

**PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL (PSCBC)**

**REPORT NO 12 OF 2018**

WE can report that the Public Service Co-ordinating Bargaining Council (PSCBC) met on 23 August 2018 and the following were discussed:

**Department of Public Service and Administration (DPSA): Incorrect Taxation**

The employer had utilised incorrect tax tables on PERSAL during the back pay of temporary employees pertaining to salaries negotiated for the 2018/2019 fiscal year resulting in the employer having to recover the tax debt, owed by the respective employees.

The employer indicated that it is still busy with the process and will only provide a detailed report at the next meeting.

We requested a full break down of information and distribution of employees at the last meeting. We also requested the employer to refrain from implementing any deductions until the matter is discussed in council.

The employer will update us in the next meeting

**Pension Redress Programme**

The matter was presented to council by actuaries in order to keep council abreast of the calculation done and how much was going to be spent to pay the affected people.

To this effect, PWC tasked Willis Towers & Watson to conduct an investigation into the entire pension fund matter that culminated in a full report.

The report was in turn moderated under the Government Employees Pension Fund (GEPF) and Government Pension Administration Agency (GPAA) by Alexander Forbes to conduct actuarial costing in addressing the reparations to members of the fund.

After intensive actuarial factors were considered and configured for recognition of non-contributory service periods as pensionable service and detailed cleaning up of records and data, the cost of funding and the redress in pension would be in the approximately R9 billion. The cost would be borne out of the accumulated reserve account. In addition to remain within the funding model but still to the benefit of members, a scaling down factor or reduction of service was utilised up to 68.4% of funding would be applied.

This was applied in order to not exceed funds within the reserve account. Council has adopted the reports by the experts, which was supported by Executive Committee (EXCO).

**3 SEPTEMBER 2018**

To enable the state to implement the pension redress programme, Council has drafted a resolution to bring the pension matter into operation.

We will consider the draft resolution with our principals.

**Public Service Regulations**

The employer indicated that it is still consulting on the matter and will revert back to us at the next meeting. We have indicated that we will reserve our rights where infringement on our members is committed.

**Labour Relations Act (LRA) Section 198B – Fixed Term Contracts**

We expressed concerns on the legal opinion and requested that an agreement must be reached between labour and the employer in terms of regulating fixed term contracts and where applicable, employees employed on fixed term contracts exceeding three months must be permanently employed.

We will keep members updated on all latest development.

The next meeting will be on 20 September 2018.

The matter has been deferred to the next council meeting.

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