

Update: 2019/20-cash awards dispute

As members are aware, over the past few months the PSA has been in dispute with the employer on the refusal to pay performance bonuses for 2019/20. The dispute was declared after the employer took a unilateral decision to not pay any bonuses to employees who qualified in 2019/20. The PSA was not consulted prior to this decision and the reasons given by the employer were challenged during a conciliation process. Subsequently, the employer reconsidered its decision and agreed to pay the bonuses at 0.5% of the remuneration budget. For the past few months, the PSA vigorously tried to persuade the employer to increase the offer to 0.75% of the remuneration budget.

The PSA pursued the higher percentage because the difference between 0.5% and 0.75% is substantial and qualifying employees will surely suffer prejudice. The estimated amount for 0.75% is R8 197 000 and for 0.5% it is R5 233 000. The difference between the two amounts is R2 964 000, which would have made a huge difference in the amounts paid to the 259 qualifying employees.

A mediation process was undertaken, and the employer made no effort to meet the PSA halfway in its demand and refused to reconsider its position. The reason given to the PSA was that it cannot afford to pay at 0.75% and has only budgeted to pay at 0.5% as both the payments of 2019/20 and 2020/21 will be coming from the current financial budget. The PSA considered the fact that we are now at the end of the year and moving into the festive season where most employees will be going on leave. It would not be an ideal period to embark on a strike and, on the other hand, employees are in need of money in these difficult economic times where an increase below inflation was awarded.

A settlement agreement was entered into between parties for the payment of performance bonuses for 2019/20 at 0.5% of the remuneration budget. The PSA insisted that the payments be made before the end of December 2021. The employer committed to do whatever it takes to have these paid in December, failing which these will be paid in January 2022. All the rights of PSA members who may wish to lodge grievances against the employer and challenge any issue on 2019/20-bonuses were fully reserved.

The PSA appreciates the patience exercised by members in this matter and their participation in meetings and mandating processes. The PSA remains committed to protecting members' rights and promoting their interests.

GENERAL MANAGER