



REPORT NO. 19 OF 2015

PUBLIC SERVICE CO-ORDINATING BARGAINING COUNCIL MEETING

Public Service wage negotiations were concluded last night with the signing of most of the agreements by the majority of the labour parties.

Negotiations at the PSCBC came to a conclusion last night (19th May 2015), when the majority of the labour parties signed five of the six agreements that were on the table. These include:

- PSCBC Resolution Number 01 of 2015 (framework agreement for the establishment of a Government Employees Housing Scheme) – *still unsigned by the majority of labour parties at the time of issuing this report;*
- PSCBC Resolution Number 02 of 2015 (agreement on salary adjustments and improvement of conditions of service in the public service for the period 2015/2016 through 2017/2018);
- PSCBC Resolution Number 03 of 2015 (agreement of the review of the government employees medical scheme);
- PSCBC resolution number 04 of 2015 (agreement on the review of annexure A of the PSCBC resolution 01 of 2007; Danger Allowance);
- PSCBC Resolution Number 05 of 2015 (agreement on the new danger dispensation); and
- PSCBC Resolution Number 06 of 2015 (agreement on the review post-retirement medical benefits).

PSCBC RESOLUTION 01 OF 2015

Government Employee Housing Scheme

The Employer has increased the housing allowance from R900 to R1 200 per month. This amount shall be adjusted annually on the basis of the average Consumer Price index (CPI) for the preceding year, with the first adjustment being effective from the 1st of July 2017.

With regard to housing allowance arrangements, please note the following:

- All employees who are on a total-cost-to-employer package will not benefit from this dispensation, and only one of the eligible employees between married couples will receive the housing allowance.
- New employees entering the public service after the date of signature of the agreement shall only be paid if they own a house and/or have a home loan for a house in which they reside. If they do not own a house, the allowance shall be diverted into a savings facility until such time as they are ready to buy a house.
- Current employees who are eligible for the housing allowance, but do not own a house, shall continue to receive the R900 per month and the difference shall be diverted to an individual savings facility.

Should an employee's employment in the public service be terminated, the following shall apply:

- In the event of death or medical boarding, the employee shall receive the full value of the accumulated savings.

- In the event of the death of the employee, the full value of the accumulated savings shall be paid out to the nominated beneficiary on the deceased employee's estate.
- In the event of a resignation or dismissal, the employee shall not be entitled to receive the accumulated savings.
- Employees in rural areas occupying communal land with valid permission shall be deemed to be home owners.

Please note: At the time of issuing this report, the GEHS agreement had not yet received majority signatures from labour.

PSCBC RESOLUTION NUMBER 02 OF 2015

1. Annual Salary Adjustments

- Public servants shall receive their annual salary adjustments from the 1st of April of each year covered by this agreement and;
- On year One; 2015/2016 the adjustment shall be CPI plus 2.2% (4.8%+2.2%) which shall be 7% and it shall be back-dated from 1 April 2015
- On year Two; (2016/2017) the adjustment shall be CPI plus 1%
- On year Three; (2017/2018) the adjustment shall be CPI plus 1%

The CPI will be published every year after it has been projected by the national treasury and please note the following: if the actual average CPI for a period is higher than the projected average, the difference shall be added to the adjustment for the following year and if the actual CPI is lower than the projected average the difference shall be deducted from the adjustment of the following year.

2. Family Responsibility Leave

Five working days per calendar year family responsibility has been introduced for employees with children who have severe special needs. Application by employees for this family responsibility leave must be supported by reasonable proof to demonstrate the severe special needs of such child/ren.

3. Paternity Leave

It was agreed that a three working days paternity leave per calendar year be introduced to be utilised when the spouse gives birth or for an adoption of a child not older than two years. An application for paternity leave must be accompanied by a reasonable proof.

4. Medical Assistance

The medical assistance for in-service employees who are on the Government Employee Medical Scheme will be adjusted by 28.5% effective from the 1st of January 2015. The dispensation for in-service employees on GEMS will be retained at 75% of the employees' total contribution subject to a maximum cap of R925 per principal member and the first dependent and R565 per month for additional dependent to the a maximum subsidy of R3 545 per month.

