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Announcements

**ALERT**  
**IMPORTANT**

*official*



# Public Service

## Salary Negotiation update to Members

*The correspondence to update  
members on the on-going  
salary negotiation at the  
PSCBC*

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This communique serves to provide an update on salary negotiations engaged at the Public Service Collective Bargaining Council (PSCBC) for the financial 2022/23.

Based on all the consolidated demands that we tabled at council in May 2022, we have since resolved to prioritise Cost-of-Living Adjustment (COLA) so as to avoid protracted delays that may arise from engaging all the demands at once. We have agreed that we will revisit other demands once the COLA is dealt with and concluded.

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## **So far, we have resolved on the following aspects**

- The agreement will be for a single term while we also get a written confirmation in writing from treasury on the commitment to honour the agreement.
- The protection of cash gratuity as it increases the disposable cash take-home for members. The protection is informed by the fact the provision of cash gratuity was for the 2021/22 financial year and will end upon signing the new agreement.
- Any additional increase should be on the baseline. Upon accepting the offer as presented, it will be put on the baseline and will have effect on the pension growth of workers.
- The pay progression is separate and will continue as per the sectoral agreements.

After vigorous engagements at the council, the employer tabled a final offer presented in the following order:

Continuation of cash gratuity plus 2% increase on the baseline presented in two scenarios, The first scenario is a 2% salary adjustment Across-the-Board (ATB) and the second scenario is on a sliding scale for worker on salary level 1 through to level 12. The total cost value of the offer is at about twenty-nine billion four hundred million rands (R29.4) divided as follow,

**Cash Gratuity - R20.5 billion**  
**2% on the baseline - R8.9 billion**  
**Total cost - R29.4 billion**

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Additional to the cash gratuity is an offer of two percent which is pensionable and will be backdated to the April 2022. The two scenarios are presented herewith for our consideration.

#### Sliding Scale Distribution

| Level        | FTE              | Increase in COE expenditure | Increase in COE expenditure | Unit Cost after Increase | Additional Unit Cost after Increase |
|--------------|------------------|-----------------------------|-----------------------------|--------------------------|-------------------------------------|
|              |                  | (%)                         | (R'000 p.a.)                | (R'000 p.a.)             | (Rands p.m.p.p.)                    |
| 1            | 247              | 3.00%                       | R 778                       | R 108                    | R 263                               |
| 2            | 78 511           | 3.00%                       | R 319 546                   | R 140                    | R 339                               |
| 3            | 69 897           | 3.00%                       | R 353 286                   | R 174                    | R 421                               |
| 4            | 40 272           | 3.00%                       | R 227 103                   | R 194                    | R 470                               |
| 5            | 205 478          | 2.10%                       | R 1010 556                  | R 239                    | R 410                               |
| 6            | 139 975          | 2.10%                       | R 824 173                   | R 286                    | R 491                               |
| 7            | 315 650          | 2.10%                       | R 2 414 235                 | R 372                    | R 637                               |
| 8            | 163 693          | 2.10%                       | R 1 475 372                 | R 438                    | R 751                               |
| 9            | 101 251          | 1.50%                       | R 788 202                   | R 527                    | R 649                               |
| 10           | 56 484           | 1.50%                       | R 542 268                   | R 650                    | R 800                               |
| 11           | 36 719           | 1.50%                       | R 400 084                   | R 737                    | R 908                               |
| 12           | 28 430           | 1.50%                       | R 446 308                   | R 1 062                  | R 1 308                             |
| <b>Total</b> | <b>1 236 609</b> | <b>1.97%</b>                | <b>R 8 801 911</b>          | <b>R 369</b>             | <b>R 621</b>                        |

