



the dpsa

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TO ALL HEADS OF NATIONAL/PROVINCIAL DEPARTMENTS AND PROVINCIAL ADMINISTRATIONS

CIRCULAR NO. 20 OF 2023

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 2023

INTRODUCTION

1. As departments are aware that Public Service Coordinating Bargaining Council (PSCBC) Resolution 2 of 2023 which provides for improvements in conditions of service in the Public Service, was concluded on 31 March 2023.
2. This Resolution 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 Translation of the current non-pensionable cash allowance into a pensionable salary, estimated at an average of four-point two percent (4.2%) with effect from 1 April 2023; and
 - 2.2 An additional three-point three percent (3.3%) pensionable salary adjustment to all employees on salary levels 1 – 12 employed in the public service with effect from 1 April 2023.

IMPLEMENTATION OF THE PSCBC RESOLUTION 2 OF 2023

3. The salary scales that applied up to 31 March 2023 are adjusted by 3.3% across all levels with effect from 1 April 2023.
4. Furthermore, the payment of non-pensionable allowance is translated into a pensionable salary estimated at an average of 4.2% with effect from 1 April 2023.

Example: SL 1: 99 513 + 3.3% = **102 798** + 12 months payment of non-pensionable cash allowance in terms of paragraph 10 of DPSCA Circular 50 of 2022 which is **14 640 = 117 438 (new notch)**.

The above example is clarified further in the table below:

| Salary notch as at 31 March 2023 | Salary notch plus 3.3% | Non-pensionable allowance (NPA) * 12 months | New notch as at 1 April 2023 |
|---|-----------------------------------|--|-------------------------------------|
| 99 513 | 99 513 + 3.3% = 102 798 | 1 220 x 12 = 14 640 | 117 438 |

SCOPE OF APPLICABILITY OF THIS CIRCULAR

5. 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.
6. 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:
 - 6.1 Members of the Senior Management Service (SMS) (salary levels 13 to 16). Salary adjustments for members of Senior Management Service (SMS) will be dealt with as soon as the implementation of the improvement in conditions of service for employees on salary levels 1 to 12 and those employees covered by the OSDs, have been finalized.
 - 6.2 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 and the Correctional Services Act, 1998, as determined by the relevant Sectoral Ministers.
 - 6.3 Personnel employed in terms of the National Prosecuting Authority Act, 1998.

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

7. In accordance with section 5(6)(a) of the Public Service Act, 1994, PSCBC Resolution 2 of 2023, 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.
8. 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 or does not derogate from the terms of the agreement. 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.

9. 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 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 276 & 277) |
| 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

10. 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.
11. Noting that in terms of section 5(4) of the Public Service Act no functionary may deviate from any collective agreement or the 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.
12. The sessional rates payable to employees covered by the following OSDs, effective from 1 April 2023, are attached as **Appendix H:**
- 12.1 Professional Nurses, Staff Nurses and Nursing Assistants.
 - 12.2 Social Workers.
 - 12.3 Medical Officers, medical Specialists, Dentists, Dental Specialists, Pharmacologists, Pharmacists and Emergency Care Practitioners.
 - 12.4 Therapeutic, Diagnostic and other Allied Health Professionals.

RATES FOR CASUAL WORKERS

13. 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:

Notch (inflated with 37%) or TCE remuneration package
Prescribed work hours per week for a full-time employee x 52 weeks

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

14. 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.

DEVELOPMENTAL PROGRAMMES

15. 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 1 April 2023 and moving forward until the next adjustment by the MPSA.
16. PERSAL will implement the adjustment programmatically on the system. A PERSAL window message will be submitted to all PERSAL Controllers on the implementation date for this group.

PAY PROGRESSION

17. It must be 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 2022/23 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 2023.

GENERAL

18. TCE package employees may re-structure their packages, if they wish to do so.
19. 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.
20. PERSAL will implement the salary adjustment programmatically on the system.

21. Should any problems arise with the implementation of this Circular, Departments must approach the DPSA for assistance.
22. Further to paragraph 21 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 enquiry to the relevant department for assistance.

Kind regards



Ms. Yoliswa Makhasi
Director-General
Date: 06/04/2023