

## Public Service salary increase offer: 2021/22-financial year

Members will recall that negotiations failed and the PSA declared a dispute. A conciliation meeting was held, and a certificate of non-resolution was issued. PSA members were also balloted for strike action and the PSA only had to comply with the finalisation of the picketing rules by Council before issuing a strike notice. The PSA and the employer engaged before a Commissioner to finalise on the picketing rules as required by law before notice for a strike could be issued subject to COVID-19 regulations on public gatherings.

In the interim, a special PSCBC meeting was held on 6 July 2021, where the employer tabled a salary offer. During this meeting, the PSA and other unions sought clarity on a number of issues in the draft salary agreement, including whether the tabled offer is a final offer. The employer confirmed that the quantum of the offer on the table is final.

In one of the key issues raised is the wording of clause 4.3 in the draft agreement and labour proposed that the clause be reworded. The removal of clause 8.3 was also proposed as labour is of the opinion that it nullifies sectoral agreements that regulate the payment of pay progression in the Public Service. The employer indicated that it will only be able to respond to the proposal after legal consideration is given and respond on 9 July 2021. Labour further insisted that the employer must consider incorporating the non-pensionable gratuity (monthly payments) into the baseline to effect a real salary increase.

The employer requested time to consider labour's inputs and respond in a Council meeting scheduled for 9 July 2021.

It is the first time the document has been presented officially to the PSA. The PSA has not had sufficient time to make input or engage on the proposal nor has the revised offer been placed before members for consideration and a mandate to accept or reject the offer.

The crux of the proposal is still the same as per the table below, with other implications as outlined in the *attached* agreement. In addition, the employer has not moved from the initial offer of 1.5% pay progression payable to all employees.

| Salary level | Rand value |
|--------------|------------|
| 1            | R1 220     |
| 2            | R1 220     |
| 3            | R1 220     |
| 4            | R1 220     |
| 5            | R1 220     |
| 6            | R1 352     |
| 7            | R1 352     |
| 8            | R1 450     |
| 9            | R1 450     |
| 10           | R1 640     |
| 11           | R1 640     |
| 12           | R1 695     |

### PSA ballot

In view of the above, members are required to provide the PSA with a mandate to either **accept** or **reject** the offer. Members can submit their vote via the PSA website - [www.psa.co.za](http://www.psa.co.za) by using the ballot button on the home page. The ballot will be open from **7 July 2021 to 14 July 2021 at 15:00**. Members who unable to vote electronically will be able to cast their vote manually on the *attached mandate form* and submit to the respective PSA Provincial Offices by 14 July 2021.

### GENERAL MANAGER

**AGREEMENT ON THE PAYMENT OF A SALARY ADJUSTMENT IN THE PUBLIC SERVICE FOR THE FINANCIAL YEAR 2021/2022**

**1. OBJECTIVE**

To provide for an agreement on the payment of a salary adjustment for employees employed in the public service for the financial year 1 April 2021 to 31 March 2022.

**2. SCOPE**

2.1. This agreement binds the Employer and Employees who:

- 2.1.1. Are employed by the State; and
- 2.1.2. Fall within the registered scope of the Council.

**3. NOTING**

3.1. ~~The economic hardship experienced by employees with the continuous increase to the basic cost of living;~~

**Commented [FDB1]:** Employer suggests deleting.

3.2. ~~The provisions of PSCBC Resolution 9 of 2001; PSCBC Resolution 1 of 2012 and PSCBC Resolution 1 of 2018 regulating the payment of pay progression of a 1, 5% pensionable notch increment to all qualifying employees;~~

**Commented [FDB2]:** Employer to tabulate the specific clauses of the Resolutions if needed to still have the clause in the agreement.

3.3. ~~During the negotiations parties weighed the economic needs of the present and the future, assessing competing priorities for national development to address economic growth; and~~

**Commented [FDB3]:** Labour suggested deleting

3.4. The employer has made funding available to ensure the payment of a non-pensionable cash allowance and an increase in pensionable salaries where applicable in this agreement.

