

FOR PSA MEMBERS: PUBLIC SERVICE COORDINATING BARGAINING COUNCIL  
(PSCBC)

08-12-2020

## Feedback: Public Service Coordinating Bargaining Council (PSCBC) meeting

### Pension-backed Housing Guarantee

The Government Employees Pension Fund (GEPF) made a presentation on proposed amendment to the *GEPF Law* to provide for a pension-backed home loan as an alternative form of housing finance. The loan will be secured by the member's retirement savings instead of the actual property. This concept is currently regulated by the *Pensions Fund Act* through a guarantee by the Fund.

A law amendment is required to empower the GEPF to provide for guarantees for home loans, which includes for an express provision permitting deduction from a member's benefit. Previously, members were requested a mandate on the proposed amendments. The matter is still under discussion and a workshop will be scheduled in January 2021 to constructively engage further on this proposal.

The GEPF further indicated that its Board has decided not to amend the actuarial interest factors owing to the current economic climate of the country. The PSA placed it on record that it can only note the decision, but that the PSCBC is not the appropriate forum to have any consultation on the actuarial factors as per the recent judgement by the Supreme Court of Appeal in favour of the PSA. The PSA informed Council that the PSA legal team did draft a letter to the GEPF requesting dates to start with the consultation process as advised by the said judgement.

### GEMS presentation

GEMS made a presentation on the financial status of the Scheme. The PSA enquired as to the actual financial reasons for proposed 6.75% increase in contributions. GEMS indicated that it budgeted for the 2021-financial year for a R900 million deficit, despite the savings made of R3.8 billion this year. Labour expressed concerns regarding the percentage required, noting that members have not received any cost-of-living adjustments. Labour therefore requested that the Board reconsider the percentage increase.

Increases in medical-aid contributions are regulated by the *Medical Aid Schemes Act* and is the competency of the Board of GEMS as well as the Council for Medical Schemes. Labour attempted to engage GEMS on the matter in various meetings to ensure that increases are not exorbitant. The PSA urged the Board of GEMS to reconsider the proposed increase. This matter is still unresolved as some labour parties are of the view that any increase will be unfair, taking the current non-implementation of salary increase into consideration.

## **Clause 8 on Outstanding Matters – Previous Resolutions**

### **Clause 8.1.2: Resolution 4/2015 (Clause 4.1.4) Clause 8.1.3, Resolution 5/2015 (Clause 3)**

In terms of the provision of the above Resolutions, Sectoral Councils were tasked to identify additional categories to receive a danger dispensation. These categories will be negotiated on in the PSCBC. Reports from Sectoral Councils, except from the SSSBC, indicated that parties could not reach agreement on the inclusion of the additional categories and therefore escalated the matter to the PSCBC for further engagement. The employer, however, indicated that it is not ready to engage on additional categories. Labour clearly express dissatisfaction with the employer's nonchalant approach and reserved their rights.

The research that was conducted on Danger Insurance were presented by the researcher at the Council meeting. The document posed several concerns and it was agreed that a workshop will be arranged to engage on the report to dictate the process going forward.

### **Commencement of wage negotiations: Pre-negotiation process**

Labour raised that PSCBC Resolution 3/2017 directs that there should be a pre-negotiation process of the exchange of documentation and information upon commencement of wage negotiations. The employer supported the scheduling of the pre-negotiation process and dates will be determined by the Secretariat.

Labour also raised anger and concerns over the guideline released by Treasury, as well as the announcement by the Minister of Finance in the budget policy on 28 October 2020, which clearly states that there will be no salary increases for public servants over the next four years. Labour regarded these statements as disrespectful and undermining of the collective bargaining process and demanded that the employer confirms if it is its official, mandated position. The employer, however, reiterate its previous position that the Minister of Finance acted in terms of his duties and it will not be able to distance itself from the statement.

The PSA subsequently indicated that it is ready to table its wage demands for 2020/21 together with other Fedusa-affiliated unions. The PSA requested that the General Secretary should schedule the pre-negotiations process in line with PSCBC Resolution 3/2017. The General Secretary subsequently indicated that he would comply with PSCBC Resolution 3/2017 in arranging such pre-negotiation meetings for the process to commence soon.

**GENERAL MANAGER**