#### Current Cash Gratuity

| Increase in COE expenditure | Increase in COE expenditure | Non-pensionable distribution | Total            |
|-----------------------------|-----------------------------|------------------------------|------------------|
| (%)                         | (R'000 p.a.)                | (Rands p.m.p.p.)             | (Rands p.m.p.p.) |
| 13.9%                       | R 3 614                     | R 1 220                      | R 1 483          |
| 10.8%                       | R 1 149 402                 | R 1 220                      | R 1 559          |
| 8.7%                        | R 1 023 298                 | R 1 220                      | R 1 641          |
| 7.8%                        | R 589 587                   | R 1 220                      | R 1 690          |
| 6.3%                        | R 3 008 204                 | R 1 220                      | R 1 630          |
| 5.8%                        | R 2 270 960                 | R 1 352                      | R 1 843          |
| 4.5%                        | R 5 135 337                 | R 1 352                      | R 1 989          |
| 4.1%                        | R 2 848 263                 | R 1 450                      | R 2 201          |
| 3.4%                        | R 1 761 767                 | R 1 450                      | R 2 099          |
| 3.1%                        | R 1 111 612                 | R 1 640                      | R 2 440          |
| 2.7%                        | R 722 628                   | R 1 640                      | R 2 548          |
| 1.9%                        | R 578 263                   | R 1 695                      | R 3 003          |
| <b>4.5%</b>                 | <b>R 20 202 935</b>         | <b>R 1 390</b>               | <b>R 2 010</b>   |

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The slide above shows a distribution of three percent (3%) increase for employees on level 1 to 4, then two-point one percent (2.1%) increase will be given to employees at level 5 to 8, while employees at level 9 to 12 will receive one point five percent (1.5%) increase.

### Equitable Distribution

| Level        | Increase in COE expenditure (%) | Increase in COE expenditure (R'000 p.a.) | Additional Unit Cost after increase (Rands p.m.p.p.) |
|--------------|---------------------------------|--|--|
| 1            | 2.0%                            | R 518                                    | R 175  |
| 2            | 2.0%                            | R 213 031                                | R 226  |
| 3            | 2.0%                            | R 235 524                                | R 281  |
| 4            | 2.0%                            | R 151 402                                | R 313  |
| 5            | 2.0%                            | R 962 434                                | R 390  |
| 6            | 2.0%                            | R 784 927                                | R 467  |
| 7            | 2.0%                            | R 2 299 272                              | R 607  |
| 8            | 2.0%                            | R 1 405 116                              | R 715  |
| 9            | 2.0%                            | R 1 050 935                              | R 865  |
| 10           | 2.0%                            | R 723 024                                | R 1 067  |
| 11           | 2.0%                            | R 533 445                                | R 1 211  |
| 12           | 2.0%                            | R 595 077                                | R 1 744  |
| <b>Total</b> | <b>2.0%</b>                     | <b>R 8 954 706</b>                       | <b>R 672</b>   |

