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SERVICE EXCELLENCE

FOR PSA MEMBERS: **INDUSTRIAL DEVELOPMENT CORPORATION OF SOUTH AFRICA LIMITED (IDC)**

12-04-2024

Update: IDC meeting

Review: Travel Policy

The employer tabled the Travel Policy for review to ensure that it complies with the *Public Finance Management Act* and is aligned with relevant SARS Notices that regulate subsistence and travel allowances. The employer's proposed changes are as follows:

- The current policy provides that only the Board of Directors and EXCO members book business class air tickets when traveling and the rest of the staff travel economy. The proposed change is that all employees who fly on international flights for a duration of four hours or more should travel business class.
- The current policy provides employees with an option of manual cars when using rented vehicles and the proposed change is to provide an option for entry-level automatic cars as some employees are not used to driving manual cars and find it hard to adjust.
- The other change relates to the subsistence allowance that is paid during trips. Currently, the IDC is paying rates that are higher than those prescribed by SARS, which by law should be taxed. Management submitted that the maximum non-taxable amount approved by SARS for subsistence is R169. The employer provided two scenarios for consideration in reviewing the policy and aligning with the SARS regulation. The first scenario is that the employer starts to pay R169 as incidental expense, which will not be subject to tax. Alternatively, the employer continues to pay the amounts that are currently being paid, and any amount above R169 gets subjected to tax (e.g., when R200 is paid for spending part of the afternoon away from the usual place of work, then R31 (R200 less R169) will be taxed).
- The other proposed change is that the submission for travel should be submitted to the Divisional Executive responsible for the project to approve for the whole team that needs to travel. Currently, each Divisional Executive signs for their team members.

The PSA noted the presentation and, as a mandate-driven Union, will provide input from members.

Members are requested to read the policy and provide inputs to the PSA **on or before 19 April 2024**. The inputs should be sent to joseph.mashigo@psa.co.za.

Alignment on salary increase: 2024/25-financial year

As members are aware, the IDC and the PSA signed a three-year multi-term agreement, which commenced in 2023 until 2026. The agreement provides for a salary increase of CPI plus 1% for the 2024/25-financial year. Parties agreed to convene a meeting on 7 June 2024 to align on the applicable CPI percentage to be used for the salary increase. Once parties have aligned, the increase will be implemented from 1 July 2024.

Reduced 10%-performance bonus

The PSA referred a dispute to the CCMA to challenge the employer's decision to reduce the performance bonus payment for all employees by 10%. Parties could not resolve the matter through conciliation and the PSA applied for arbitration. The CCMA has set the matter down for arbitration on 17 June 2024. The PSA will present its case and prove that the decision taken by the IDC Board was a contravention of employees' rights, resulting in an unfair labour practice.

Members will be updated on developments.

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

Reuben Maleka
GENERAL MANAGER