



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

DHET HOUSING ALLOWANCE POLICY

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1. INTRODUCTION

1.1 Acronyms

| ACRONYMS | DEFINITION |
|----------|---|
| CET | Continuous Education and Training |
| CETC | Community Education and Training College |
| DHET | Department of Higher Education and Training |
| DPSA | Department of Public Service and Administration |
| HR | Human Resources |
| PSCBC | Public Service Co-ordinating Bargaining Council |
| PTO | Permission to Occupy State or Traditional Land |
| TVETC | Technical and Vocational Education and Training College |

1.2 Glossary of Terms

| TERMS | DEFINITION |
|--------------------------------|---|
| COLLEGE | A Public College including CET and TVET |
| DELEGATED AUTHORITY | A person that is authorised or delegated to appoint and accountable to approve payments for Acting Allowances |
| EMPLOYEE | A person appointed in terms of the Public Service Act, 1994 as amended, excluding an Independent Contractor, who works for another person or for the State and receives, or is entitled to receive remuneration |
| EMPLOYER | Department of Higher Education and Training |
| FIXED-TERM EMPLOYEE | Refers to contract/temporary employees, where the contract of employment has a definite start and end date |
| FREEHOLD/OUTRIGHT OWNERSHIP | Outright ownership of the property and land on which it stands. A freehold estate in land (as opposed to a Leasehold) is where the owner of the land has no time limit to his/her period of ownership |

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|--------------------------------|---|
| IMMEDIATE FAMILY MEMBER | <p>Immediate family in respect of an employee means the employee's:</p> <ul style="list-style-type: none"> • Spouse/Life Partner; • Dependent children (biological and adopted); and/or • Relatives who rely on the employee for the bulk of their subsistence |
| INDEPENDENT EMPLOYEE | <p>Employee with separate contracts of employment, who earn his/her own salary and is responsible for his/her own survival and well-being</p> |

1.3 Policy Statement

The Housing Allowance policy seeks to provide effect to the provisions of PSCBC Resolution 1 of 2012 and the CET Act, and to integrate all other relevant Resolutions on Housing into a single policy for the Department. It also provides a standardised framework for all eligible employees on how to access the Housing Allowance available to them.

1.4 Legislative Framework

- 1.4.1 Constitution of the Republic of South Africa, Act No. 108 of 1996
- 1.4.2 Public Service Act No. 103 of 1994, as amended
- 1.4.3 Labour Relations Act No. 66 of 1995, as amended
- 1.4.4 Basic Conditions of Employment Act No.75 of 1997, as amended
- 1.4.5 Employment Equity Act No. 55 of 1998, as amended
- 1.4.6 Public Finance Management Act No. 1 of 1999
- 1.4.7 Promotion of Access to Information Act No. 2 of 2000
- 1.4.8 Promotion of Administrative Justice Act No. 3 of 2000
- 1.4.9 Promotion of Equality and Prevention of Unfair Discrimination Act 4, 2000
- 1.4.10 Continuing Education and Training Act No. 16 of 2006, as amended
- 1.4.11 White Paper on Human Resources Management in the Public Service 1997
- 1.4.12 White Paper on Affirmative Action, 1998
- 1.4.13 Treasury Regulations, 2001

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- 1.4.14 Public Service Regulations, 2016
- 1.4.15 PSCBC Resolution 2 of 2004
- 1.4.16 PSCBC Resolution 1 of 2007
- 1.4.17 PSCBC Resolution 4 of 2010
- 1.4.18 PSCBC Resolution 1 of 2012
- 1.4.19 DPSA Determination on Housing, July 2012
- 1.4.20 DHET Delegations of Authority according to the Public Service Act 103 of 1994 and Public Service Regulations of 2016
- 1.4.21 DHET Labour Relations Manual

* Where this Policy and the Delegations of Authority of the DHET differ the Delegations shall take precedence.

1.5 Purpose

The purpose of this policy is to outline parameters for the implementation of the government Housing Scheme for eligible employees in order to assist them with their recurring (monthly) costs of their accommodation whether own or rented.

1.6 Objectives

To provide guidelines on the parameters for employees to access the Housing Allowance Scheme available for employees of the Department. The scheme also seeks to encourage home ownership amongst employees.

1.7 Principles

- 1.7.1 Fairness;
- 1.7.2 Transparency; and
- 1.7.3 Consistency.

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1.8 Scope of Application

This Policy applies to all employees on Salary Level 2 to 12, who are permanent or fixed-term employees for a period of six (6) months or more.

Any other employee appointed on a temporary basis for less than six (6) months will be paid an unstructured benefit of 37% in lieu of benefits, that includes medical aid, pension fund and housing (where applicable).

