



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

Enquiries : Samson Radebe  
Tel No. : (012) 336 1569 / 1130 / 1504 / 1258 / 1256  
File : 18/1/P

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

**CIRCULAR NO. 50 OF 2022**

**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 2022**

#### **INTRODUCTION**

1. Section 3(5)(a) of the Public Service Act, 1994 provides that "*Subject to the Labour Relations Act and any collective agreement, the Minister may make determinations regarding any conditions of service of employees generally or categories of employees, including determinations regarding a salary scale for all employees or salary scales for particular categories of employees and allowances for particular categories of employees*".
2. Section 5(5)(b) of the Act states that "*Notwithstanding subsection (4), but subject to the Labour Relations Act- the last offer made by the State as employer in a bargaining council referred to in the said subsection (4) on a specific matter may, if a deadlock in negotiations is reached, be implemented by acting in terms of the provisions of this Act or any other law, provided any such act does not have the effect of reducing existing remuneration or other service benefits, except in accordance with section 34*".
3. The 2022 negotiations regarding the improvement in conditions of service culminated in a deadlock which the employer during the Special Council meeting (under Public Service Co-ordinating Bargaining Council - "PSCBC") held on 25 August 2022 requested the parties to engage in deadlock breaking mechanism through a facilitation process.
4. On 30 August 2022, a Special Council meeting was convened after the facilitation process to receive the report of the facilitation and the proposed draft collective agreement. Parties at the Special Council adopted the draft collective agreement and agreed to subject it for the final mandating by their Principals for the period of 21 days as per the Constitution of the PSCBC.

5. On 3 October 2022, another Special Council meeting was convened as per the request of Labour, whereby they presented their position in respect of the draft collective agreement that was circulated for consideration by parties to the Council. The draft collective agreement did not enjoy the majority of support from labour after 21 days as per the Constitution of the Council. Therefore, no agreement was reached.
6. In terms of section 5(5)(b) of the Public Service Act, *the last offer made by the State as employer in a bargaining council referred to in the said subsection (4) on a specific matter may, if a deadlock in negotiations is reached, be implemented by acting in terms of the provisions of this Act or any other law, provided any such act does not have the effect of reducing existing remuneration or other service benefits, except in accordance with section 34*".
7. The employer's offer as contained in the draft collective agreement provided for the following:
  - 7.1 The employer to continue to pay to all employees who were employed on or after 1 April 2022 a monthly non-pensionable cash allowance until 31 March 2023.
  - 7.2 The employer to pay a 3% pensionable salary adjustment to all employees on salary levels 1 – 12 employed in the public service and those employees covered by the Occupation Specific Dispensations (OSDs) with effect from 1 April 2022.

#### **NON-PENSIONABLE CASH ALLOWANCE**

8. The following categories of employees are also **eligible** for the payment of a non-pensionable monthly cash allowance:
  - 8.1.1 Contract workers.
  - 8.1.2 Part time workers (i.e. 6/8, 5/8 and 3/8) who fall within the scope of the PSCBC.
  - 8.1.3 Employees appointed on or after 1 April 2022.
9. The following categories of employees are **not eligible** for a payment of a non-pensionable monthly cash allowance:
  - 9.1.1 Development programmes employees (i.e. learnerships), including internships outside OSDs. **Departments are advised to ensure that the stipend of the interns are adjusted and linked to the approved salary scales. This must be with effect from the date of signature of this Circular and moving forward until the next adjustment by the MPSA.**
  - 9.1.2 Employees appointed on a daily rate/sessional or periodical basis (casual employees, employees who are remunerated on an hourly or daily basis).

9.1.3 Any person who does not fall under the definition of an employee in terms of section 8 of the Public Service Act, 1994.

10. The Minister for Public Service and Administration has approved, in terms of section 5(6)(b) of the Public Service Act, 1994 the following non-pensionable monthly cash allowances for part-time employees per salary level with effect from 1 April 2022:

Salary level	Allowances for full-time employees	6/8 part-time employees	5/8 part-time employees	3/8 part-time employees
SL 1 – 5	R1220	R915	R763	R458
SL 6 – 7	R1352	R 1014	R845	R507
SL 8 – 9	R1450	R1088	R906	R544
SL 10 – 11	R1640	R1230	R1025	R615
SL 12	R1695	R1271	R1059	R636

11. It must be noted that the payment of non-pensionable allowance will not be backdated to 1 April 2022 since it was paid on a continuous basis since the beginning of the financial year. However, it will continue to be paid until 31 March 2023.
12. Employees who are appointed on a part basis, i.e. 6/8, 5/8 and 3/8, will receive the portion of the non-pensionable cash allowance payable in terms of their contractual appointment as reflected in the table above.

### THREE PERCENT (3%) PENSIONABLE SALARY ADJUSTMENT

13. The employer will adjust the salary scales with three percent (3%) pensionable salary adjustment to all employees on salary levels 1 – 12 and those employees covered by the OSDs employed in the public service with effect from 1 April 2022.