#### 4. NON PENSIONABLE CASH ALLOWANCE

##### 4.1. Parties agree that:

The employer will pay to all employees that were in the employ on 1 April 2021, a monthly non-pensionable cash allowance as follows:

| SALARY LEVEL | Non pensionable Cash allowance (Rand Value Distribution) |       |
|--------------|--|-------|
| 1            | R  | 1 220 |
| 2            | R  | 1 220 |
| 3            | R  | 1 220 |
| 4            | R  | 1 220 |
| 5            | R  | 1 220 |
| 6            | R  | 1 352 |
| 7            | R  | 1 352 |
| 8            | R  | 1 450 |
| 9            | R  | 1 450 |
| 10           | R  | 1 640 |
| 11           | R  | 1 640 |
| 12           | R  | 1 695 |

4.2. The non-pensionable cash allowance will be paid backdated from 1 April 2021 to 31 March 2022.

4.3. If no new agreement is reached by 31 March 2022 on the 2022/2023 salary adjustment, **this non-pensionable cash allowance** shall remain in force until a new agreement is entered into by the parties.

**5. PENSIONABLE SALARY INCREASE**

Commented [FDB4]: This matter is still being debated.

Parties agree that;

5.1. The employer will pay a once off pensionable salary adjustment of at least 1.5% to all employees employed in the public service on 1 April 2021, those who do not qualify for a pensionable increase derived from pay progression in respect of the applicable performance cycle, payable to them in terms of any PSCBC or Sectoral Agreements regulating pay progression, including employees on the maximum notch of their salary levels;

5.2. This 1.5% once off adjustment will be implemented with effect from 1 July 2021.

**6. COMPLIANCE CLAUSE**

The employer duly represented by the Department of Public Service and Administration warrants that it has the requisite authority and National Treasury approval to conclude this agreement. In particular, the employer warrants that, in concluding this agreement, it has complied with:

6.1. The Public Service Act 103 of 1994 (as amended); and

6.2. Regulations 78 and 79 of the Public Service Regulations, 2016.

**7. DISPUTE RESOLUTION**

If there is a dispute about the interpretation or application of this agreement any party may refer the matter to the Council for resolution in terms of the dispute resolution procedure of the Council.

**8. IMPLEMENTATION OF AGREEMENT**

8.1. This agreement shall come into effect on the date it enjoys the majority support and shall remain in force unless terminated or amended by agreement in writing.

8.2. In the interpretation and application of this agreement, words used in the agreement and defined within the constitution of Council will have the meaning as defined in the constitution.

8.3. In the event of any conflict between a provision of this agreement and a provision of any other agreement of the Council, the provision of this agreement, takes precedence.

Commented [FDB5]: Labour proposes deletion of the clause

8.4. The Council will monitor and enforce the implementation of this agreement.

THUS DONE AND SIGNED AT \_\_\_\_\_ ON THIS \_\_\_\_\_  
DAY OF \_\_\_\_\_ 2021.

**ON BEHALF OF THE EMPLOYER**

|                   | Name | Signature | Date |
|-------------------|------|-----------|------|
| State as Employer |      |           |      |

**ON BEHALF OF TRADE UNION PARTIES**

| Trade Union | Name | Signature | Date |
|-------------|------|-----------|------|
| DENOSA      |      |           |      |
|             |      |           |      |

PSCBC DRAFT WAGE AGREEMENT- 06/07/2021 16h00

|          |  |  |  |
|----------|--|--|--|
| HOSPERSA |  |  |  |
| NAPTOSA  |  |  |  |
| NEHAWU   |  |  |  |
| POPCRU   |  |  |  |
| PSA      |  |  |  |
| SADTU    |  |  |  |
| SAPU     |  |  |  |

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