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**Department:  
Public Service and Administration  
REPUBLIC OF SOUTH AFRICA**

Private Bag X916, PRETORIA, 0001 Tel: (012) 336 1000, Fax (012) 326 7802  
Private Bag X9148, Cape Town, 8000. Tel: (021) 467 5120, Fax (021) 465 5484

Enquiries : Rene de Wit  
Tel : (012) 336 1009  
Ref : 17/9/P

**TO ALL HEADS OF NATIONAL AND PROVINCIAL DEPARTMENTS AND  
PROVINCIAL ADMINISTRATIONS**

**PSCBC RESOLUTION 7 OF 2015: WITHDRAWAL OF ACCUMULATED SAVINGS  
FROM THE GEHS INDIVIDUAL-LINKED SAVINGS FACILITY (ILSF)**

**A. INTRODUCTION**

1. Public Service Coordinating Bargaining Council (PSCBC) Resolution 7 of 2015 dated 27<sup>th</sup> May 2015 introduced a new Government Employees Housing Scheme (GEHS) to promote home ownership amongst public servants.
2. The objectives of the GEHS are as follows:
  - 2.1. To introduce a Government Employees Housing Scheme (GEHS) in terms of Clause 4.2 of the PSCBC Resolution 4 of 2010, Clause 3.3 of PSCBC Resolution 2 of 2011 and of Clause 19 of PSCBC Resolution 1 of 2012;
  - 2.2. To support, educate and advise employees on housing options and opportunities;
  - 2.3. To enhance employees' access to affordable housing;
  - 2.4. To promote home ownership and facilitate asset security among employees;
  - 2.5. To assist employees to access affordable housing loans and finance;
  - 2.6. To assist employees to rent houses with a view to buy and own homes; and
  - 2.7. To provide transitional arrangements towards the GEHS.
3. In terms of Clause 4.1.4 of the PSCBC Resolution 7 of 2015 it is mandatory for all employees to enrol with the GEHS if they wish to use the services offered through the GEHS. Employees may enrol in one of the following ways:
  - 3.1. Enrol on-line on [www.gehs.gov.za](http://www.gehs.gov.za); or
  - 3.2. Enrol by calling the Enrolment Call Centre at 0861 12 34 34; or
  - 3.3. The Human Resources (HR) units in Departments may also compile a list of employees' cell numbers and email it to [gehs@dpsa.gov.za](mailto:gehs@dpsa.gov.za). A call centre agent will call the employee to telephonically enrol the employee

Staatsdiens en Administrasie . Ditirelo tsa Fuso le Tsamaiso . Dinthebeliso tsa Mmuso le Tsamaiso . uMnyango wemiSebenzi kaHulumeni nokuPhata

Muhasho wa Tabumelo ya Muvuso na Vhulanguli . Kgoro ya Ditirelo tsa Mmufo . Ndzawulo ya Vutirela-Mfumo na Vakwuri

LiTiko le Tebasebenti baHulumende nokuPhata . ISebe leNkonzo kaRhulumente noLawulo . UmNyango wemiSebenzi kaRhulumente nokuPhata

4. **The ILSF is established in terms of Clause 4.5.6 of the said Resolution and shall be used to accumulate savings for the following employees:**
  - 4.1. **All employees who are eligible to receive the housing allowance but do not own a house shall continue to receive R900 per month. The difference between the total housing allowance and the R900 shall be diverted into and accumulated in an Individual-Linked Savings Facility (ILSF).**
  - 4.2. **New employees entering the public service on or after 27 May 2015 can become eligible to receive the housing allowance if they are home-owners. If they have a rental agreement the full housing allowance will be diverted and accumulated into the ILSF**
5. **A home-owner is:**
  - 5.1. **An employee with registered title over a residential property with a mortgage bond or home loan; or**
  - 5.2. **An employee with registered title over a residential property without a mortgage bond or home loan; or**
  - 5.3. **An employee residing on communal land with a valid permission to occupy (PTO) certificate shall be deemed to be a home owner; and**
  - 5.4. **An employee and/or his/her immediate family who/that is/are occupying the home in question.**
6. **The main features of the ILSF are as follows:**
  - 6.1. **The ILSF is administered by the GEHS Office including all liaison;**
  - 6.2. **Saved funds earn interest;**
  - 6.3. **Employees' salary advice will show the monthly deposits to the ILSF;**
  - 6.4. **Tax deduction is deferred until withdrawal of funds, as per a SARS directive;**
  - 6.5. **Applications for withdrawal must be submitted to HR Units in Departments;**
  - 6.6. **The ILSF will be audited annually.**

