

PSC CIRCULAR

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PSC Circular No: 43/2007

TO: Permanent Secretaries and
Heads of Departments

Date: 14/11/2007

Subject: 1% RESTORATION OF SALARIES
AND WAGES FOR GOVERNMENT EMPLOYEES

File: C29/167/35

1.0 INTRODUCTION

- 1.1 The Government, in its effort to protect its finances and fiscal stability, had reduced salaries and wages by 5% across the board as an austerity measure towards economic recovery.
- 1.2 Given Government's financial/economic situation, the 5% reduction in salaries and wages was necessary, as salaries and wages are by far the largest single component of Government's expenditure making up over 40% of Government's operating budget.
- 1.3 Cabinet at its meeting of 9th October 2007 vide Cabinet Decision No: 447 of 2007 had deliberated on the restoration of the 5% pay cut and agreed to a partial restoration of 1% to be made on Pay No: 26 of 2007 and backdated to Pay No: 5 of 2007.

2.0 APPLICATION

- 2.1 The provision of the restoration of salaries and wages will apply to all the government employees, and also including the Police, Military, Prison and Forest Guard personnel.
- 2.2 The Permanent Secretary for the Prime Minister's Office, Home Affairs & Immigration and Information is requested to where necessary and appropriate, make amendments to the relevant regulations to effect the 1% restoration of pay for those in the disciplined services.
- 2.3 Specifically, the restoration of salaries will apply to:-
 - (a) Permanent Officers including those on probation;
 - (b) Officers serving local contract terms;
 - (c) Temporary officers including temporary relievers; and
 - (d) All Government Wage Earners.
- 2.4 Appendix A, lists the 1% restoration of salaries for the Established Officers while Appendix B lists the overtime rates for the Established Officers; Appendix C lists the amendments to the General Orders and Appendix D lists the 1% wages restoration for Government Wage Earners along with its overtime rates.

3.0 NOT APPLICABLE

- 3.1 The restoration of salaries, however, will not apply to offices whose salaries are determined under the *Judges Remuneration and Emoluments Act* and the *Prescription of Salaries Act*.
- 3.2 It will also not apply to expatriate officers on Staff Supplementation Scheme and those serving on contract terms.

- 3.3 Those officers identified at paragraph 3.1 and 3.2 above were not subjected to the 5% salary reduction.
- 3.4 The restoration of salaries and wages will also not apply to those officers and employees who are deemed to have resigned or absconded after **Pay No: 5 and Pay No: 10 of 2007**.
- 4.0 PAYMENTS**
- 4.1 The 1% restoration of salaries and wages will be made to all eligible officers and employees on Pay No: 26 of 2007, due on 20/12/07 for established officers and Pay No: 52 of 2007 due on 24/12/07 for government wage earners respectively.
- 5.0 ALLOWANCES**
- 5.1 All deductions linked to salaries and wages including rent on Government Quarters and PSC Scholarship should be adjusted to the revised salaries and wages level with effect from Pay No: 26 of 2007 for Established Officers and Pay No: 52 of 2007 for Government Wage Earners.
- 5.2 All allowances linked to salaries and wages shall continue to be paid but will be based on the revised salaries and wages level with effect from Pay No: 26 and Pay No: 52 of 2007 respectively.
- 6.0 OVERTIME RATES**
- 6.1 The revised overtime rates for Established Officers are provided in **Appendix B** whilst the overtime rates for Government Wage Earners are provided in **Appendix D** with the revised wages schedule.
- 7.0 PENSION**
- 7.1 Since the 5% salary reduction did not affect the computation of pensions for eligible Established Officers retiring from the Service on or after March 08th 2007, the 1% restoration shall not affect their salaries and wages in any way.
- 8.0 AMENDMENTS TO GENERAL ORDERS**
- 8.1 The amendments to the General Orders necessitated by this 1% restoration are set out in **Appendix C** to this Circular.
- 9.0 CLARIFICATIONS**
- 9.1 Addressees are to ensure that all Officers and Government Wage Earners cadre are paid the correct rates as stipulated in the attached schedules.
- 9.2 Any clarification required may be sought and obtained from Mrs. Losana Ravuso, Acting Director, Employee Relations Division, Public Service Commission, on email lravuso@psc.gov.fj or telephone 3314588 ext 407.



Taina Tagicakibau
**Permanent Secretary for the Public Service, Public Enterprises
and Public Sector Reform**