

Important information: COVID-19 and salary adjustment with effect 1 April 2020

A Special PSCBC Meeting was scheduled for 25 March 2020 to discuss the impact of the Corona virus in the workplace and to ensure that measures are in place to protect public servants. The PSA has raised serious concerns on how most workplaces are responding to this pandemic and their non-readiness to protect employees. It was pointed out to the employer that the availability of protective clothing, sanitisers and non-existence of protocols to manage the pandemic are shocking, whilst members are still expected to perform their duties.

The *attached* circular from the DPSA does not address the concerns that labour raised at the COVID-19 Task Team on 19 March 2020, including the following:

- Special Leave provisions for employees who were exposed to unconfirmed cases
- Special Leave provisions for employees who need to take care of their children as schools have closed
- Virtual offices
- Special transport provisions, especially for those who make use of public transport
- Banning of international and domestic flights, especially to high-risk areas.

The employer responded by indicating that some of labour's inputs on the safety measures were accommodated whilst others could not be accommodated owing to the unique operational requirements that exist from Department to Department. It was also mentioned that for measures that are unique to a specific Department, Heads of Departments have the necessary authority to implement these.

The PSA pointed out that ignoring critical inputs from labour created unnecessary tension that can be ill-afforded during this crisis period. The PSA also emphasized that labour has a crucial role to play in ensuring that employees are in a safe environment. The employer indicated that specific matters can be forwarded to the COVID-19 Task Team, which will be dealt with remotely in view of the pandemic.

Cost-of-living adjustment: 1 April 2020

Members were previously informed that the PSA requested the PSCBC to obtain confirmation from the employer on the implementation of Clause 3.3 of PSCBC Resolution 1/2018, which deals with the annual wage increase. Clause 3.4 of the agreement provides that the projected CPI for the 2020/21-financial year will be determined by National Treasury. On a yearly basis, the confirmation of the

percentage increase as determined by National Treasury, is provided to the PSCBC upon request from labour.

Members were previously informed that the employer requested a special meeting to review the agreement, stating that it cannot implement the last leg of the agreement. This proposal for a review was unanimously rejected by labour at the last PSCBC meeting. Despite the rejection, the employer once again requested a special Council meeting on 25 March 2020 to discuss the implementation of PSCBC Resolution 1/2018.

At the meeting, the employer reaffirmed its commitment to implement the Resolution, but tabled a proposal that is contrary to clause 3.3 of the Resolution. The employer's proposal entails the following:

- Implementation of only 4.4% for salary level 1 - 8 with no real wage increase. In order to achieve this, funds allocated for 1,5% pay progression be allocated for salary increases. This will unfortunately not cover the entire 4.4 %. The shortfall of the 1.4% which must then be supplemented by granting of capped leave in lieu of the **shortfall which is redeemable at retirement.**

This effectively means that employees will be offered a 3% once-off non-pensionable gratuity for salary levels 1 to 8 and the shortfall of 1.4% will be redeemed in the form of capped leave upon retirement.

- **No cost-of-living adjustment for salary level 9 - 12**

Impact of the employer's proposal:

- The 1.5% pay progression will be suspended for a year.
- Members will only receive a once-off 3% payment on their respective notches.
- Members on salary level 1 - 8 to receive 3.7 days capped leave. This leave can only be redeemed upon retirement.

The employer's proposal was extensively deliberated at the Council meeting. Labour unanimously rejected the proposal outright. It was also firmly put to the employer as to whether PSCBC Resolution 1/2018 as per clause 3.3 of the agreement was going to be implemented w.e.f. 1 April 2020. The employer refused to provide a firm commitment but reiterated that labour must reconsider its proposal. Labour once again demanded that the employer implements the cost-of-living adjustment w.e.f. 1 April 2020 which entails the following:

Salary level 1 - 7 an increase of 5.4 %

Salary level 8 - 10 an increase of 4.9 %

Salary level 11 - 12 an increase of 4.4 %

Failure to implement will result in the PSA resorting to declaring a dispute. Members will be informed of developments.

GENERAL MANAGER