**B. ILSF WITHDRAWAL CONDITIONS**

7. **In terms of clause 4.5.6.5 of the said Resolution the full value of the accumulated savings can be withdrawn only in the event that:**
  - 7.1. **An employee becomes a home-owner; or**
  - 7.2. **An employee passed on; or**
  - 7.3. **An employee retires or is medically boarded.**
8. **The full value of the accumulated savings can also be withdrawn when the employee's contract expires and the contract will not be renewed. A waiting period of 3 months will be applied for contract employees to allow for a contract renewal, in which case the accumulated savings will remain in the ILSF until the contract is renewed.**

9. In the event that:
- 9.1. the employee is promoted from salary levels 1-10 to MMS or SMS;  
*and/or*
  - 9.2. the employee's appointment status changes from –
    - i. contract to permanent; or
    - ii. permanent to contract
- the full value of the accumulated savings will remain in the ILSF, until he or she can withdraw the savings in terms of paragraph 7 above.
10. In terms of clause 4.5.6.5.3 of the said Resolution the full value of the accumulated savings will be forfeited in the event of resignation and dismissal.

**C. PROCESSING WITHDRAWALS FROM THE ILSF**

11. The employees must complete and sign the GEHS: ILSF withdrawal application form and submit together with required documentary proof (herewith attached) to HR.
12. The Human Resources (HR) section of each Department
- 12.1. Receives and signs acknowledgement of receipt of the GEHS: ILSF withdrawal application form and the required documentation from the employee;
  - 12.2. Verifies the correctness and completeness of the submitted withdrawal application form and the required documentation:
    - i. For an employee acquiring home ownership - a certified copy of the Title Deed; or certified copy of PTO certificate; or home loan statement from the relevant financial institution; and
    - ii. If an employee requires his or her savings as deposit toward purchasing a home - a copy of the letter from the transferring attorney confirming the purchase of the house;
    - iii. For retirement or medically boarded - a certified copy of employee's letter/request to retire/departments letter or medical boarding discharge form;
    - iv. For death - a certified copy of the employee's death certificate and certified copy of employee's signed nomination of beneficiary form and bank-stamped account details if the account is different from the employee's salary account;
    - v. For a contract that expired (for contract employees) - certified copy of a letter from the department confirming end of contract and non-renewal thereof;
  - 12.3. HR completes all required fields and options to comply with the on- screen validation rules of the PERSAL function.

13. The HR section in each Department must file the completed ILSF withdrawal application together with the documentary proof and attachments as well as the printout of enrolment confirmation form from the GEHS website and safeguard them on the employee's personnel file.

**D. PROCESSING GEHS HOUSING ALLOWANCE: ERRORS ENCOUNTERED**

14. New PERSAL codes were created (refer to PERSAL Notice number 337) to support the implementation of the GEHS housing allowance as follows:

<b>Old Housing Allowance Code</b>	<b>New GEHS Housing Allowance Code</b>	<b>Implications – PERSAL Notice number 337</b>
<b>Homeowner</b>	<b>Homeowner</b>	<b>Homeowner</b>
0543 0544 0545 0546	0664	Housing allowance; Home-owner - 0664 The old allowance code must be terminated at function 5.3.13 "Housing Allowances" and the new allowance code must be instated at function 5.3.13. This can only be done from the current open salary month and not backdated.
<b>Rental</b>	<b>Rental</b>	<b>Rental</b>
0547	0547	
	<b>Allowance Code: GEHS Individual Save</b>	Housing Allowance to save R300 into the ILSF will be paid against the non-taxable code 0666 "GEHS Individual save"
	0666	An equal amount of R300 will also be deducted against deduction code 0270 "GEHS Individual Save" which will then be paid over to the GEHS ILSF
	<b>Deduction Code: GEHS Individual Save</b>	New appointment from 27 May 2015 onwards will not receive housing allowance if they are renting but the total value of R1200 pm will be diverted into the GEHS:ILSF against allowance code 0666 and a deduction code of 0270
	0270	

The arrears payment to homeowners for the period 1 July 2015 up to date must be advised against allowance code 0136 "Housing Allowance – Arrears" at function 5.3.13


Please note that only employees in possession of a valid rental contract are entitled to the R1200pm savings towards the GEHS: ILSF. A new option was added at function 5.3.13 "Housing allowance" namely "GEHS Savings" to enable users to instate the savings amount of R1200 for employees appointed on 27 May 2015 and onwards.

