

April 19, 2012

**DRAFT AGREEMENT ON SALARY ADJUSTMENTS AND IMPROVEMENTS TO CONDITIONS OF SERVICE
IN THE PUBLIC SERVICE FOR THE PERIOD 2012/13 – 2014/15**

1. OBJECTIVES

- 1.1. To provide for annual general salary adjustments and improvements to certain conditions of service for employees for the FY2012/13 - 2014/15.
- 1.2. To amend certain PSCBC resolutions.

Comment [FdB1]: Labour- To remove the reference to a multi term agreement-

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 THAT:

- 3.1. PSCBC Resolution 2 of 2011 specifies timeframes for the conclusion and/or implementation of certain issues including:
 - 3.1.1. Development of a home ownership scheme;
 - 3.1.2. Minimum Service Level Agreement; and
 - 3.1.3. Development of a remuneration policy.
- 3.2. These timeframes have or will not be met;
- 3.3. The wage bill as a percentage of GDP has increased from 9.4% in 2007 to 10.5% in 2011/12;
- 3.4. The real GDP growth has decreased from 6% in 2007/8 to 2.8% in 2011/12. This implies that government will not be able to meet its priorities, like infrastructure spending, poverty alleviation initiatives, etc without borrowing for recurring expenses, such as wages;
- 3.5. That unemployment remains relatively high, and that parties have a responsibility to assist government in its effort to reduce unemployment and poverty;
- 3.6. Government's initiative to grow the economy through investment in infrastructure development; and
- 3.7. Additional to the salary increment referred to in paragraph 4. below; on 1 July 2012 (with the exception of South African Police Services Act personnel, who receive pay progression every three years) satisfactory performers will receive their pay progression in accordance with PSCBC Resolution 3 of 2009 and the various OSD resolutions signed in the sectors.

Comment [FdB2]: Labour- propose to delete the clause in totality-

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THE PARTIES TO COUNCIL AGREE AS FOLLOWS:

4. **SALARY ADJUSTMENTS**

- 4.1. The salary adjustment effective on 1 April 2012 will be based on the average projected CPI for the period 1 April 2012 to 31 March 2013 minus 1.4% (4.5%).
- 4.2. The salary adjustment effective on 1 April 2013 will be based on the average projected CPI for the period 1 April 2013 to 31 March 2014 minus 0.3% (5%).
- 4.3. The salary adjustment effective on 1 April 2014 will be based on the average projected CPI for the period 1 April 2014 to 31 March 2015 plus 0.1% (4.5%).
- 4.4. The forecasts of National Treasury shall be used to determine the average projected CPI.
- 4.5. If the actual average for a period is higher than the projected average, the difference shall be added to the adjustment for the following year.
- 4.6. If the actual average for a period is lower than the projected average, the difference shall be deducted from the adjustment for the following year.

Comment [FdB3]: Labour proposes commencing with consolidated negotiations for 2-3 weeks. Thereafter consider two parallel process.

Comment [FdB4]: Labour notes the below CPI from the Employer. Place on record that if the Employer moves to CPI, Labour will move from 10% demand.

Comment [FdB5]: Labour rejects multi-term agreement. Indicates that they will negotiate Multi-term in Birchwood III

Comment [FdB6]: Labour rejects offer. Indicates that 10% demand remains.

5. **LONG SERVICE RECOGNITION**

- 5.1. Long service in the public service will be recognised in the following manner:
 - 5.1.1. 10 years continuous service: increase annual leave entitlement from 26 working days to 30 working days plus certificate;
 - 5.1.2. 20 years continuous service: a cash award of R 7 500 plus a certificate;
 - 5.1.3. 30 years continuous service: a cash award of R 15 000 plus a certificate; and
 - 5.1.4. 40 years continuous service: a cash award of R 20 000 plus a certificate.

Comment [FdB7]: Labour to revert on this matter-

Comment [FdB8]: Labour proposal on encashment of leave must remain.

