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TO	DEPUTY DIRECTORS-GENERAL CHIEF DIRECTORS DISTRICT MANAGERS CHIEF EXECUTIVE OFFICERS SENIOR MANAGERS: HRM MANAGERS: HRM MANAGERS: FINANCE ECDOH EMPLOYEES
FROM	HEAD OF DEPARTMENT
DATE	28th JANUARY 2025
SUBJECT	PAYMENT OF OVERTIME WORKED FOR THIS PERIOD DECEMBER 2024 TO MARCH 2025

Departmental Circular No. xx of 2025

1. This circular aims to bring to the attention of management and staff, the decisions on the payment of overtime to staff for the period December 2024 to March 2025.
2. With the staff component of 47,087 employees on its payroll as at 31 December 2024, and budget cuts contributing to an under-funded mandate, the department is facing a significant challenge of meeting all of its obligations within the Cost of Employees (COE) budget of R20,011 billion. This is specifically true of paying overtime and Performance Management and Development System (PMDS) to our employees, on time.
3. We have tightened our monitoring and management of COE spending against our COE Modelling and anticipate further reduction in the projected over-expenditure on COE by financial year end, as we continue to adhere to the interventions. There remains, though, a projected over-expenditure of COE by end of March 2025.

4. In addition, the department is having Accruals and Payables of R5,375 billion as at 31 December 2024 – this is related, in the main, to historic medico-legal settlements. We are pleased that the integrated medico-legal strategy has seen a significant reduction in new claims against the Department and a significant reduction in payments in settlement of historic claims against the State.
5. There is an intervention with the Office of the Premier, Provincial Treasury and the National Department of Health that includes means to begin addressing the historic debt; however, in the meantime, the Department is finding it increasingly difficult to pay all of its core business suppliers for non-negotiables such as NHLS, Afrox, SANBS, medicines and medical supplies- payment arrangements have had to be made with most of these suppliers.
6. There are other creditors, such as municipal services, security services, facilities maintenance services and telecommunications services, for which payment arrangements have also had to be made. These efforts aim to promote continuity of health services to our communities.
7. Similarly, the Department recognizes that the overtime worked by our employees up to the end of December 2024, ensured continuity of services and is monies due to our employees.
8. At the same time, we have an obligation to pay the basic salaries of all staff, up to the end of the financial year, within the Departmental funding envelopes.
9. To ensure that basic salaries are paid to employees between now and March 2025, from the available budget for COE, securing jobs; and to balance that responsibility against the overtime worked by our employees, management has had to take the following decisions:
 - a. **Overtime worked up to the end of December 2024**, across the department, will be **processed for payment**, following the issuance of this communication.
 - b. Payment of General overtime across the department, for the months of January, February and March 2025 will be deferred to the next financial year 2025/2026.
 - c. Payment of PMDS of financial year 2023/24 ordinarily paid in year 2024/25, will be deferred to the next financial year 2025/26.
 - d. **Deferred general overtime and PMDS payments to staff will be paid** in the months of **April and May 2025**. It is spread across the two months to allow for adequate cash flow management.

10. We urge Accounting Officers of the Districts and twelve large hospitals to ensure due diligence is done as usual by line managers, ensuring that overtime worked met service needs; had been approved appropriately; and was performed for the hours being claimed, as reflected in the attendance registers. This promotes that there is value for money demonstrated.
11. These decisions were not easy to make as we are acutely conscious of our responsibilities to our communities that we serve and to our staff. We value our employees and appreciate your diligence in serving the most disadvantaged communities in our province.
12. I wish to express my gratitude to each and every one of you for all the hard work and commitment to serve the health and care needs of the people of Eastern Cape.
13. As we move forward together, I am confident that we will navigate these difficult times, together.
14. District Managers, CEO's, HR Managers and HR Practitioners are urged to familiarize themselves with the content of this circular and bring it to the attention of all employees.



DR. R WAGNER
HEAD OF DEPARTMENT
DATE: 28TH JANUARY 2025