2. POLICY PROVISIONS

All employees will have access to the Housing Allowance on condition that they meet the requirements for such, whether such employees are renting or owning their property. It is the responsibility of the employee to provide all the necessary documents required for the application of the Housing Allowance as failure to do so will result in the allowance not being paid.

REQUIREMENTS FOR ACCESSING THE HOUSING ALLOWANCE

2.1 Eligibility for Employees

An employee appointed on a full-time basis i.e. permanent or on a fixed-term contract of six (6) months or longer, may receive a Housing Allowance if he/she meets the requirements regulating the payment of the said allowance.

The Housing Allowance shall be paid:

- 2.1.1** for one (1) home only;
- 2.1.2** for one (1) Spouse only if both Spouses are in the employment of the Public Service, unless for operational reasons they are stationed in different Magisterial Districts and occupy and maintain two separate homes; and
- 2.1.3** where a number of individual employees, with separate rental agreements, live in one house, each will qualify for an allowance.

2.2 Housing Tenure

An employee could either own (hereafter referred to as a home owner) or rent (hereafter referred to as a tenant) a home to qualify for the Housing Allowance, provided that he/she meets all the other qualifying requirements set out in this Policy.

2.3 Home Owner

2.3.1 An employee who wishes to access the Housing Allowance as a new home owner, must hold a bond/home loan:

- (a) with a registered bank or any other financial institution approved by the DHET; and
- (b) where the bond or rental repayments are to be paid via stop order on the employee's salary.

2.3.2 The home in respect of which the employee applies for a Housing Allowance, must be registered in his/her name, whether alone or with his/her spouse. For this purpose, the following tenure documents are recognised:

- (a) **Title Deed** - Ownership could be freehold or outright ownership and the title deed is obtained when the ownership of the home is transferred into the buyer's name by a conveyancer who prepares and submits the necessary documents to the Deeds Office, where the property is then formally registered in the buyer's name.
- (b) **Permission to Occupy State or Traditional Land** - This category is de facto ownership in areas under the jurisdiction of traditional authorities, mainly in rural areas. A person obtains the permission from the traditional authority to utilise an allocated stand to construct a home on that stand. This permission is granted by means of the

issuing of a PTO certificate. Different arrangements apply in the respective Provinces.

- (c) **Installment Sale Agreement** - This category is deferred ownership and through an instalment sale agreement in terms of which the ownership vests in the seller, until the purchaser has paid the final instalment to cover the value of the property.

- 2.3.3** If the property, PTO or rental agreement is in the name of the other spouse and not the employee who applies for the Housing Allowance, the employee may, if married in community of property submit the title deed, PTO or rental agreement respectively that is in the name of their spouse, together with a marriage certificate indicating that his/her marriage is in community of property, and if no such indication, a marriage certificate and an affidavit declaring that the marriage is in community of property.
- 2.3.4** A formal letter from the Municipality indicating ownership status is recognised for purposes of payment of the Housing Allowance.
- 2.3.5** Properties registered in the name of a company, trust or closed corporation are not recognised for purposes of the Housing Allowance.

2.4 Tenant

An employee applying for the Housing Allowance as a tenant must have a valid written rental agreement in his/her name for the home he/she is occupying.

- 2.4.1** Rental agreements related to the following circumstances are recognised for this purpose:
 - (a) Occupational rent as part of a purchase of a home;
 - (b) Renting from a private landlord;
 - (c) Renting from municipalities; and
 - (d) Renting from family/friend(s) on condition that it is a separate unit.
- 2.4.2** A non-rental agreement between an employee and his/her spouse, who is the only registered titleholder to the home, to rent the home or part of the

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home that the employee and his/her spouse is occupying, is not recognised for purposes of the Housing Allowance Scheme.

2.5 Occupancy of the Home

2.5.1 The employee or his/her immediate family must occupy the home, in respect of which the Housing Allowance is being paid for by the employer. In cases of employees who receive a Housing Allowance, except where an employee is transferred and/or for reasons beyond his/her control, temporarily cannot stay in his/her home, the employer shall provide a Housing Allowance only for a home in which an employee and/or his/her immediate family live for most of the year.

2.5.2 The occupancy requirement is waived in the case of an employee who:

- (a) has been referred abroad for official duties and who cannot occupy his/her home as a result thereof; or
- (b) is performing sessional duties in Cape Town and cannot occupy his/her home for the duration of the Parliamentary session; or
- (c) is compelled to occupy State Housing and cannot occupy his/her own home.