### Current Cash Gratuity

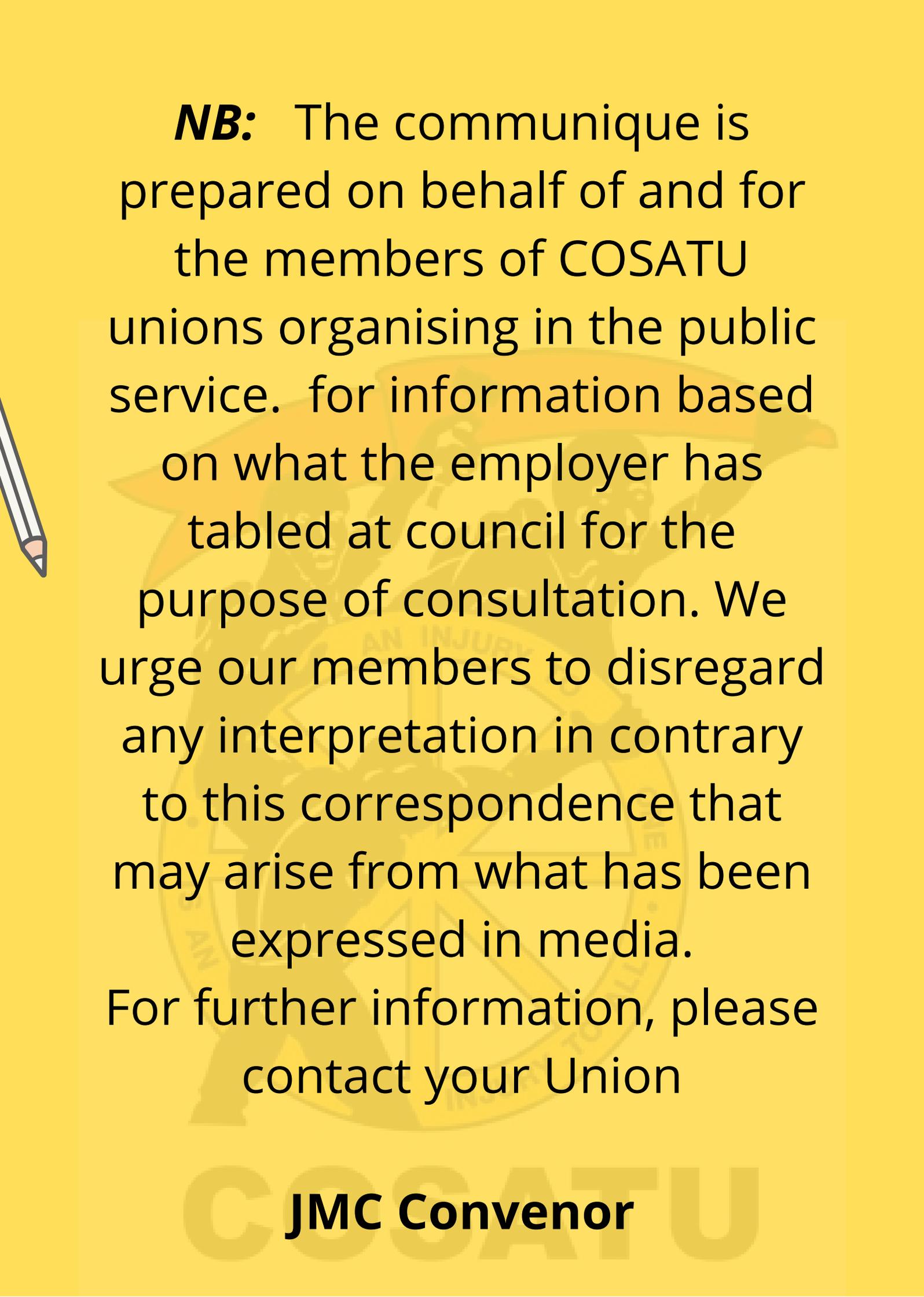
| Increase in COE expenditure (%) | Increase in COE expenditure (R'000 p.a.) | Non-pensionable distribution (Rands p.m.p.p.) | Total (Rands p.m.p.p.) |
|---------------------------------|--|---|------------------------|
| 13.9%                           | R 3 614                                  | R 1 220                                       | R 1 395                |
| 10.8%                           | R 1 149 402                              | R 1 220                                       | R 1 446                |
| 8.7%                            | R 1 023 298                              | R 1 220                                       | R 1 501                |
| 7.8%                            | R 589 587                                | R 1 220                                       | R 1 533                |
| 6.3%                            | R 3 008 204                              | R 1 220                                       | R 1 610                |
| 5.8%                            | R 2 270 960                              | R 1 352                                       | R 1 819                |
| 4.5%                            | R 5 135 337                              | R 1 352                                       | R 1 959                |
| 4.1%                            | R 2 848 263                              | R 1 450                                       | R 2 165                |
| 3.4%                            | R 1 761 767                              | R 1 450                                       | R 2 315                |
| 3.1%                            | R 1 111 612                              | R 1 640                                       | R 2 707                |
| 2.7%                            | R 722 628                                | R 1 640                                       | R 2 851                |
| 1.9%                            | R 578 263                                | R 1 695                                       | R 3 439                |
| <b>4.5%</b>                     | <b>R 20 202 935</b>                      | <b>R 1 390</b>                                | <b>R 2 062</b>         |

We are still negotiating with the employer and in the meeting of the 01st July 2022 we have advised the employer to source more funds as we are still at 6.5% from the 10% we started with.

Workers are expected to mandate their unions on either to accept the offer or to reject and furthermore, which of the following scenarios will be more suitable to them.

Engagements on the rest of our demands will find expression upon finalisation of the Cost-of-living-adjustment (COLA). Of great priority is the demand for the implementation and realisation of Government Employees Housing in which there is an undertaking to establish a government component as an implementing vehicle. We will be providing a roadmap toward such as we conclude this round of negotiations.

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***NB:*** The communique is prepared on behalf of and for the members of COSATU unions organising in the public service. for information based on what the employer has tabled at council for the purpose of consultation. We urge our members to disregard any interpretation in contrary to this correspondence that may arise from what has been expressed in media. For further information, please contact your Union

**JMC Convenor**



# More Information

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