitted to the GEPF

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

14. Members of the SMS are afforded the opportunity to re-structure their TCE packages, effective from 1 April 2021.

## GENERAL

15. PERSAL will implement the salary adjustment of 1.5% adjustment programmatically on the system.
16. The DPSA Model (2021 tax year) to structure SMS TCE packages is available on the DPSA website.
17. 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.
18. The Departments that have already implemented payment of pay progression to qualifying members of the SMS must ensure that the principle of “double dipping” does not apply and where pay progression has been implemented it should be reversed. Furthermore, any department who has already implemented payment of pay progression in terms of the 2020/21 performance cycle, must confirm such to Mr. Samson Radebe, email: [Samson.Radebe@dpsa.gov.za](mailto:Samson.Radebe@dpsa.gov.za), including list of members of the SMS who received the payment of pay progression, within 10 days from the date of this Circular.

19. Should any problems arise with the implementation of this Circular, Departments must approach the DPSA for assistance.
20. Further to paragraph 19 above, the provisions of the Public Service Regulations and specifically Regulation 6(2) provide that an employee **shall direct to his or her head of department** any enquiry on a matter that falls within the functions of the Minister for the Public Service and Administration. Departments must please ensure that their employees are aware of this provision in the Regulations and that they must address their enquiries to their departments for assistance. Where departments are not able to assist employees, the departments may approach the DPSA through their Director-General's for assistance.

Kind regards,



**Ms. Yolişwa Makhasi**  
**Director-General: Department of Public Service and Administration**

Date: 16/02/2022