



the dpsa

Department:
Public Service and Administration
REPUBLIC OF SOUTH AFRICA

UPDATE ON THE IMPLEMENTATION OF 2023/24 WAGE AGREEMENT

Attention: All Public Service Employees

For Immediate Release

Date: 13 April 2023

Update on the implementation of the PSCBC Resolution 2 of 2023

The current round of wage negotiations (2023/24 financial year) has been concluded and captured through the PSCBC Resolution 2 of 2023. Below is the detailed implementation of the 2023/24 wage agreement.

Implementation of the PSCBC Resolution 2 of 2023

The 2023/24 wage agreement provides for the implementation of two distinct types of benefits for employees on salary levels 1 – 12 and those employees covered by occupation specific dispensations (OSDs) on equivalent levels namely:

- Translation of the non-pensionable cash allowance into a pensionable salary estimated at an average of four-point two percent (4.2%); and
- Additional three-point three percent (3.3%) pensionable salary adjustment to all employees on salary levels 1 – 12 employed in the public service with effect from 1 April 2023.

The salary scales that applied up to 31 March 2023 are adjusted by 3.3% across all levels with effect from 1 April 2023. Furthermore, the payment of non-pensionable allowance is translated into a pensionable salary estimated at an average of 4.2% with effect from 1 April 2023. This is calculated as follows:

Example: SL 1: $99\ 513 + 3.3\% = 102\ 798 + 14\ 640$ (R1220 monthly non pensionable allowance computed over 12 months) = **117 438** (new notch as at 1 April 2023).

The above example is clarified further in the table below:

Salary notch as at 31 March 2023	Salary notch plus 3.3%	Non-pensionable allowance (NPA) * 12 months	New notch as at 1 April 2023
99 513	99 513 + 3.3% = 102 798	1 220 x 12 = 14 640	117 438

The non-pensionable cash allowance will be translated into the pensionable increase on the baseline with effect from 1 April 2023, without disadvantaging any employee in terms of the cash net effect into the pocket. This translation will benefit the employees in that it:

- contributes towards the growth of the pension of employees;
- improves the notches of employees;
- increases the base for any future increases; and
- is also sustainable and permanent.

Pay Progression

Each department shall process the payment of the pay progression to **all qualifying employees** employed in the public service in respect of the 2022/23 performance cycle in terms of any or all provisions of the PSCBC and Sectoral Agreements regulating the payment of pay progression including the Incentive Policy Framework, with effect from 1 July 2023 (non-SMS employees).

Timelines for the implementation

Due to coding and validation complexities in PERSAL, including the adjustment of pay scales in all sectors, it is expected for payment of back-pay to employees in salary levels 1 to 12 and those covered by the OSDs employed in the public service through a supplementary run on 24 April 2023 to be in the bank accounts on 28 April 2023.

Government Employees Housing Scheme (GEHS)

Government and organized Labour agreed to expedite the decisions on the implementations of the GEHS as agreed during the Public Service Summit that was held on 28 – 31 March 2022 at Emperors Palace, Gauteng.

General

- Salary adjustments for the Senior Management Service will be done as soon as the implementation of the improvement in conditions of service for employees on salary levels 1 to 12 and those employees covered by the OSDs, have been finalized.
- The DPSA Circular 20 of 2023 gives effect to the implementation of PSCBC Resolution 2 of 2023 and available on the DPSA's website.

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