### PAY PROGRESSION

14. It must be further noted that each department shall process the payment of the pay progression to all qualifying employees employed in the public service in respect of the 2021/22 performance cycle in terms of any or all provisions of the PSCBC and Sectoral Agreements regulating the payment of pay progression including the Incentive Policy Framework, with effect from 1 July 2022.

### SCOPE OF APPLICABILITY OF THIS CIRCULAR

15. 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.
16. This Circular does not apply to the personnel groups listed below. The adjustment for these personnel groups, or the implementation/adjustment of the formulae to accommodate such adjustment, will be addressed by the Executive Authorities concerned:

- 16.1 Members of the Senior Management Service (SMS) (salary levels 13 to 16). A decision on salary adjustments for the members of the SMS will be taken after the implementation of improvement in conditions of service for employees on salary levels 1 to 12 and those covered by OSDs.
- 16.2 Personnel on salary levels 1 to 12, and where applicable, employees covered by OSDs, employed in terms of the Employment of Educators Act, 1994, the South African Police Act, 1995, the Defence Act, 2002 and the Correctional Services Act, 1998, as determined by the relevant Sectoral Ministers.
- 16.3 Personnel employed in terms of the National Prosecuting Authority Act, 1998.

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

17. In accordance with section 5(6)(a) of the Act, read with section 5(5)(b) of the Act, which provides for the improvement in conditions of service of employees, is thus deemed a determination made by the Minister for the Public Service and Administration (MPSA) in terms of sub-section 4 of the Act for Public Service Act appointees.
18. In accordance with section 5(6)(b) of the Public Service Act, the MPSA may elucidate or supplement such determination by means of a Directive. 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, 1994.

**IMPLEMENTATION OF THE COST-OF-LIVING ADJUSTMENT**

19. To give effect to the adjustment with effect from 1 April 2022, the MPSA approved the following revised salary scales and translation keys to translate Public Service Act appointees to the revised salary scale:

Appendix	Occupation category and PERSAL Table Code
A	Public Service Act appointees who are not covered by an OSD (PERSAL 264 & 265)
B	OSD for Professional Nurses, Staff Nurses and Nursing Assistants (PERSAL Tables 298 & 299)
C	OSD for Legal employees (PERSAL Tables 249 & 250)
D	OSD for Social Services professions (PERSAL Tables 300 & 301)
E	OSD for Engineering professions and related occupations (PERSAL Tables 269 & 270)
F	OSD for Medical Officers, medical Specialists, Dentists, Dental Specialists, Pharmacologists, Pharmacists and Emergency Care Practitioners (PERSAL Tables 267 & 268)
G	OSD for Therapeutic, Diagnostic and other Allied Health Professionals (PERSAL Tables 278 & 279)

## EFFECT OF THE ADJUSTMENT ON GENERAL CONDITIONS OF SERVICE

20. For purpose of classifying employees according to their salaries, when applying the directives with regard to officials journeys, means of transport, subsistence allowance, etc, employees who receive personal salaries higher than the maximum of the standard levels attached to their posts are deemed to be in receipt of salaries equivalent to the maximum notches of the standard salary scales attached to the grading level of their posts.
21. Noting that in terms of section 5(4) of the Public Service Act no functionary may deviate from any determined salary scales, departments should submit to the DPSA any remuneration, rates, allowances, etc. which are not covered in this Circular, or Appendices thereto, and which have to be adjusted.
22. The sessional rates payable to employees covered by the following OSDs, effective from 1 April 2022, are attached as *Appendix H*:
  - 22.1 Professional Nurses, Staff Nurses and Nursing Assistants.
  - 22.2 Social Workers.
  - 22.3 Medical Officers, medical Specialists, Dentists, Dental Specialists, **Pharmacologists**, Pharmacists and Emergency Care Practitioners.
  - 22.4 Therapeutic, Diagnostic and other Allied Health Professionals.

## RATES FOR CASUAL WORKERS

23. It stated in paragraph 15 of the DPSA's Circular no. 1 of 2015 that *RATES FOR CASUAL WORKERS were repealed on 1 July 2015*. Hourly and daily rates for contract and casual employees appointed in terms of the Public Service Act, 1994 and Correctional Services Act, must be calculated according to the following formula:

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

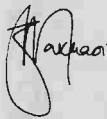
A daily rate is determined by multiplying the hourly rate by the prescribed work hours per day.

24. In the event that hourly/daily rates in Annexure B to the 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 adjustments, until such time that it is equal to the rates in terms of the formula. Departments' attention was drawn to Sub-regulation 43 (3) of the Public Service Regulations, 2016, and DPSA Circular 2 of 2013 in this regard.

## GENERAL

25. TCE package employees may re-structure their packages, if they wish to do so.
26. 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.
27. PERSAL will implement the salary adjustment programmatically on the system.
28. Should any problems arise with the implementation of this Circular, Departments must approach the DPSA for assistance.
29. Further to paragraph 20 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. Therefore, employees must address their enquiries to the relevant department for assistance.

Kind regards



**Ms. Yoliswa Makhasi**  
**Director-General**  
Date: 26/10/2022