



PUBLIC SERVICE COORDINATING BARGAINING COUNCIL SPECIAL COUNCIL MEETING

REPORT 11 OF 2024

A Public Service Coordinating Bargaining Council (PSCBC) special council meeting was convened on the 08th of August 2024.

MINIMUM SERVICE LEVEL AGREEMENT (MSLA)

The Vice -Chairperson (Labour) indicated that organised labour didn't call for the special council meeting, the employer should lead the discussion on the MSLA.

The Employer responded that the rationale for tabling the item was that due to the time lapse from the previous council meeting, labour had indicated that it was still engaging on the matter internally.

The Employer further indicated that there had been no progress on the matter since the Employer tabled the draft framework agreement on the MSLA.

The Employer, thereafter, indicated that it would be writing a correspondence to the Essential Services Committee (ESC), to indicate to the ESC that discussions at the level of the PSCBC have been exhausted, for the ESC to therefore, invoke the law and make their own determinations regarding minimum services during strikes for essential services employees. VC (Labour) indicated that it noted the Employer's

submission, however, the understanding was that the ESC required progress reports bi-monthly from parties of the council on the negotiations pertaining to the MSLA. The ESC had further proposed in a previous council meeting, that wherein parties were unable to find each other, the PSCBC should invite the ESC to come and assist parties.

The VC (Labour) further indicated that organised labour does want to negotiate on the MSLA matter, as per Labour Relations Act, and that currently there is a Labour Working Group (LWG) which was doing the work on the matter, and that the LWG had already met with the ESC, regarding the draft MSLA agreement that the employer tabled.

Organised labour further stated that trade unions to the PSCBC have different mandates that they bring to the table regarding the draft MSLA, and it is therefore, a lot of work that needs to be done, and it was not correct for the Employer to want to rush the conclusion of the MSLA.

The Employer indicated that the bi-monthly progress reports as indicated by organised labour, was not a decision of the council. The OGS should extract the records of that meeting for confirmation of that decision to be affirmed.

12 AUGUST 2024

The VC Labour indicated that the employer had made its decision to write to the ESC, therefore there would be no need to extract records. However, the office of the ESC was not only open to the privy of the Employer, but that organised labour would also be writing a correspondence to the ESC indicating the Employer's arrogance on the matter.

Organised labour further indicated that post the Employer tabling a draft framework agreement, organised labour had sought information from the employer which to date had not been provided, so it cannot be correct for the Employer to continuously threaten organised labour.

Parties to the council, therefore deadlocked on the MSLA agenda item.

CHANGES IN ACTUARIAL RATES AND GEPF STATE OF READINESS: TWO- POT SYSTEM

The Government Employees Pension Fund (GEPF) tabled a presentation on its state of readiness for the implementation of the Two Pot system that is due for implementation on 01 September 2024. Rule change – accrual rates two component system: From 1

September 2024 any accrued benefits from their retirement fund will be split into a "Savings Component" and a "Retirement Component".

Organised labour raised concerns that the proposed amendments were not tabled at the level of the PSCBC for negotiations, and yet they were changes to the benefit of members. The changes to benefits for employees were therefore being changed, unilaterally, and those benefit amendments should have been negotiated and not consulted on, which is what the GEPF has failed to do. The actuarial calculations that were presented by the GEPF should have been done in negotiated processes with organised labour and not be simply communicated.

The GEPF responded that currently there is no finalisation in terms of legislative enactments, which had impacted on the implementation of the Two Pot system, in sight of the deadline of 01 September 2024. The valuator of the GEPF was responsible for the change in the rates for the benefits of members in terms of the changes that have been tabled. Employees will not be disadvantaged in any way in terms of the proposed changes in GEPF accrual rates (alignment with the law, and those who prefer a lower gratuity will still not be disadvantaged). 75%-25% split has changed to a 67%-33% split, without a negotiations process having unfolded regarding the benefit structure of our members.

Organised labour further stated that members should have been mandated on the changes in their benefit structures, which also did not happen. During the GEPF road shows members were not notified of the proposed changes in the accrual rates as at the time the legislative enactments had not been finalised yet.

The Employer responded that labour should refer it to the relevant law that requires parties to have negotiated on the change in accrual rates. The GEPF further alluded that member benefits are not being reduced by the change in accrual rates. The intentions of the legislative enactments were to allow for members to receive higher gratuities, however, members still have an option of receiving the same benefits as they would have prior to the implementation of the Two-Pot system. The concern that was raised by organised labour was that in essence, the GEPF did not follow the correct negotiations process to implement the proposed changes in the accrual rates. (Section 29 of the GEPF Act subsections 1-4, the provisions of which indicated that there was indeed a basis for the employer to have negotiated on the rate changes to member benefits).

Organised labour therefore proposed that the PSCBC should source an independent actuary in determining options for the rate changes in the GEPF member gratuity calculations.

Parties to the PSCBC should therefore reconvene between 19 to 23 August 2023 to deliberate on the matter, based on the outcome of the calculations by the independent actuary. By the End of August 2024 all trade unions should be sending out communications to their members with recommendations for members in terms of the gratuity split that has been proposed vis a vis the recommendations by the PSCBC independent actuary.

GEPF STATE OF READINESS – IMPLEMENTATION OF THE TWO-POT SYSTEM:

The GEPF provided an update in terms of the GEPFs state of readiness for the envisaged implementation of 01 September 2024. The GEPF indicated that its staff was being constantly trained on the envisaged system changes, that there is also a video on the GEPF website and its social media platforms, which is being used to make sure members understand what the two-pot system entailed come 01 September 2024, for those members who still are not sure. The GEPF has had communications via various radio stations discussing some of the impending changes.

The GEPF further indicated that it continued to publish material on its website, inclusive of newsletters discussing two-pot aspects which have been previously circulated to members. The GEPF indicated that it has taken all the necessary steps to ensure readiness for receiving and processing applications for savings

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withdrawals from 01 September 2024.

GEPF further indicated that the Pensions Law Amendment Bill process is currently underway.

Organised labour noted the state of readiness report that was provided by the GEPF and indicated that it would engage the GEPF report at a later stage, once the required work by the PSCBC has been finalised regarding the independent actuary's opinion in providing members with various options regarding the rate changes in the gratuity calculations.



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