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Department:
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TO ALL HEADS OF NATIONAL/PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATORS

CIRCULAR NO. 15 OF 2021

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: 1 APRIL 2021

INTRODUCTION

1. Public Service Coordinating Bargaining Council (PSCBC) Resolution 1 of 2021, which provides for improvements in conditions of service in the Public Service, has recently been concluded.
2. PSCBC Resolution 1 of 2021 provides for the implementation of two distinct types of benefits for employees on salary levels 1 – 12 and those employees covered by occupation specific dispensations (OSDs) on equivalent levels 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 at least 1.5% to employees who do not qualify for a pensionable increase derived from pay progression with effect from 1 July 2021, including employees on the maximum notch of their salary levels.
3. **This Circular only deals with the payment of the non-pensionable cash allowance.** The implementation of the once-off 1.5% pensionable salary adjustment will be dealt with through a separate Circular which will be communicated to departments in due course.

4. The non-pensionable cash allowance for the period 1 April 2021 to 31 March 2022, **effective from 1 April 2021**, for employees on salary levels 1 to 12 will be as follows:
 - 4.1.1 Salary levels 1 to 5: R 1 220.
 - 4.1.2 Salary levels 6 to 7: R 1 352.
 - 4.1.3 Salary levels 8 to 9: R 1 450.
 - 4.1.4 Salary levels 10 to 11: R 1 640.
 - 4.1.5 Salary level 12: R 1 695.
5. All employees who are in employment on or after 1 April 2021 are eligible for payment of the non-pensionable cash allowance.

SCOPE OF APPLICABILITY OF THIS CIRCULAR

6. This Circular applies to employees on salary levels 1 to 12 and those covered by OSDs who are appointed in terms of the Public Service Act, 1994.
7. This Circular does not apply to the personnel groups listed below. The implementation of the **non-pensionable** cash allowance for these groups will be addressed by the Executive Authorities concerned (where applicable):
 - 7.1 Members of the Senior Management Service (SMS), i.e. salary levels 13 to 16.
 - 7.2 Personnel on salary levels 1 to 12, where applicable employees covered by an OSD, employed in terms of Employment of Educators Act, 1998, the South African Police Act, 1995, the Defence Act, 2002 and the Correctional Services Act, 1998.

DETERMINATION BY THE MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION (MPSA)

8. In accordance with section 5(6)(a) of the Public Service Act, 1994, PSCBC Resolution 1 of 2021, which provides for the improvement in conditions of service of employees, is deemed a determination made by the MPSA in terms of section 3(5) of the Act for Public Service Act appointees.
9. 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 with or does not derogate from the terms of the agreement. This Circular therefore serves as a Directive by the MPSA to elucidate or supplement the Determination for employees employed in terms of the Public Service Act, 1994.

IMPLEMENTATION OF THE NON-PENSIONABLE CASH ALLOWANCE

10. To give effect to the **non-pensionable cash allowance** with effect from 1 April 2021, the MPSA approved the non-pensionable cash allowance as follows:

10.1.1 Salary levels 1 to 5:	R 1 220.
10.1.2 Salary levels 6 to 7:	R 1 352.
10.1.3 Salary levels 8 to 9:	R 1 450.
10.1.4 Salary levels 10 to 11:	R 1 640.
10.1.5 Salary level 12:	R 1 695.

GENERAL

11. It is possible that measures contained in this Circular 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.
12. Departments are to ensure that they implement the non-pensionable cash allowance as indicated in paragraphs 4 and 10 above. Should any problems arise with the implementation thereof, departments must approach the DPSA for assistance.



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

Date: 20/08/2021