The medical assistance for employees on open schemes shall be retained at a dispensation of 66.67% of the employees' total contribution subject to a maximum cap or R1 014 per month.

4.1. Former Employees

A new post-retirement medical assistance dispensation for all former employees on both GEMS and open schemes has been introduced. That is, the medical assistance for those employees who retire, or have retired on open schemes, is aligned with the GEMS dispensation.

Both will be on the basis of 75% of total monthly contribution to a maximum of R925 per principal members and a maximum of R1 850 per month.

All employees on salary levels 1 – 5 who retire on the Sapphire option of GEMS without dependants shall continue to receive free 100% medical subsidy for the principal member only, provided the subsidy amount does not exceed the former employees' total contribution to GEMS; and all employees on salary levels 1 – 5 who retire on the Sapphire option of GEMS shall continue to receive free 100% medical subsidy provided the subsidy amount does not exceed the former employees' total contribution to GEMS.

Other employees on levels 6 – 10 who retire on the Sapphire option of GEMS shall continue as in paragraph two of the above (4.1).

4.2. Future Medical Subsidy Adjustments

The first annual adjustment of the medical aid subsidy shall be effected from the 1st of January 2016 and, future adjustments of the medical aid assistance for in-service employees on GEMS, and all former employees on all medical schemes, shall be in accordance with the Medical Price Index (MPI).

5. Payment of 13th Cheque

- All employees will be required to make a once-off election of the date of payment of their 13th cheque / service bonus by the 31st of December 2015 and the new payment date shall be the 01st of March 2016.
- All new employees shall on the date of appointment make a once-off election on the date of payment of their 13th cheques or service bonus.
- For employees who do not make an election, the current arrangements shall continue.

6. Recognition of Prior Learning

The Employer will, by 20 June 2017, develop a policy on recognition of prior learning for the public service and table it at the PSCBC for consultation.

7. Bursary Scheme

The employer undertakes to conduct an investigation on the feasibility of providing a bursary scheme for children of employees.

PSCBC RESOLUTION 03 OF 2015

Parties will jointly conduct a comprehensive review of the efficacy of the operating model of the Government Employees Medical Scheme. They will also review whether the objectives for which GEMS was set up for are being fulfilled. The above will be placed on the agenda of the PSCBC for discussion, and will be finalised within twelve months from the signing of this agreement.

PSCBC RESOLUTION 04 OF 2015

The provisions contained in Annexure A to the PSCBC resolution 01 of 2007 were reviewed and replaced by an annexure to this resolution. Paragraph (g) of the PSCBC Resolution 01 of 2007 was removed from the new annexure (*employees working for safety restricted laboratories of the National Institute for communicable diseases*)

The following were added or redefined in the annexure Social Auxiliary Workers and Centre-based Correctional Officers:

- The annual adjustment of the danger allowance shall be effected on 01 July each year based on the projected CPI as at 1 April of that year.
- Any addition to the occupational categories identified in Annexure A shall be subject to negotiation.

PSCBC RESOLUTION 05 OF 2015

In the resolution it is noted that the inclusion of occupational categories and the payment of the danger allowance towards employees attached to those categories must take into account the following:

- i) The nature of their duties and the work environment;
- ii) The nature and extent of the risk to which they are exposed to;
- iii) The frequency of the risk and the health and safety as well as precautionary measures the Employer has implemented to mitigate such risks;
- iv) Substantive motivation provided by the employer where the risk cannot be mitigated; and
- v) Parties have agreed that the Employer will conduct a comprehensive review of the danger dispensation applicable to the public service

and the modality for the payment of danger allowance and such shall be tabled at the PSCBC for negotiations.

PSCBC RESOLUTION 06 OF 2015

The Employer undertakes to investigate the feasibility of extending the post-retirement medical subsidy to more than one dependant. The Employer further undertakes to investigate the feasibility of extending the housing allowance to cover retired employees.

– Issued by the Office of the General Secretary