15. During the implementation of the GEHS Housing Allowance, the following errors were identified:

Errors	Required Action by HR for both (a) and (b) errors mentioned in paragraph 17 of this circular
<p><b>a. Non-payment of back pay (arrears) for homeowners who were tenants but who did not update their status with HR prior to the 1<sup>st</sup> July 2015:</b> The arrears payment for employees who did not update their home- ownership status (tenant to home-owner) while still on the old housing allowance code <i>where</i> the rental allowance code had an end date <i>and</i> the employee was actually a home-owner from 1<sup>st</sup> July 2015 and the R1200-00 home-owner allowance was only given to the employee from the GEHS homeowner allowance start date. <i>The back pay therefore remains in the budget of the department.</i></p>	<p>i. During the implementation of the new GEHS validations in April 2016, data was extracted of all rental allowances that were terminated or reached the end date for the period 1<sup>st</sup> July 2015 to 15<sup>th</sup> March 2016.</p> <p>ii. Data was also extracted of any arrears payments that were instated for these employees against housing allowance arrears code 0136.</p> <p>iii. PERSAL sent 2 spread sheets for your information and possible further action where required</p> <p>iv. The one spread sheet displays all rental allowances (code 0547) that were terminated/reached the end date from 1/7/2015 – 15/3/2016.</p> <p>v. The other spread sheet is all arrears payments that were captured against allowance code 0136 for the period</p>
<p><b>b. Rental Allowance with a start date after the end date of the rental contract:</b> The arrears ILSF savings portion for employees who rent where the rental allowance code had an end date between 1/7/2015 – 15/3/2016 and the new rental allowance code was instated with a start date after the end date. The ILSF was only instated from the new start date. <i>The back dated savings portion from 1/7/2015 to the end date is still in the budget of the department.</i></p>	<p>vi. Departments are required to check both spread sheets that were sent to the Persal controllers in the department to determine any outstanding payments that are still due to employees.</p> <p>vii. Please refer to PERSAL notice number 337 for detail regarding the new functionality.</p>

**E. EFFECTIVE ADMINISTRATION**

16. PERSAL has been configured with the different withdrawal reasons and drop down list of all relevant documents per withdrawal reason as indicated in paragraph 12.2:
- 16.1. Acquired home-ownership
  - 16.2. Savings required as deposit towards purchasing a home
  - 16.3. Retirement or medically boarded
  - 16.4. Death
  - 16.5. Contract expired
17. Once HR has completed all required information on the new PERSAL function, PERSAL will initiate the withdrawal automatically between PERSAL and the GEHS Fund Manager to deposit/transfer the accumulated savings to the employee's salary account.
18. For withdrawals where reasons 16.1 and 16.2 are indicated, PERSAL will programmatically terminate the rental allowance code (Allowance code 0547) as well as the deposits to the ILSF facility (Allowance code 0666 and deduction code 0270) and instate the home-owners allowance code (Allowance code 0664).
19. All deposits/transfers will be affected to the individual employee via the PERSAL system (except for reason "Death" where it will be routed to the chosen beneficiaries as captured on the PERSAL system).
20. To minimize interpretation and application disputes, all National and Provincial Departments and Provincial Administrations are required to ensure that the contents of this Circular have been brought to the attention of all employees.

  
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DIRECTOR-GENERAL  
DATE: 21/09/2016



### GOVERNMENT EMPLOYEES HOUSING SCHEME: INDIVIDUAL-LINKED SAVINGS FACILITY (GEHS: ILSF) EMPLOYEE WITHDRAWAL APPLICATION FORM

**INSTRUCTIONS**

- 1 Ensure that you are enrolled with the GEHS (Enrolment Call Centre: 0861 12 34 34)
- 2 Employees who qualify to withdraw from the GEHS: ILSF should complete this application form.
- 3 The full value of the accumulated savings, subject to interest earned and applicable tax, can be withdrawn **only** in the event that:
  - 3.1 the employee becomes a home-owner; or
  - 3.2 the employee passed on;
  - 3.3 the employee retires or is medically boarded; or
  - 3.4 the employee's contract expire
  - 3.5 transfer in terms of Section 197 of the Labour Relations Act (LRA)
- 4 Complete and tick the boxes that apply to you.
- 5 Ensure that you have completed and signed the application form.
- 6 Attached all the required documents since lacking information may delay the finalisation of your application.
- 7 If you experience difficulty to complete this application form, please do not hesitate to contact your personnel office for assistance.

