



MEMBERS UPDATE: PUBLIC SERVICE COORDINATING BARGAINING COUNCIL 2025/26 PUBLIC SECTOR WAGE NEGOTIATIONS

REPORT 03 OF 2025

Following the previous report, a further special Public Service Coordinating Bargaining Council (PSCBC) meeting, to deal with the current round of negotiations, was held on 20 January 2025. At the previous meeting, the parties had reached agreement on all issues except for COLA (Cost of Living Adjustment).

To recap, the employer had tabled 5%, an increase from its previous offer of 4.7%. Organised labour tabled a revised demand of 6%.

During the proceedings of 20 January, the employer was informed by labour that after consulting with their constituents, the 5% percent COLA was rejected, and labour had a further mandate to try and negotiate something extra over the proposed Consumer Price Index (CPI) for the two outer years of the agreement.

The employer's position in respect of the two outer years, was that COLA cannot be seen in isolation. The offer of the employer is constituted by COLA, the term of the agreement and other the benefits that would form part of the package agreed to. It would be difficult to find funds to accommodate this demand without the state having

to borrow money to do so. In without prejudice discussions the employer suggested staying at 5% on COLA with a possible increase of 0.5% over CPI for the second year of the agreement. This was not acceptable by labour.

Labour expressed its disappointment about outer years and proposed that, in understanding the employer's position on the two outer years, and the relative positions of 5% and 6% on COLA of the employer and labour respectively, labour proposed that if the employer were in a position to meet halfway between the two positions, it could be an acceptable position to labour.

The employer then formally tabled an offer of 5.5% at Council, subject to the processes contained in the Constitution of Council. Labour as a collective of all eight admitted trade unions accepted the employer's position, subject to processes of Council.

WHAT DOES THIS MEAN?

This does not mean that agreement has been reached at this point. The employer will submit a draft agreement which will be signed by them. Council procedures then

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require that labour has twenty-one days to consider the draft agreement and obtain mandates. Once the majority of unions, based on their respective vote weights, have signed the draft, it becomes an agreement that must be implemented.

For the purposes of information, the final formal offer of the employer to be considered by labour is as follows:

COST OF LIVING ADJUSTMENT (COLA)

A 5.5% increase applicable to the 2025/2026 financial year. (Their previous offer was 5%);

Projected CPI for the 2026/2027 and 2027/2028 financial years (the 'outer years'). This offer is attached to a cap of 4% minimum adjustment should CPI be below 4 % and 6% should CPI be above 6%.

Date of implementation is 01 April 2025.

Organised labour accepts 5.5% subject to Council processes.

MEDICAL AID

The adjustment will be aligned to the Medical Price Index (MPI) for 2025/2026.

For the 2026/2027 and 2027/2028 years, the adjustment will be MPI plus 0.5%;

Hospersa will continue to engage the appropriate organisations/authorities regarding the exorbitant GEMS adjustment for 2025, which could include legal action.

HOUSING ALLOWANCE

The current base allowance of R1784.55 will increase to R1900.00 with effect from 1 April 2025;

A further adjustment of CPI will be implemented with effect from 1 July 2025;

This CPI adjustment will be implemented every following year in July;

Members will therefore, this year enjoy two upward adjustments of the Housing Allowance.

INDIVIDUAL LINKED SAVINGS FACILITY (ILSF)

The existing resolution (PSCBC resolution 7/2015) will be amended to now include employees who leave the public service through resignation or dismissal to receive the full value of their savings with effect from 1 April 2025.

DANGER ALLOWANCE

The current danger allowance will increase from R623.29 to R650.00 with effect from 1 April 2025;

A further increase of CPI will be implemented with effect from 1 July 2025

SPECIAL DANGER ALLOWANCE

The current special danger allowance will increase from R938.20 to R950.00 with effect from 1 April 2025;

This allowance will also attract a further CPI adjustment with effect from 1 July 2025.

SPECIAL ALLOWANCE FOR THE POLICE

The current allowance will increase from R700 to R950 with effect from 1 April 2025.



Why join Hospersa?

Individual indemnity cover of up to **two million rand** per member (exclusions apply)

Death benefit of **R5 846** for principal members after 6 months of membership

Professional legal assistance for labour-related issues at the CCMA and Labour Court

Collective bargaining **negotiating salaries** and other substantive conditions of employment.

Trained, democratically elected **shop stewards**.

Representation at **disciplinary hearings**, grievance procedures and incapacity processes

Representation on **various committees**, including Employment Equity and OHS

General Meetings with members

Bilateral **meetings with management**

Service provider benefits including **discounts on services** and stays at holiday resorts.