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GOVERNMENT NOTICE

DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**No. R. 526****17 June 2015**

REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998

(ACT NO. 20 OF 1998)

**DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND
BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS****REPEAL AND REPLACEMENT OF GOVERNMENT NOTICE****NO. R. 243 OF 25 MARCH 2015**

Under the powers vested in me by sections 7(1), 8(5)(a) and 9(5)(a) of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), I, Pravin Jamnadas Gordhan, Minister for Cooperative Governance and Traditional Affairs, hereby-

- (a) after consultation with the Member of the Executive Council responsible for local government in each province; and
- (b) after taking into consideration the matters listed in paragraphs (a) to (i) of section 7(1) of that Act,

repeal the determination of the upper limits of the salaries, allowances and benefits of the different members of municipal councils as set out in Government Notice No. R. 243 published in *Government Gazette* No. 38608 of 25 March 2015, and replace it with the determination of the upper limits of the salaries, allowances and benefits of the different members of municipal councils as set out in the Schedule with effect from 1 July 2014.

PRAVIN GORDHAN, MP
MINISTER FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

SCHEDULE

PREAMBLE

The salary and allowances of a member of a municipal council is determined by that municipal council by resolution of a supporting vote of a majority of its members, in consultation with the member of the Executive Council responsible for local government in the province concerned, having regard to the upper limits as set out hereunder, the financial year of municipal councils, and the affordability of municipal councils to pay within the different levels of remuneration to councillors.

For purposes of implementing this Government Notice, "in consultation with" means that municipalities will require the concurrence of the member of the Executive Council responsible for local government in the province concerned before implementing the provisions contained herein, including the tools of trade.

Definitions

1. In this Schedule, unless the context otherwise indicates, a word or phrase to which a meaning has been assigned in the *Remuneration of Public Office Bearers Act*, 1998 (Act No. 20 of 1998) (hereafter "the Act") and the *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998) (hereafter "the Structures Act"), has that meaning and -

"basic salary" means the component of the salary that excludes a travel allowance as provided in items 6(a) and 10(a), a housing allowance as provided in items 6(b) and 10(b), the municipal contribution to a pension fund as provided in item 13(a) and the municipal contribution to a medical aid scheme as provided in item 13(b);

"full-time councillor" means a councillor who has been elected or appointed to an office which has been designated as full-time in terms of section 18(4) of the Structures Act;

"grade" means the grade of municipal council as determined in terms of item 4;

"out of pocket expenses" means actual and necessary expenses incurred by a councillor which have been specifically authorised or which are provided for in terms of the municipality's policy, in connection with a specific official or ceremonial duty which has been delegated to the councillor in question;

“**part-time councillor**” means a councillor other than a full-time councillor;

“**special risk cover**” means an insurance cover to provide for the loss of or damage to a councillor’s personal property and assets, life or disability, arising from any riot, civil unrest, strike or public disorder, and excludes any property owned for business purposes;

“**section 79 committee**” means a committee of the municipal council established in terms of section 79 of the Structures Act;

“**tools of trade**” means the resources or enabling facilities provided by a municipal council to a councillor to enable effective and efficient fulfillment of his/her duties in the most cost effective manner, and at all times remain the assets of the municipality concerned;

“**total municipal income**” means gross income in respect of a metropolitan, local or district municipality based on actual income received as stated in the audited financial statements of that municipality for the 2013 / 2014 financial year. The gross income for the municipality will include the following:

- rates on property;
- fees for services rendered by the municipality, or on its behalf by a municipal entity;
- surcharges;
- other authorised taxes;
- levies and duties;
- income from fines for traffic offences and contravention of municipal by-laws or legislation assigned to the local sphere of government;
- regional services council replacement grant for district municipalities;
- interest earned on invested funds other than national and provincial conditional grants;
- rental for the use of municipal movable or immovable property; and
- amounts received as agent for other spheres of government.

The gross income will exclude the following:

- transfers and / or grants from the national fiscus; and
- all value added tax (VAT) refunds.

“**total population**” means the official statistics of the population residing in the area of jurisdiction of a metropolitan, local or district municipality, as determined by the Statistician-General for the 2011 Census, in terms of the *Statistics Act*, 1999 (Act No. 6 of 1999); and

“total remuneration package” is the total cost to a municipality of a basic salary component, a travelling allowance as provided in items 6(a) and 10(a), a housing allowance as provided in items 6(b) and 10(b), the municipal contribution to a pension fund as provided in item 13(a) and the municipal contribution to a medical aid scheme as provided in item 13(b) to a councillor in a municipal financial year.