SECTION A: GEHS ENROLMENT			For Official Use	
Are you enrolled with the GEHS?	Yes	No	Yes	No
Printout of GEHS enrolment confirmation form attached	Yes	No	Yes	No

**SECTION B: PERSONAL DETAILS**

**EMPLOYEE'S DETAILS**

Surname		Initials	
Department		Component	
ID no			
PERSAL No			
Contact No	Work		
	Home		
	Cell		

**SPOUSE'S DETAILS**

Surname		Initials	
ID No			
Employer			
Work address			

Contact No	Work		
	Home		
	Cell		

<b>SECTION C: WITHDRAWAL REASON</b>					<b>For official use</b>		
Reference code	Reason to withdraw GEHS: ILSF savings is-	Tick the applicable box	Proof to be attached to this application form	Tick the applicable box if proof is attached		Proof is attached	
				Yes	No	Yes	No
ILSF 1	Retirement or Medically Boarded		Certified copy of employee's letter/request to retire/ Departments letter <b>OR</b>				
			Certified copy of medical boarding discharge form				
ILSF 2	Death		Certified copy of death certificate <b>AND</b>				
			Certified copy of employee's signed nomination of beneficiary form <b>AND</b>				
			Bank-stamped account details if the account is different from the employee's salary account				
ILSF 3	End of contract (for contract employees)		Certified copy of letter from Department confirming end of contract and non-renewal thereof				
ILSF 4	Acquired home ownership		Certified copy of Title Deed; <b>OR</b>				
			Certified copy of PTO certificate; <b>OR</b>				
			Home loan statement from financial institution.				
ILSF 5	Savings required as deposit towards purchasing a home		Original Letter from the Transferring Attorney / a copy of the letter from the Transferring Attorney confirming the purchase of the house				
ILSF 6	Transfer to Sec 197 of the LRA		Certified copy of the transfer agreement				



SECTION D: DETAILS OF PROPERTY ACQUIRED FOR HOME OWNERSHIP							
Date of Occupancy							
The full residential address of the home is:	Province:						
	Municipality:						
	Town:						
	Suburb/Village:						
	Street Name & Number Unit Name:						
		Municipality:					
The home is/ is to be occupied by-	Tick the applicable box	Indicate the number	Proof to be attached to this application form	Tick the applicable box if attached		For Official Use	
				Yes	No	Yes	No
Myself			A sworn affidavit				
My spouse							
My dependants							
My spouse & dependants							

SECTION E: CONFIRMATION, ACKNOWLEDGEMENT, UNDERTAKING AND DECLARATION	
<p>I the undersigned-</p> <p>(a) Confirm that the information in this application form is accurate and complete;</p> <p>(b) Confirm that by completing this withdraw form I give my consent and permission to the GEHS to verify, profile and cross check my information against other sources;</p> <p>(c) Acknowledge that I could be disqualified from the accessing the accumulated Housing Allowance savings and interest earned thereon should the information provided be false and/or inaccurate in which event the employer may institute disciplinary action and/or lay criminal charges against me; and</p> <p>(d) Undertake to inform the employer should there be any changes in my circumstance.</p>	
Employee (or nominated Beneficiary ) Signature	Date

SECTION F: ACKNOWLEDGEMENT OF RECEIPT	
<p>I the undersigned acknowledge that I received the completed application form from the above employee to withdraw the accumulated GEHS savings, subject to interest earned and applicable tax thereon.</p>	
Human Recourse Section Head or delegated authority Signature	Date

**FOR OFFICIAL USE ONLY**

Employee PERSAL/Persol No																				
Employee name(s) and surname																				
Employee Identity document number																				

Employee qualifies to withdraw GEHS: ILSF savings	ILSF 1	ILSF 2	ILSF 3	ILSF 4	ILSF 5	ILSF6	Do not comply
The home is occupied according to the requirements in the Determination on Housing(in the case of new home-owners)	Yes		No		Do not comply		
GEHS ILSF payment to be made to	Employees salary account		Nominated Beneficiary		Do not comply		

Signature of official authorised to approve the withdrawal from the GEHS ILSF	
Name in print	
Designation	
Date	
Capture on PERSAL	