



the dpsa

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TO ALL HEADS OF NATIONAL/PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

CIRCULAR NO. 22 OF 2023

IMPROVEMENT IN CONDITIONS OF SERVICE FOR MEMBERS OF SENIOR MANAGEMENT SERVICE: 1 APRIL 2023

INTRODUCTION

1. Regulation 89 of the 2016 Public Service Regulations (PSR) stipulates that *the Minister shall, in terms of section 3(5) of the Public Service Act, 1994, annually make determinations regarding the total cost-to-employer packages applicable to members of the SMS. Such determination shall be implemented with effect from 1 April of each year.*
2. This Circular deals with the Minister for the Public Service and Administration's (MPSA) determination for the 2023 Senior Management Service (SMS) cost of living adjustment.
3. This Circular provides for the implementation of two distinct types of benefits for SMS members namely:
 - 3.1 Translation of the current non-pensionable cash allowance into a pensionable salary with effect from 1 April 2023; and
 - 3.2 An additional three-point three percent (3.3%) pensionable salary adjustment to all members of the SMS employed in the public service with effect from 1 April 2023.

Example: SL 13: $1\ 105\ 383 + 3.3\% = 1\ 141\ 860$ + 12 months payment of non-pensionable cash allowance in terms of paragraph 7 of DPSA Circular 52 of 2022 which is $20\ 340 = 1\ 162\ 200$ (new notch).

The above example is clarified further in the table below:

Salary notch 13 as at 31 March 2023	Salary notch plus 3.3%	Non-pensionable allowance (NPA) * 12 months	New notch as at 1 April 2023
1 105 383	$1\ 105\ 383 + 3.3\% = 1\ 141\ 860$	$1\ 695 \times 12 = 20\ 340$	1 162 200

SCOPE OF APPLICABILITY OF THIS CIRCULAR

4. 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) appointed in terms of the SASSA Remuneration, Grading and Performance Management Framework.
5. The sectoral Ministers of Defence and Military Veterans, Justice and Correctional Services and Police will make appropriate determinations for SMS members employed in terms of the following Acts:
 - 5.1 Defence Act, 2002.
 - 5.2 Correctional Services Act, 1998.
 - 5.3 South African Police Act, 1995.

DETERMINATION BY THE MINISTER FOR THE PUBLIC SERVICE AND ADMINISTRATION

6. 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 translation of the current non-pensionable cash allowance into a pensionable salary with effect from 1 April 2023, and an additional 3.3% pensionable salary adjustment to all members of the SMS employed in the public service, with effect from 1 April 2023.

REVISED SALARY SCALES AND TRANSLATION KEYS

7. To give effect to the adjustment with effect from 1 April 2023, 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
B	Translation key: full time SMS members
C	Translation key: 6/8 SMS members
D	Translation key: 5/8 SMS members
E	Translation key: 3/8 SMS members

PAYMENT OF PAY PROGRESSION

8. 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 applicable performance cycle in terms of the Incentive Policy Framework with effect from 1 April 2023.

IMPLEMENTATION

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

9.1 SMS members admitted to the Government Employees Pension Fund

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

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

9.2 SMS members not admitted to the GEPF

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

10. Members of the SMS are afforded the opportunity to re-structure their TCE packages, effective from 1 April 2023, except those who restructured their packages as a result of the tax amendments implemented in March 2023.

GENERAL

11. PERSAL will implement the salary adjustment programmatically on the system.
12. The DPSA Model (2023 tax year) to structure SMS TCE packages is available on the DPSA website.
13. 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.
14. Should any problems arise with the implementation of this Circular, Departments must approach the DPSA for assistance.
15. Further to paragraph 14 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 / Head of Departments (HoDs) for assistance.

Kind regards,

Signed by: Yoliswa Makhasi
Signed at: 2023-05-04 20:20:04 +02:00
Reason: Witnessing Yoliswa Makhasi



Ms. Yoliswa Makhasi
Director-General

Date: 2023-05-04