Comment [FdB9]: Labour – Increase in annual leave should be dealt with under leave not long service- Labour- leave provision to be implemented retrospectively to all with 10 and more continuous years of service

Comment [FdB10]: Labour to add cash award of R7500. Rest of demands stay in place.

6. **NIGHT SHIFT ALLOWANCE**

- 6.1. The current fixed fee night shift allowance model is retained.
- 6.2. The night shift allowance be increased from:
 - 6.2.1. R2,12 to R 2,69 per hour from 1 July 2012
 - 6.2.2. R2,69 to R 3,35 per hour from 1 July 2013
 - 6.2.3. R3,35 to R 4,00 per hour from 1 July 2014
- 6.3. The night shift allowance of R4,00 per hour will be revised annually based upon the CPI for the previous year, with effect from 1 April 2015.
- 6.4. In the interest of sound financial management, the night shift allowance will be paid to eligible employees in line with the employee's monthly pay date.

Comment [FdB11]: Labour- agree

Comment [FdB12]: Labour- 1 May 2013

Comment [FdB13]: Labour- 1 April 2014

Comment [FdB14]: Labour- April 2015

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- 6.5. In the event that shifts are structured in such a way that only part of the hours fall within the defined night shift period (18:00 to 06:00 or 19:00 to 07:00), the employee will receive the night shift allowance for such hours.
- 6.6. A pro rata night shift allowance will be paid to an eligible employee commensurate with the hours the employee has worked, provided the period of absence has been approved by the supervisor/manager.
- 6.7. The night shift allowance will not be paid to an employee who has been granted a leave of absence.
- 6.8. The personal shift allowance will be phased out when the value of the night shift allowance exceeds the value of the personal shift allowance paid to an employee.

7. **RECOGNITION OF IMPROVED QUALIFICATIONS**

- 7.1. A once-off cash bonus of 5% of the employee's annual salary notch, limited to the minimum notch of salary level 8, will be paid to an employee in recognition of attaining an improved qualification.
- 7.2. The qualification must be related to the employee's scope of work and should improve the employee's performance and the service delivered by the employee.
- 7.3. The cash bonus will be payable to employees who commence their studies with effect from 1 April 2013.
- 7.4. No cash bonus will be paid to an employee who has been granted a state-funded bursary for the attainment of an improved qualification.
- 7.5. The cash bonus is limited to the attainment of one additional qualification.

Comment [FdB15]: Labour- Must apply to all employees in all Sectors

Comment [FdB16]: Labour- 10% of salary level 8.1- converted to salary scale of specific Sector-

Comment [FdB17]: Labour- Sectors to determine their own conditions or criteria- No Sector may have a benefit less favourable than stipulated in the PSCBC

Comment [FdB18]: Labour- Sectors to conclude the agreement for implementation from 1 January 2013

Comment [FdB19]: To delete the clause-

8. **SHOPSTEWARD LEAVE**

- 8.1. Leave for shopstewards of recognised employee organisations is to be increased from 10 working days in a leave cycle to 12 working days with effect from 1 January 2013.

Comment [FdB20]: Labour to revert on this matter

Comment [FdB21]: Labour- demand 20 days, excluding training

9. **OUTSOURCING**

- 9.1. The PSCBC should review the impact of existing outsourcing and agentisation practices within the public service as agreed to in the 2010 Public Service Summit.
- 9.2. A discussion document reflecting a public service position should then be tabled at NEDLAC to solicit a position on the public sector.

Comment [FdB22]: Agree to the process- it must be fast-tracked in NEDLAC-

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10. COMPLIANCE WITH OCCUPATIONAL HEALTH AND SAFETY ACT

10.1. The PSCBC should conduct an independent study on compliance with the Occupational Health and Safety Act.

10.2. The research report must be tabled at the PSCBC for discussion.

Comment [FdB23]: Labour- Agree on study to be undertaken by PSCBC on decent work.

11. DECENT WORK

11.1. The PSCBC should conduct an independent study on the principle of decent work.

11.2. The research report must be tabled at the PSCBC for discussion.

Comment [FdB24]: Time frame must be determined by the PSCBC- to start July 2013

Comment [FdB25]: Labour- Agree on study to be undertaken by PSCBC on decent work.