Allocation of number of points for total municipal income

2. The number of points allocated for the total municipal income of a municipality is as follows:

TOTAL MUNICIPAL INCOME			NUMBER OF POINTS
R 0	-	R 10,000,000	8.33
R 10,000,001	-	R 50,000,000	16.67
R 50,000,001	-	R 200,000,000	25.00
R 200,000,001	-	R 1,500,000,000	33.33
R 1,500,000,001	-	R 2,000,000,000	41.67
More than R2,000,000,000			50.00

Allocation of number of points for total population

3. The number of points allocated for the total population within a municipality, is as follows:

TOTAL POPULATION			NUMBER OF POINTS
0	-	50,000	8.33
50,001	-	100,000	16.67
100,001	-	250,000	25.00
250,001	-	550,000	33.33
550,001	-	1,800,000	41.67
More than 1,800,000			50.00

Determination of grade of municipal council

4. (a) The sum of the number of points allocated to a municipal council, other than a municipal council referred to in paragraph (b), in terms of items 2 and 3 respectively, determines the grade of such municipal council in accordance with the following table:

GRADE OF MUNICIPAL COUNCIL	POINTS
1	0 to 16.66
2	16.67 to 33.33
3	33.34 to 50.00
4	50.01 to 66.67
5	66.68 to 83.35
6	83.36 and above

(b) A council that does not have any municipal income is a grade 1 municipal council as envisaged in paragraph (a).

Upper limits of the annual total remuneration packages of full-time councillors

5. The upper limit of the annual total remuneration package of a full-time councillor is as follows:

GRADE	MAYOR OR EXECUTIVE MAYOR	SPEAKER, DEPUTY MAYOR OR DEPUTY EXECUTIVE MAYOR	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE, WHIP OR CHAIRPERSON OF A SUBCOUNCIL	CHAIRPERSON OF A SECTION 79 COMMITTEE
	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE
6	1,177,639	951,083	891,640	832,197
5	873,850	699,080	655,387	611,696
4	746,029	596,822	559,522	522,220
3	718,495	574,796	538,872	502,946
2	672,763	538,210	504,572	470,934
1	653,158	522,527	489,868	457,210

“total remuneration package” is the total cost to a municipality of a basic salary component, a travelling allowance as provided in items 6(a) and 10(a), a housing allowance as provided in items 6(b) and 10(b), the municipal contribution to a pension fund as provided in item 13(a), and the municipal contribution to a medical aid scheme as provided in item 13(b) to a councillor in a municipal financial year.

Plenary type Mayors should be remunerated according to the total remuneration package column of Mayor / Executive Mayor.

If the amount received by a Chairperson of a Section 79 Committee during the 2013 / 2014 financial year is more than the upper limit for the 2014 / 2015 financial year, as set out in this table, the Chairperson will retain the higher amount, until such time as the amount received, is less than the upper limit determined in the Notice.

Upper limits of the allowances of full-time councillors

6. The upper limits of the allowances of a full-time councillor, which form part of the total remuneration package, are as follows:

(a) Travelling allowance:

- (i) An allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of item 5 may be included in the package;
- (ii) In addition to the allowance referred to in subparagraph (i), and in addition to the annual total remuneration package of a councillor as determined in terms of item 5, official distances travelled may be claimed in accordance with the councils' applicable policy, and not exceeding the applicable tariffs prescribed by the Department of Transport for the use of privately-owned vehicles;
- (iii) For the purposes of claiming running and maintenance allowances, a logbook acceptable to the South African Revenue Service reflecting the official and private kilometres travelled per month must be kept;
- (iv) In addition to the allowance referred to in subparagraph (i), a municipal council may make a municipal-owned vehicle available to an executive mayor or mayor, deputy executive mayor or deputy mayor, or speaker, for use on official business;
- (v) Where a municipal council makes a municipal-owned vehicle available to a councillor, other than an executive mayor or mayor, deputy executive mayor or deputy mayor, or speaker, for use on official business, the councillor would not be entitled to the 25% travelling allowance, as determined in terms of item 5; and

(vi) Nothing herein contained shall prevent a councillor from making use of a municipal-owned vehicle for attendance at a specific function which that councillor has been delegated to attend, outside of the ordinary scope of work of such councillor.

(b) Housing allowance:

A councillor may structure his / her salary to include a housing allowance as part of the total remuneration package set out in 5 above.

(c) Out of pocket expenses:

In addition to the total remuneration package, a councillor may be reimbursed for actual out of pocket expenses incurred during the execution of official and ceremonial duties, in accordance with a policy as adopted by the municipal council.

Upper limit of remuneration or allowance in respect of appointed councillors

7. The upper limit of the allowance of a councillor who has been appointed to a district council in terms of section 23(1)(b) of the Structures Act, is as follows:

(a) If such councillor is elected or appointed as speaker, mayor, executive mayor, member of a mayoral committee, member of an executive committee, chairperson of a section 79 committee or part-time member of a district council, the upper limit of the remuneration to which such councillor is entitled, is equal to the difference between the total remuneration package he or she is receiving as a member of the local council and the total remuneration package allocated to that office in the district council in terms of items 5, 6, 8, 9, 10, 11, 12 and 13 as the case may be.

