



**NATIONAL TREASURY
REPUBLIC OF SOUTH AFRICA**

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ALL ACCOUNTING OFFICERS AND CHIEF FINANCIAL OFFICERS

OFFICE OF THE ACCOUNTANT-GENERAL PRACTICE NOTE 8 OF 2001

**RECLAIMS ON PERSAL IN RESPECT OF INSURANCE PREMIUMS
DEDUCTED FROM SALARIES**

1. It would appear that service terminations are not advised timeously on PERSAL. The delay in some cases is several months after the service has been terminated. Consequently the employees' salary payments as well as deductions in respect of various outside institutions continue to be processed until such time as the service termination is advised or the salary payment is terminated on PERSAL. The entire pay slip (Gross and deductions) have to be reversed to correctly reflect the expenditure.
2. PERSAL allows the reversal of insurance premiums for a maximum period of three months. Consequently, premiums in excess of three months cannot be recovered from insurance-institutions in this manner and a debt is created. If the debt cannot be recovered from the individual, it results in a loss to the state.
3. PERSAL has therefore been amended with effect from 1 April 2001 to allow departments/provincial administrations to be able to reverse insurance premiums for the full period for which salaries are reversed due to a maximum of 12 months, resulting in premium recovery from the insurance company.

4. Departments and Provincial Administrations are requested to process terminations of service as soon as possible on PERSAL to avoid the reversal of salaries over extended periods.

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ACCOUNTANT-GENERAL

11 May 2001