



**DEPARTMENT: PUBLIC SERVICE AND ADMINISTRATION
REPUBLIC OF SOUTH AFRICA**

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**TO ALL HEADS OF NATIONAL DEPARTMENTS, PROVINCIAL
ADMINISTRATIONS, PROVINCIAL DEPARTMENTS AND ORGANISATIONAL
COMPONENTS**

**AMENDMENTS TO CHAPTER 4 OF THE SMS HANDBOOK PERTAINING TO
THE PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM FOR
MEMBERS OF THE SENIOR MANAGEMENT SERVICE (SMS)**

- 1 The Minister for the Public Service and Administration has directed in terms of section 3(3)(e) of the *Public Service Act*, 1994, read with Part III B.3 of Chapter 4 of the Public Service Regulations, 2001, amendments to the Performance Management and Development System (PMDS) for members of the SMS. The amendments shall come into effect on 1 April 2006 and will therefore be effective for the 2006/2007 PMDS cycle.
2. Attached please find a copy of the reviewed PMDS contained as Chapter 4 of the SMS Handbook. The handbook on the DPSA website has been amended accordingly. Hard copies of the relevant chapter will be circulated to departments at a later stage.
3. The following core amendments have been introduced:
 - 3.1 The eight Batho Pele principles have been included in the PMDS policy.
 - 3.2 Percentages and categories were amended.
Rating scale was amended.




- 3.4 Cut-off point for package progression has been amended (changed from 65% to 60% [now 100% in terms of amended rating scale]).
 - 3.5 The definitions of the standard rating scale were brought in line with the actual measure of outputs and assessments of the KRAs and CMCs.
 - 3.6 The moderation process has been elucidated to give more guidance to departments.
 - 3.7 Compulsory CMCs and KRAs have been included for HoDs.
 - 3.8 Exposure to the coalface of service delivery.
 - 3.9 Amendment of the pay progression system.
 - 3.10 Amendment of the percentages for cash bonuses.
4. The principle of the amended rating scale entails that the PMDS rating scale was amended to reflect a score of 100% for a “3” on the rating scale “fully effective” (instead of the current 60%) and that the percentages of the other four categories have been amended to be in line with this change. Attached at annexure A is a copy of a summary of the relevant policy dealing with the percentages. The calculator has also been amended to reflect the new rating scale and is available on the DPSA website.
5. The pay progression cycle has been amended to an annual cycle (12 months) effective from 1 April 2006. Cognisance should be taken of the following:
 - 5.1 Those members who commenced with a pay progression cycle on 1 April 2005, and who would have received the pay progression effective from 1 April 2007, would qualify for pay progression on 1 April 2006.
 - 5.2 Those members who commenced with a pay progression cycle on 1 April 2004, and who would have received the pay progression effective from 1 April 2006, would still qualify for pay progression on 1 April 2006. Unfortunately such members’ pay progression will not be backdated to 1 April 2005.

6. The percentages for cash bonuses for outstanding performance to be effective as from the 2006/07 PMDS cycle will be as follows:

An assessment of between 130 – 149%:
Performance bonus calculated between 5% to 9% of total package.

An assessment of 150% and above:
Performance bonus calculated between 10% to 14% of total package.

7. Should Departments need any further information or clarification regarding the amendments to the policy, please do not hesitate to contact the Senior Management Service Unit at (012) 336 1377/1351.
8. Your co-operation in implementing and managing the system is highly appreciated.


DIRECTOR-GENERAL
DATE: 28-03-2006

Under review pmds 01/04/2006 letter amended chapter 4