(b) If the upper limit of the total remuneration package which a councillor is receiving as a member of a municipal council is equal to or higher than the upper limit of the total remuneration package to which he or she is entitled to as an appointed councillor to the district council, such councillor is entitled to receive, in addition to the total remuneration package, an allowance of not more than R908 per sitting of the

district council or any committee of that council: Provided that this allowance is limited to R908 per day, regardless of the number of meetings of the district council or committees of that council that are attended by such councillor on a specific day.

- (c) A district council is responsible for –
- (i) the payment of the remuneration or the allowance referred to in (a) and (b) respectively; and
 - (ii) the reimbursement of travel expenditure incurred by a councillor during the performance of official functions on behalf of that district municipality, in terms of that district council's policy, and not exceeding the applicable tariffs prescribed by the Department of Transport for the use of privately-owned vehicles.
 - (iii) the reimbursement of cell phone expenditure incurred by a part-time appointed councillor during the performance of official functions on behalf of that district municipality, in terms of that district council's policy, and not exceeding 50% of the applicable allowances as prescribed under item 11.

Upper limit of allowance in respect of councillors appointed to governance structures of organised local government

8. The upper limit of the allowance of a councillor who has been elected or appointed to a governance structure of organised local government, is as follows:-

- (a) In addition to the total remuneration package, an allowance of not more than R908 per sitting of any governance structure of organised local government: Provided that this allowance is limited to R908 per day, regardless of the number of meetings that are attended by such councillor on a specific day.
- (b) In addition to the total remuneration package, an allowance of not more than R908 per sitting for the attendance of formal inter-governmental and governance structures where organised local government is officially represented: Provided that this allowance is limited to R908 per day, regardless of the number of meetings that are attended by such councillor on a specific day.

- (c) Organised local government is responsible for –
- (i) the payment of the allowance referred to in paragraphs (a) and (b); and
 - (ii) the reimbursement of travel expenditure incurred by a councillor during the performance of official functions on behalf of organised local government, in terms of organised local government's travel policy, and not exceeding the applicable tariffs prescribed by the Department of Transport for the use of privately-owned vehicles.

Upper limits of the annual total remuneration packages of part-time councillors

9. The upper limits of the annual total remuneration package of a part-time councillor is as follows:

GRADE	MAYOR / EXECUTIVE MAYOR	SPEAKER, DEPUTY MAYOR OR DEPUTY EXECUTIVE MAYOR	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE	CHAIRPERSON OF SECTION 79 COMMITTEE	OTHER PART-TIME MEMBERS
	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE
6	653,869	553,146	490,402	457,709	416,098
5	480,617	384,494	360,463	336,432	262,154
4	410,316	328,252	307,737	287,221	223,808
3	395,173	316,138	296,379	276,620	215,548
2	370,020	296,015	277,515	259,014	201,829
1	359,237	287,389	269,428	251,465	195,712

“total remuneration package” is the total cost to a municipality of a basic salary component, a travelling allowance as provided in items 6(a) and 10(a), a housing allowance as provided in items 6(b) and 10(b), the municipal contribution to a pension fund as provided in item 13(a), and the municipal contribution to a medical aid scheme as provided in item 13(b) to a councillor in a municipal financial year.

Plenary type Mayors should be remunerated according to the total remuneration package column of Mayor / Executive Mayor.

Upper limits of the allowances of part-time councillors

10. The upper limits of the allowances of a part-time councillor, which form part of the total remuneration package, are as follows:

- (a) Travelling allowance:
- (i) An allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of item 9 may be included as part of the total package;

- (ii) In addition to the allowance referred to in subparagraph (i), and in addition to the annual total remuneration package of a councillor as determined in terms of item 9, official distances travelled may be claimed in accordance with the councils' applicable policy, and not exceeding the applicable tariffs prescribed by the Department of Transport for the use of privately owned vehicles;
 - (iii) For the purposes of claiming running and maintenance allowances, a logbook acceptable to the South African Revenue Service reflecting the official and private kilometres travelled per month must be kept;
 - (iv) In addition to the allowance referred to in subparagraph (i), a municipal council may make a municipal-owned vehicle available to a part-time executive mayor or mayor, deputy executive mayor or deputy mayor, or speaker, where applicable, for use on official business;
 - (v) Where a municipal council makes a municipal-owned vehicle available to a councillor, other than an executive mayor or a mayor, deputy executive mayor or deputy mayor, or speaker, where applicable, for use on official business, the councillor would not be entitled to the 25% travelling allowance, as determined in terms of item 9; and
 - (vi) Nothing herein contained shall prevent a councillor from making use of a municipal-owned vehicle for attendance at a specific function which that councillor has been delegated to attend, outside of the ordinary scope of work of such councillor.
- (b) Housing allowance:

A councillor may structure his / her salary to include a housing allowance as part of the total remuneration package.

