



Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002 | Tel: +27 12 315 5111

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TO ALL : MEMBERS OF THE EXECUTIVE
: ACCOUNTING OFFICERS OF DEPARTMENTS
: CHIEF FINANCIAL OFFICERS OF DEPARTMENTS
: HEAD OFFICIALS OF PROVINCIAL TREASURIES

NATIONAL TREASURY CIRCULAR 04 OF 2025/2026

SPECIAL EXIT GRATUITY FOR ELIGIBLE POLITICAL OFFICE BEARER

PURPOSE

- 1.1 The purpose of this circular is to advise departments on the treatment of member exits and payment of Special Exit Gratuity (SEG) claims when an eligible member of the Political Office Bearers Pension Fund (POBPF) leaves office and ceases to be a contributory member of the POBPF.
- 1.2 The SEG originates from Proclamation No. 48 of 2016 which provides for the payment of an additional gratuity in certain circumstances to members of the National Assembly, Permanent Delegates to the National Council of Provinces, the Deputy President, Ministers and Deputy Ministers, Premiers and Members of Executive Council and members of Provincial Legislatures. The terms and conditions on the payment of the gratuity are set out in the Proclamation and its Schedule.

ELIGIBILITY

- 2.1 Eligible members are those who were contributory members of the POBPF on 29 February 2016 or who became members after that date but prior to the date of the 2019 National Election.
- 2.2 Eligible members are deemed to leave office when their service as Members of Parliament or Members of provincial Legislature ceases.

- 2.3 Members who move between positions, e.g. from a Provincial Legislature to Parliament, without any break in service are not deemed to have left office.

CLARIFICATION ON PROCEDURE TO FOLLOW

- 3.1 The SEG is not a POBPF benefit. It was established by Presidential Proclamation 48 of 21 July 2016 and falls outside the Rules of the Fund. The SEG is not the same as the Loss-of-office Gratuity although they are both benefits that become payable when the political office-bearer leaves office.
- 3.2 The SEG must be paid by the last department or institution where the political office-bearer served. The SEG claims must be paid through the existing budget allocation of the relevant department or institution.
- 3.3 Departments are advised to perform audits to identify political office-bearers who were eligible for the SEG but did not claim the benefit when they left office; and those who are eligible and have not yet received the SEG because they have been in continuous service since prior to the 2019 National Election.

INTERPRETATION AND DIRECTION ON PAYMENT OF SEG CLAIMS

- 4.1 Departments are advised to process and pay SEG claims as outlined below:
- 4.1.1 **Member of the National Assembly and permanent delegate:** The gratuity determined in terms of section 3(1) of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998 – ‘the Act’), for these members and delegates, constitutes an allowance, envisaged in section 3(1) of the Act and sections 58(3) and 71(3) of the Constitution. Therefore, the gratuity is a direct charge against the National Revenue Fund (“NRF”) as required by sections 58(3) of the Constitution.
- 4.1.2 **Deputy President:** Section 4(6)(a) of the Act provides that the salaries and allowances of the Deputy President form a charge against the NRF, and the provisions of this subsection shall be deemed to be an appropriation of every such amount. Therefore, the gratuity determined in terms of section 6(1) of the Act, for the Deputy President, is a direct charge against the NRF.

- 4.1.3 **Minister and Deputy Minister:** According to section 4(6)(b) of the Act, the salaries and allowances of Ministers and Deputy Ministers are paid from monies appropriated by Parliament for that purpose. Therefore, the gratuity is not a direct charge against the NRF for Ministers and Deputy Ministers. The cost of paying the gratuity claims must be met through departmental baseline allocations of the department at which the public office-bearer was last serving.
- 4.1.4 **Premier and Member of the Executive Council:** Section 6(8)(a) of the Act provides that the amount payable in respect of salaries and allowances in respect of a Premier or a member of the Executive Council be paid from monies appropriated by the provincial legislature concerned for that purpose. The gratuity determined in terms of section 6(1) of the Act, is not a direct charge against the NRF for the Premier or a member of the Executive Council. It requires the gratuity to be paid from funds appropriated by each Provincial Legislature.
- 4.1.5 **Other Members of the Provincial Legislature:** Section 6(8)(b) provides that the amount payable in respect of salaries and allowances shall in respect of other members of the provincial legislature (i.e. not the Premier and members of the Executive Council) annually form a direct charge against the Provincial Revenue Fund concerned as provided for by section 117(3) of the Constitution. As such, the gratuity determined in terms of section 6(1) of the Act, is a direct charge against the Provincial Revenue Fund, for the members of the provincial legislature.
- 4.2 Where a department is unable to immediately pay the claim through available funds in the baseline allocation, it must reprioritise its budget and include such cost in the normal budgetary processes.

APPLICABILITY

- 5.1 This circular applies to all national and provincial departments.

AUTHORITY AND EFFECTIVE DATE

- 6.1 This circular applies retrospectively as it seeks to clarify the practice that departments must follow to implement provisions of Proclamation No. 48 of 2016. This is in line with the requirements of the Remuneration of Public Office Bearers Act, 1998 and the Constitution as outline in Section 4 above.

DISSEMINATION OF INFORMATION

Accounting officers of departments are requested to bring the contents of this Treasury circular to the attention of relevant:

- 7.1.1 Members of the Executive.
- 7.1.2 Accounting Officers.
- 7.1.3 Chief Financial Officers.

Head officials of Provincial Treasuries are requested to bring the contents of this Treasury circular to the attention of provincial departments in their respective provinces.

CONTACT INFORMATION

Enquiries related to this Treasury circular may be directed to:

Mr. Phopho Thwala

Designation: Director: Civil Pensions, Medical and Other Benefits Analysis

Budget Office

Phone: (012) 395 6578

Email: Phopho.Thwala@Treasury.gov.za



DR. DUNCAN PIETERSE

DIRECTOR-GENERAL

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