Comment [FdB26]: Time frame must be determined by the PSCBC – to start July 2013

12. PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM (PMDS)

12.1. The employer will review the current PMDS and table its proposal to the PSCBC for consultation by 31 July 2013.

Comment [FdB27]: In agreement

13. EXIT MANAGEMENT SYSTEMS

13.1. The employer will review the exit management system in order to expedite the processing of pension payouts.

Comment [FdB28]: Labour- agree with review- must have a time frame-

14. FAMILY RESPONSIBILITY LEAVE

14.1. With effect from 1 January 2013 an employee will be entitled to:

14.1.1. 5 working days family responsibility leave per an annual leave cycle for utilisation if the employee's spouse or life partner gives birth to a child; or the employee's child, spouse or life partner is sick; and

14.1.2. 5 working days leave per annual leave cycle for utilisation if the employee's child, spouse or life partner dies; or an employee's immediate family member dies.

Comment [FdB29]: In agreement

15. PRE-NATAL LEAVE

15.1. With effect from 1 January 2013 an eligible employee will be entitled to 8 working days pre-natal leave, per pregnancy, allowing the employee to attend medical examinations by a medical practitioner or midwife, as well as tests related to the pregnancy.

15.2. An employee can utilise a full day or part of a day.

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15.3. An application for pre-natal leave should be supported by reasonable proof that the employee attended a doctor's appointment and/or went for tests related to the pregnancy.

15.4. An employee who has used all her pre-natal leave may, subject to the approval of the Head of Department, apply to use available annual leave and/or unpaid leave.

15.5. Absences related to medical complications during the pregnancy should continue to be covered by sick leave.

15.6. All other maternity leave provisions, as defined in the Determination on Leave of Absence, remain unchanged.

Comment [FdB30]: Labour- Delete from employers offer

16. RE-ARRANGEMENT OF WORKING TIME

16.1. The PSCBC should review the working time arrangements in the Public Service with a view to determine which service delivery areas require additional and/or different working time arrangements to facilitate service delivery improvement and employment creation.

Comment [FdB31]: Labour- Employer to table a proposal

17. DANGER ALLOWANCE

17.1. The PSCBC should conduct an investigation to determine whether or not the following occupational categories are exposed to a genuine risk, the nature and extent of the risk, the frequency of the risk, as well as the impact on the safety of the employee to ascertain whether or not danger allowance should be extended to the following categories:

17.1.1. Mine inspectors;

17.1.2. Immigration officers;

17.1.3. Defence Secretariat personnel; and

17.1.4. Employees at places of safety (both educators and employees employed in terms of the Public Service Act, 1994), youth care centres, child care schools, reform schools and schools identified as 'dangerous'.

17.2. The report with regard to the possible extension of the danger allowance to the identified occupational categories should be tabled to the PSCBC.

Comment [FdB32]: Labour to seek a mandate on this-

Comment [FdB33]: Labour- Implementation of R750 on 1 April 2012 for those who currently qualify

Comment [FdB34]: Labour- Comprehensive review to determine which categories to add.

18. AMENDMENTS TO PSCBC RESOLUTION 12 OF 2002

18.1. The amendment of paragraph 3.5 of PSCBC Res. 12 of 2002 to read as follows:

Comment [FdB35]: Labour- Recommendations of the report to be implemented by 1 April 2013

Comment [FdB36]: General agreement on the clause- wording to be revisited- subtle changes made-

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“Basic annual pension increase with effect from 1 April of each year; together with an additional catch-up increases equal to 100% of the average CPI (all items) over the previous year, to those pensioners whose annuities are less than the minimum level.”

19. AMENDMENTS TO PSCBC RESOLUTION 7 of 2000

19.1. Clause 7.10 (b) of PSCBC Resolution 7 of 2000 is hereby deleted.

Comment [FdB37]: Labour- Rejects the proposal.

