



PSCBC UPDATE: GOVERNMENT EMPLOYEES HOUSING SCHEME

This bulletin update is meant to help further clarify the issues of housing allowance and housing scheme in the recently signed Resolution 2015

The initiative of a Government Employees Housing Scheme was conceptualized as a way of giving a realistic chance to public servants to own homes. The problems of access to home ownership are so deep for public servants that they have perpetuated the apartheid style super exploitation.

Housing is a key element in the generation of economic growth and development. The state of housing has had strong positive impact on the growth and development of the society.

To most workers including government employees, housing represents the largest single investment item of a lifetime. This holds true as family incomes increases and home ownership is viewed less and less as a shelter, and/or basis consumption and more as a key to a secure future.

Many developing countries including South Africa have learnt that the provisions of decent housing for all economically active citizens cannot be left to the play of market forces alone. For a long time in South Africa, the provisions of housing has been left to the play of the open market, and majority of families, including those headed and or supported by government employees go without decent homes, in well located land, within the framework of human settlements. The single biggest problem for public servants has been that their salaries are too high to get government

subsidies, including RDP houses, but earn too little to qualify for a normal bank mortgage. Labour Unions, representing all government employees are party to the Resolution 4 of 2010, Resolution 2 Of 2011 and Resolution1 of 2012 respectively.

In summary and Specifically to Home Ownership, Government as an employer and unions in the Public Sector Bargaining Council, have agreed the following:

The above mentioned resolutions committed parties to develop and present a comprehensive Government Employees Housing Scheme (GEHS) that ensures home ownership for all levels of employees within public service. The GEHS should assist employees by mobilizing Public Investments, including the Government Employees Pension Fund, (GEPF) in the scheme to access affordable housing, access housing finance. Parties have been engaged in negotiations for the past eight months to give effect to the resolution in realizing the objectives of developing the scheme.

Government Employees Housing Scheme Resolution 2015

Members of NEHAWU were regularly updated on the negotiations process regarding the scheme as well as the adjustment of salaries and conditions of service. The following is the update as of the 19th May 2015 when the wage negotiations were concluded:

- Parties have concluded a framework agreement aimed at developing and finalizing Government Employees Housing Scheme, they have agreed to establish a joint committee that will develop administrative and governance model of the scheme.

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- The Resolution is still circulating for signatures. It does not enjoy a majority status yet. The objective of this agreement will be to; introduce a Government Employees Housing Scheme (GEHS) to support, educate and advise employees on housing options and opportunities, enhance employees' access to affordable housing, promote home ownership and facilitate asset security among employees, assist employees to access affordable housing loans and finance, assist employees to rent houses with a view to buy and own homes and provide transitional arrangements towards the GEHS.
- Parties agreed on the adjustment of the housing allowance to R1200 for everybody, however for employees, who are currently not servicing bonds; they will only have access to R900 and the extra R300 will be put into a savings-linked scheme, which they will access once proof of home ownership is produced.
- The aim of the housing scheme is to encourage home ownership and to ensure workers do not use their entire housing allowance to supplement their salaries, but buy houses. Legally beneficiaries of benefits in the workplace are expected to provide proof that they own those assets, including cars, medical aid etc, if they cannot do so they forfeit them.
- If you are dismissed or resign you forfeit the savings. (this is important to understand because the money is intended to help you to buy a house unlike a pension fund were you withdraw your contribution)
- Parties could not find agreement on the extension of the housing allowance to both spouses if employed in public service. Unions feel that the clause is unconstitutional because it discriminates on marital grounds.
- We are therefore set to explore other avenues to challenge the above clause, including the possibility of a legal challenge. The disagreement is whether two married couples working for the government should both receive the allowance. The employer is of the view that only one should benefit and we believe that as a condition of service both should get the allowance. (this matter remains unresolved hence we considering other options to fight the matter
- All people residing in rural areas and communal land with title deeds or any i.e, a letter from the Chief, will get the R1200.
- All workers who own homes and are not repaying any bond and have produced proof to that effect will receive the full allowance.

For further clarity, please do not hesitate to contact our Regional Offices, Provincial Offices and Head Office.

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