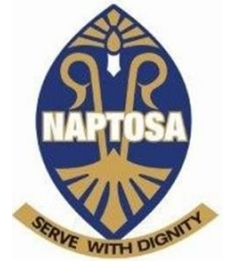


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SAVING ON LONG SERVICE AWARDS FOR THE PUBLIC SERVICE

An ominous trend seems to be developing in the public service with the State as Employer not effecting salary and benefit improvements when they are due.

First it was the salary improvements on 1 April 2020 that the employer failed to implement, forcing NAPTOSA and some of the other trade unions to the PSCBC to take legal action, and now they are not improving the cash awards for long service with effect from 1 April 2020.

According to the DPSA's circulars on long service awards since 2014 the awards are to increase for 20, 30- and 40-years continuous service by the average CPI for the period January to December of the previous year in terms of PSCBC Resolution 1 of 2012. In 2019 the average CPI was 4,1% meaning that the awards for the three milestone periods would only have increased by R 446.86, R 893.68 and R 1 191.62, respectively. Taking into account that the number of employees that annually qualify for long service awards, as a percentage of the total public service workforce, is probably negligible, it is unfathomable why the employer would decide not to improve the awards in 2020.

An absurd example of 100 000 employees qualifying for the 40 years long service awards would cost the employer R119m, which in public service financial terms is minor. Spread over the approximately 140 departments, it is clear that there could be no logical reason for the employer not activating the increase and actually believing that they are making a substantial saving.

The attempt by the Minister of Public Service and Administration at being subtle about the fact that the employer will not increase the award, is pitiful, saying that he has determined to retain and implement the cash awards of the previous year – no mention of the increase by the average CPI, as had been consistently done in the previous years' circulars. Why not tell employees to their face that the employer does not value their service?

So, what is the reason behind the employer's decision not to increase the long service awards? One can only guess, but it could be the employer's way of showing, in the ongoing court case on the non-implementation of the salary increase, how cash-strapped they allegedly are. If this is the case, or

even if there is another obscure reason, it is extremely short sighted, because in the process the employer is destroying the trust relationship with the unions.

The retained cash awards for long service from 2019 are as follows:

| EFFECTIVE DATE | YEARS CONTINUOUS SERVICE | AMOUNT |
|-----------------------|---------------------------------|---------------|
| 1 April 2020 | 20 years | R 10 899 |
| 1 April 2020 | 30 years | R 21 797 |
| 1 April 2020 | 40 years | R 29 064 |

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