This means that these employees will still continue to receive their Housing Allowance, provided they meet the other requirements as set out in this Policy.

2.6 Location of the Home

The home in respect of which the employee receives the Housing Allowance must be located within the borders of South Africa.

2.7 Documentary Proof

An employee, who wishes to access the Housing Allowance Scheme, must submit the prescribed documentary proofs, (bond approval in terms of homeowner and

rental agreement of tenants) with his/her application for a Housing Allowance. Failure to do so or submitting incomplete/invalid documentation may result in the delay/refusal of the application.

2.8 Value of the Housing Allowance

2.8.1 The amount of the housing allowance paid to eligible employees is as follows:

- (a) Existing Homeowners: R1 200.
- (b) Homeowners with paid up bonds: Total housing allowance diverted.
- (c) Tenants R900 and the balance diverted.

2.8.2 Housing Allowance for employees who entered the Public Service after 27 May 2016:

- (a) R1 200 will be paid for all eligible employees.
- (b) Employees who are on total cost to employer package will not be eligible to receive the housing allowance.
- (c) Employees will be paid housing allowance if they own a house/repaying a home loan for the house in which they live in.
- (d) If employees don't own a house, full housing allowance will be diverted.

2.9 Validation of Eligibility for Housing Allowance

2.9.1 The decision whether to decline or approve an employee's application for a Housing Allowance is supported by a validation process which comprises the following two stages:

- (a) **Stage 1** - the documents are verified and the contents checked against certain significant features attributed to the documents to be submitted with the employee's application.
- (b) **Stage 2** - the cross checking of information across all the different documents including the application.

- 2.9.2** To give effect to this supporting process and to facilitate decision making, a Validation Sheet for Eligibility form has been prepared which could be attached to the application. "Annexure Q" (for homeowners) and "Annexure R" (for tenants) can be downloaded from the DPSA website: http://www.dpsa.gov.za/dpsa2g/documents/cos/2012/17_3_p_10_10_2012.pdf.
- 2.9.3** To expedite the decision-making process, the Delegated Authority is the only designated person to consider and approve an employee's applications for the Housing Allowance.

2.10 General Measures

- 2.10.1** An employee is obliged to inform HR each time in writing of any changes that affect his/her eligibility for the Housing Allowance.
- 2.10.2** If an employee sells his/her house or cancels his/her rental agreement, then the Housing Allowance should be stopped. The employee may then re-apply for a Housing Allowance for a new home or new rental agreement.
- 2.10.3** If an employee fails to inform the respective HR office of the changes affecting his/her eligibility for the Housing Allowance, then the Housing Allowance should be stopped and all the monies that have been overpaid be recovered by the employer and disciplinary action be instituted against such an employee.

2.11 Qualifying for and Termination of the Housing Allowance

- 2.11.1** An employee shall start to receive his/her Housing Allowance on the employee's pay date in the month of which he/she has submitted his/her signed application, including the correct documentary proof required.
- 2.11.2** The employee's Housing Allowance will stop on the employee's pay date in the month that he/she no longer meets the requirements of the Housing Allowance Scheme.

2.12 State and other Housing

Provisions of State and other housing apply if:

- 2.12.1** The employer deems it necessary for the employee to occupy specific housing e.g. College staff quarters.
- 2.12.2** The employer shall require an employee to live only in housing that can provide a healthy and safe environment for the employee, and/or his/her immediate family.
- 2.12.3** An employee who is compelled by the employer to occupy College housing and is in receipt of a Housing Allowance shall pay at least a monthly rental of at least R900 per month.
- 2.12.4** Any agreement that might be concluded between the employer and employee should ensure that it is not contrary to any of the provisions covered by the relevant Collective Agreements and Determinations on State and other housing.
- 2.12.5** Should the employer want an employee and/or his/her family to vacate the employer's premises, the employer should give the employee three (3) months written notice to vacate the premises.

3. FORMS AND DOCUMENTS

All the forms and documents required to facilitate the application, consideration and approval of a Housing Allowance can be obtained from employee's respective HR office or downloaded from the DPSA website: www.dpsa.co.za

4. DISPUTE RESOLUTION

Any dispute arising out of the interpretation and/or application of this Policy shall be dealt with in terms of the DHET Labour Relations Manual.

5. POLICY MONITORING

This Policy shall be monitored by the Directorate responsible for HRM.

6. POLICY REVIEW

The Policy shall be reviewed after every three years, unless changes in Legislation and Ministerial Directives dictate otherwise.

7. POLICY APPROVAL

Signed at Pretoria on this 12 day of MAY 20 19



Mr GF Qonde

Director-General: Department of Higher Education and Training