



FOR PSA MEMBERS: **PUBLIC SERVICE COORDINATING BARGAINING COUNCIL (PSCBC)**

12-06-2025

Feedback: PSCBC meeting

Early retirement without penalisation (ERP)

The employer proposed a collective agreement on ERP, but the PSA prefers a consultation process instead of negotiation, as the employer already has the legal right (under section 16(6) of the *Public Service Act*) to grant early retirement. A collective agreement would delay the process, whilst consultation allows the employer to act after attempting to reach consensus. The PSA wants to ensure that the criteria used to approve applications, especially if demand exceeds the budget, are fair and reasonable. The employer insists that a collective agreement is necessary. The matter will be further discussed at a special Council meeting to be scheduled shortly.

Clarification on incentive calculations

The employer has since clarified how the financial incentives will be calculated:

For early retirement (ages 55 to 59)

Two weeks' basic salary per completed year of pensionable service for the first 20 years and one week's basic salary per completed year of pensionable service thereafter.

For voluntary exits (ages 60 to 63, not yet 64)

Two weeks' basic salary per completed year of pensionable service for the first ten years and one week's basic salary per completed year of pensionable service thereafter.

Examples provided by the employer:

Person A

55 years of age – 30 years pensionable service

Pensionable salary – R617 622 (level 10)

Financial incentive for the first 20 years – $(R617\,622 \times 20)/26 = R475\,093.85$

Financial incentive for the remaining ten years – $(R617\,622 \times 10)/52 = R118\,773.46$

Total incentive payable = $R475\,093.85 + R118\,773.46 = R593\,867.31$

Person B

60 to 63 years of age – 20 years pensionable service

Pensionable salary – R617 622 (level 10)

Financial incentive for the first ten years – $(R617\,622 \times 10)/26 = R237\,546.92$

Financial incentive for the remaining ten years – $(R617\,622 \times 10)/52 = R118\,773.48$

Total financial incentive = $R237\,546.92 + R118\,773.48 = R356\,320.40$

Update: Amendments to Housing Allowance Determination and Directive

It was reported that the DPSA has released *Circular 5 of 2025*, amending the Housing Allowance Determination and Directive last updated in December 2024. The *Circular* provides that employees who retired or died without enrolling in the Individual-Linked Savings Facility (ILSF) can now have their housing allowance savings accessed by themselves (if retired) or their families. Human Resource units in government departments must assist affected individuals by processing payments through PERSAL, BAS, or other systems.

The employer has also issued *Circular 15 of 2025*, which provides for the implementation of clause 4.1.1 of PSCBC Resolution 1/2025, which provides for the housing allowance increases from R1 784.55 to R1 900 per month, effective 1 April 2025. A further adjustment based on the Consumer Price Index (CPI) will apply from 1 July 2025.

These changes aim to address past administrative flaws and improve housing benefits for public servants. The report was noted.

Disclosure information: Cost of legal representation

Members will recall that the PSA has consistently opposed the use of legal representatives in internal disciplinary hearings, as it undermines the objectives of an efficient and fair labour relations system in the Public Service. During the recent Council meeting, the employer acknowledged that the matter is being addressed, noting that the DPSA has issued a directive to guide departments on this issue. However, organised labour emphasized that the outstanding request was not for the directive itself, but specifically for data on the cost incurred by the Public Service for legal representation in internal disciplinary cases to date. The employer responded that it currently did not have the requested cost information but committed to making it available at the next Council meeting. The PSA will continue to pursue this matter to ensure transparency and accountability regarding the use of public funds.

Update: Government Employees Housing Scheme (GEHS)

A Working Committee meeting was convened where several key updates were provided. The DPSA reported challenges with the current in-house model of the GEHS, noting that the DPSA lacks the legal and regulatory capacity to deliver housing and related financial services. A revised 2019 feasibility study recommended a new, multi-partner model involving stakeholders such as National Treasury, GEPF, PIC, and *First Home Finance*. The Public Investment Corporation (PIC) revised its approach to funding the GEHS, opting to proceed with an Expression of Interest (EoI) instead of a Request for Proposal (RFP). The EoI document has been prepared, pending approval from the PIC CEO, and appointment of the Bid Evaluation Committee (BEC). Labour and National Treasury were asked to urgently nominate representatives for the BEC. Labour raised concerns about limited representation.

The GEPF is also engaging in a benchmarking exercise with the Transport Sector Retirement Fund (TSRF), which revealed key gaps in the GEHS project. These include the need for professional market research and spatial planning to guide demand and supply planning. The GEPF will now begin a procurement process to appoint the necessary experts to support this phase of the project.

The PSA acknowledges the progress and remains committed to ensuring that the GEHS delivers tangible housing benefits to members.

28th Annual General Meeting of Council

The Council will hold its 28th Annual General Meeting (AGM) on Thursday, 26 June 2025 at 11:00 at the Radisson Hotel and Conference Centre, OR Tambo, as required by the Constitution. This year's AGM theme is "*From Struggle to Structure, One Agreement at a Time,*" reflecting on the progress and impact of collective bargaining in the public service. Key agenda items include:

- Election of Chairperson and Vice-Chairperson (Labour)
- Appointment of Executive Committee members and alternates
- Presentation of the Council's financial statements and auditor's report
- Annual report and budget approval
- Determination of agency fee
- Report on voting strength of parties in the Council

Invitations have been sent to parties and key stakeholders, including Sector Council leaders, the CCMA, ILO, GEMS, GEPU, PSETA, and the Registrar of Labour. The PSA will provide updates after the AGM.

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

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GENERAL MANAGER