20. AMENDMENTS TO PSCBC RESOLUTION 5 of 2001

20.1. Clause 7.10 (b) of PSCBC Resolution 5 of 2001 is hereby deleted.

Comment [FdB38]: Labour- Rejects the proposal.

21. AMENDMENTS TO PSCBC RESOLUTION 3 of 2009

21.1. Clause 3.6.3.2 of PSCBC Resolution 3 of 2009 be amended to allow employees whose posts are graded on salary levels 10 and 12 to be appointed and remunerated on salary levels 10 and 12 respectively.

Comment [FdB39]: Labour agrees with the offer. There is a need to review Resolution 3 of 2009-

22. HOUSING ALLOWANCE

22.1. The housing allowance of R800-00 will be increased to R900-00 per month effective from 1 April 2012 to 30 September 2012.

Comment [FdB40]: Labour to take the proposal on mandating processes-

22.2. A new housing dispensation will be negotiated in the PSCBC in the form of the Government Employees Housing Scheme (GEHS).

Comment [FdB41]: Need clarity on why the end date of September? As this is a process.

22.3. The proposal on the GEHS shall be tabled in the PSCBC for negotiation on 1 August 2012 and implemented as per the agreement of the negotiations.

22.4. The phase 1 implementation of the GEHS will commence on 30 October 2012.

23. AMENDMENTS TO PSCBC RESOLUTION 2 OF 2011

MSLA

23.1. To amend clause 3.4.2 as follows:

“The outcome of the engagement referred to in 3.4.1 above will be tabled for consideration at the PSCBC and implemented with effect from 1 April 2013.”

Comment [FdB42]: Labour- agree to encourage Principals to meet.

24. REMUNERATION POLICY

24.1. The Employer commits to review the Remuneration Policy as per the process outlined in Annexure A.

Comment [FdB43]: Labour- PSCBC Resolution 6 of 2010 to be enforced

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- 24.2. The parties may conduct independent research and develop their respective positions papers.
- 24.3. These papers will be tabled for consultation at a Remuneration conference.

Demands from Labour not recorded in the draft agreement;

- Delinking of housing allowance from spouse. Old demand repeated.
- Investigate the principle of equalising the subsidy payable to members on open schemes with those in GEMS- Res 2 of 2011 clause 3.6.1.6.2
- Overtime calculations- Res 2 of 2011, clause 3.6.1.6.2
- Maternity leave- To be increased from 4-6 months paid leave (Labour demands 2009/2010 par 6)
- Sick leave- Increased to 90 days per 3 year cycle (Labour demands 2009/2010 par 6)

25. DISPUTE RESOLUTION

- 25.1. 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.

26. IMPLEMENTATION OF AGREEMENT

- 26.1. This agreement shall come into effect on the date it enjoys majority support and will remain in force unless terminated or amended by agreement.
- 26.2. The Council will monitor the implementation of this agreement.

THIS DONE AND SIGNED AT _____ OF THIS _____ DAY
OF _____ 2012.

ON BEHALF OF THE EMPLOYER

	Name	Signature
State as Employer		

ON BEHALF OF TRADE UNION PARTIES

Trade Union	Name	Signature
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DRAFT 4 [EMPLOYER & LABOUR CONSOLIDATED]

April 19, 2012

DENOSA		
HOSPERSA/NUPSAW/NATU		
NAPTOSA		
NEHAWU		
POPCRU		
PSA		
SADTU		
SAPU		

ANNEXURE A

<i>Personnel Expenditure Review (PER)</i>		
Analysis of government spending on personnel	September 2012	DPSA/ PSCBC
Benchmarking on salaries and conditions of service		
Internal consultation	October 2012	
Conference on Remuneration Policy	November 2012	Employer/ Labour
Recommendations on new Remuneration Policy	March 2013	
Remuneration Policy developed	July 2013	Employer
Consultation	August – September 2013	DPSA/ PSCBC
Implementation of Remuneration Policy	November 2013	
Impact assessment and evaluation of Policy	2018	