

## Feedback: PSCBC

### **Outstanding matters: Previous resolutions (clause 8.1.2: Resolution 5/2015)**

The above agreement makes provision for the introduction of danger insurance for public servants. Various discussions on the matter took place and Council appointed a researcher to develop the concept of such an insurance. The research document was tabled in Council for engagement. It became clear that fundamental pronouncements on parties' positions need to be made on the funding for the insurance. Labour is of the view that current danger allowances should not be converted for this purpose. The employer is of a different view. Parties subsequently agreed to refer this matter for further engagement and allow the service provider to finalise its work and present a final document at the next Council meeting for consideration by parties.

### **Retirement fund reform: Limited withdrawals from retirements funds**

Members will recall that the Minister of Finance previously announced that legislation is being amended to allow members of private pension funds to withdraw a portion of their benefits for the purpose of mitigating the impact of the COVID-19 pandemic. This was not applicable to public servants as the Government Employees Pension Fund (GEPF) is a defined-benefit fund. Labour, however, at a previous meeting requested the employer to provide the reasons for the conclusion and that it must be made applicable to public servants also as they were equally affected by the pandemic. Parties agreed that a workshop will be scheduled to engage constructively on this matter with an aim to understand the two-pot system, the *Cofi Bill*, and what it entails before a final decision will be taken.

### **Proposed amendment: Government Employees Pension Law 1996 - Spouses Pension**

Prior to 2012, the *GEP Law* made provision for a member who retires to receive a gratuity (lumpsum) and an annuity (monthly pension) until death. When that member dies, the spouse would qualify to receive 50% of the late member's monthly annuity until he/she dies. This is the basis governed by the *GEP Law* and it is not an option, but rather a law (compulsory). This law has not changed since or after 2012. However, from 2012, an amendment to the *GEP Law* was made (after PSCBC ratifications and proposals and Government Gazetted processes), whereby the member can choose to increase his/her spouse's annuity to 75% in the event of the member's death. To qualify for this option (this is the only option as the previous 50%-monthly annuity to spouse is a basis set in law and not an option), the member him/herself must agree to a reduced gratuity (lumpsum) and annuity (monthly pension) upon retirement. The increase to 75% for the spouse in the event of the member's death, was therefore funded by the member him/herself through actuarial calculations. There was no additional expense to the GEPF.

The current demand from the PSA at the PSCBC is that the increased pension annuity of 75% of the member's benefits for the spouse in the event of the member's death, does not get funded by the member upon retirement. In other words, the demand is that the member be allowed to retire with full benefits as per the original basis, i.e., no reduction in gratuity and annuity. Note, the original basis is law that the spouse receives a 50% monthly annuity upon death of the member. The demand therefore is that the spouse receives a 75% monthly annuity in the event of the member's death, to be covered by the GEPP and not funded by the member upon retirement.

If the employer and unions agree to the demand, it will require a GEPP resolution and a rule and law amendment. Parties agreed that the matter will be deferred to a workshop to engage on the matter and discuss the possible amendment and the impact this might have on the Pension Fund.

### **Consultation: Draft Public Service Amendment Bill, 2021 and draft Public Administration Management Amendment Bill, 2021**

The employer previously tabled the above-mentioned *Bills* for consultation in Council. Labour provided inputs and engagements took place. The consultation process Council level is concluded, and parties agreed that the *Bills* could be tabled at Nedlac for further engagements and subsequent conclusion of these *Bills*.

### **Implementation: Public Service Summit Declaration (PSCBC Resolution 1/2022)**

Parties to the Public Service Summit on collective bargaining, held at Emperors Palace Conference Centre in Gauteng, from 28 to 31 March 2022, declared and committed to the principles, objectives and agreements set out in the Declaration. Parties gathered for the Summit under the theme "Strengthening and defending centralised collective bargaining to advance economic development, social justice, a capable and developmental state, labour peace and the democratization of the workplace."

Parties to the PSCBC in 2009 entered into an agreement commonly known as "Birchwood 1". This agreement, in principle, required parties to develop and/or strengthen collective bargaining to underline the importance of the characteristics of a developmental state. Parties to the PSCBC reconfirmed their support of the "Birchwood 1" agreement with the "Declaration of the Public Service Summit" signed in 2010. In adoption of the declaration on the Public Service Summit, the PSCBC was required in terms of clause 4.9 of the agreement to call for a public service summit on collective bargaining to strengthen the PSCBC.

Parties to the Summit on collective bargaining and the advance of economic development, social justice, a capable and developmental state, labour peace and democratisation of the workplace, aim to give effect to the collective agreements signed in the past and not yet implemented, further reviewing of past performance and future ventures in enhancing collective bargaining in the public sector.

Parties at the Summit resolved, amongst others, the following:

- The PSCBC should review the collective bargaining structures in the public service through a collaborative venture with the ILO as to be guided by international best practices.
- The review to be undertaken in clause 4.2.1 should give due consideration to Public Sector in general, which includes public administration, state agencies, entities, and non-commercial parastatals, including a methodology to overcome legislative challenges.

- Giving effect to PSCBC Resolution 6/2010, a public sector summit should be arranged by 2024, inclusive of all spheres of government and public entities.
- The PSCBC must without delay establish a task team that will audit all collective agreements since 2010 to identify areas of non-implementation and agree on a clear process for the implementation of the outstanding areas linked to a time frame for completion of the proposed implementation strategies.
- The PSCBC as the coordinating Council must, through the monitoring and evaluation unit, conduct a compliance audit on the implementation of signed collective agreements across all sectoral councils.
- The PSCBC must conclude the implementation of its enforcement procedures and must ensure that constitutions of sector councils have provisions for effective and efficient enforcement of collective agreements.
- The PSCBC must define the concept of issues regulated by uniform rules, norms and standards that apply across the public service, as given in the *Labour Relations Act*. This will assist the sector councils in understanding and defining their role in strengthening centralised collective bargaining.

Members will be informed of developments.

Employees who want to join the PSA can visit the PSA's website ([www.psa.co.za](http://www.psa.co.za)), send an email to [ask@psa.co.za](mailto:ask@psa.co.za) or contact a PSA Provincial Offices.

GENERAL MANAGER