



the dpsa

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HEADS: NATIONAL AND PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

CIRCULAR NO. 13 OF 2025

RESTRUCTURING OF THE FLEXIBLE COMPONENT FOR MMS MEMBERS DUE TO THE IMPLEMENTATION OF COST-OF-LIVING ADJUSTMENT FOR EMPLOYEES ON SALARY LEVELS 1-12 AND EMPLOYEES COVERED BY OSDs

1. The Minister for the Public Service and Administration has approved the implementation of 5.5% cost-of-living adjustment (COLA) for employees on salary levels 1 -12 and those employees covered by OSDs with effect from 1 April 2025.
2. Subsequently the Director-General approved DPSA Circular No. 7 of 2025 with regards to the implementation of COLA which, therefore, necessitates the review of restructuring package for employees who are remunerated on a total package as provided in the MMS Dispensation.
3. It must be further noted that the tax rates for financial year 1 March 2025 (2026) remain unchanged as tabled in the Minister of Finance's speech (budget vote). Due to the fact that the tax rates for 2025 remained unchanged, MMS members and affected OSD employees who did not restructure the flexible portion, the employees are now afforded an opportunity to restructure the flexible component with effect from 1 April 2025, in line with paragraph 1 above.
4. Please note that this approval does not pertain to once-off choices by members to the percentage that constitutes the basic (pensionable) salary in their TCE packages.
5. The 2025 MMS and OSD Models, which serve as tools to members and employees to structure their packages, are available on the DPSA website (https://www.dpsa.gov.za/policy-updates/nlrrm/remuneration_policy).

6. Departments are requested to inform MMS members and affected OSD employees accordingly.
7. Further to paragraph 6 above, the provisions of the Public Service Regulations and specifically Regulation 6(2) provides *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 enquiry to the relevant department for assistance.

Kind regards

A handwritten signature in black ink, appearing to read 'WVukela'.

Mr. Willie Vukela
Acting Director-General
Date: 09/04/25