



# NAPTOSA

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## NATIONAL NEWS FLASH

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### ADJUSTMENT OF HOUSING ALLOWANCE: 1 JULY 2019

The DPSA announced on 30 July 2019 in the PSCBC that the housing allowance for qualifying employees will increase on 1 July 2019 by 4,65%, which is the average CPI for the past financial year (1 April 2018 – 31 March 2019).

The effect of the adjustment is that the housing allowance will increase from **R 1 336-22** to **R 1 398-35** per month.

Qualifying home-owners will receive the full amount, whereas employees who are eligible to receive the housing allowance, but do not own a house (i.e. who rent) will continue receiving R 900 per month as part of salary, whilst an amount of **R 498-35** per month (difference between the new housing allowance of R 1 398-35 and R900) will be diverted to the employee's individual-linked savings facility in the Government Employees Housing Scheme. Employees who joined the public service after 27 May 2015 and become eligible to receive the housing allowance, but do not own a house, will, however, have the whole housing allowance paid into the individual-linked savings facility.

Please remember that accumulated savings may be accessed from the savings facility for purposes of acquiring home ownership, building and/or improving a home acquired for ownership.

The adjustment to the housing allowance will be programmatically effected by PERSAL, most likely only in August 2019 (back dated to 1 July 2019).

**B.L. MANUEL**  
**EXECUTIVE DIRECTOR**