(c) Out of pocket expenses:

In addition to the total remuneration package, a councillor may be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official and ceremonial duties, in accordance with a policy as approved by the municipal council.

Upper limits of cell phone allowances for councillors

11. In addition to the annual total remuneration packages provided for in items 5 and 9 respectively, a councillor may, obtain a fixed allowance of not more than the following amounts in respect of cellphones:

- (a) R3485 per month may be paid to a full-time executive mayor or mayor, deputy mayors and speakers of only a grade 6 municipal council; and
- (b) R1739 per month may be paid to a councillor including executive mayor or mayor, deputy mayors and speakers of grade 1, 2, 3, 4 and 5 municipal council.

Upper limits of mobile data card for councillors

12. In addition to the annual total remuneration packages provided for in items 5 and 9 respectively, a councillor may obtain a fixed allowance of not more than R300 per month for use of mobile data cards.

Upper limits of pension fund contributions and medical aid benefits of councillors

13. The following are also included in the total remuneration package of a councillor:

- (a) The upper limit of the contribution to be made by a municipal council to the pension fund, of which a councillor is a member, is 15% of the basic salary of such councillor. Both the contribution by the municipal council and the member are included in the total remuneration package as a total cost to company salary structure.

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a councillor of that council is a member, is $\frac{2}{3}$ of the membership fee: Provided that a part-time councillor is not a member of a medical aid scheme by virtue of his or her employment in a capacity other than a councillor. Both the contribution by the municipal council and the member are included in the total remuneration package as a total cost to company salary structure.

Special risk cover

14. (a) In addition to the total remuneration package provided for in items 5 and 9 respectively, a municipality must take out risk insurance cover, to provide for the loss of or damage to a councillor's property, assets, life or disability, excluding business property, arising from any riot, civil unrest, strike or public disorder. The special risk insurance on fixed property will be limited to R1,5 million and on vehicles to R750 000. The life and disability insurance cover is limited to 2 times the total remuneration package of a councillor.

(b) In addition to the above, in the event where the residential property of a councillor was damaged or destroyed as a result of riot, civil unrest, strike or public disorder, the municipality may provide alternative accommodation, affordable to the municipality, to such a councillor for a period of 30 days from the date of such an incident, and which may be reviewed by the municipal council after expiry of the 30 days, on good cause shown, for no more than 30 days at a time.

(c) It is the responsibility of the councillor to provide all necessary details to the municipality, upon request, regarding the councillor's properties, assets and beneficiaries to be covered by the special risks insurance. Failure by the councillor to comply with the municipality's request, will lead to the exclusion of that councillor's property or assets from the special risk insurance cover. Councillors who already have their own special risk cover must also declare to the municipality such information.

Tools of trade

15. (a) A municipal council may extend the following tools of trade to a councillor as follows:

	TOOL OF TRADE	CONDITIONS
(i)	Braille reader	To be provided to all visually impaired councillors.
(ii)	Office space and furniture; Parking bay; Business cards; Calculators; Letter-heads; Stationery; Toner cartridges; Diaries; Postage costs; Office telephone; and Appropriate mobile technology and multi-digital office (excluding cell phones and mobile data card as per paragraph 11 and 12 above), including laptop and or desktop computer, facsimile, printer, photocopier and scanner.	To be provided to full-time councillors, part-time Executive Mayors or Mayor, part-time Deputy Executive Mayors or Deputy Mayors, part-time Speakers, part-time Members of Mayoral Committee or Members of Executive Committee and part-time Chairpersons of Section 79 Committees.
(iii)	Business cards; Calculators; Letter-heads; Stationery; and Diaries.	To be provided to part-time councillors and the usage must comply with policy directives of the municipality.
(iv)	Postage costs; Office telephone; and Multi-digital office, facsimile, printer, photocopier and scanner.	Part-time councillors to have access to these tools of trade at the municipal offices.
(v)	Personal security to Executive Mayors or Mayors.	Subject to a threat and risk analysis conducted by the South African Police Service.
(vi)	Personal security to any other councillor.	Subject to a threat and risk analysis conducted by the South African Police Service.
(vii)	Official accommodation and furniture.	To be provided to full-time Executive Mayors or Mayors.
The extension and implementation of the above tools of trade must be done in consultation with the member of the Executive Council responsible for local government in the province concerned.		

(b) Where a municipal council makes available tools of trade in terms of paragraph (a) above, such a municipal council must take into account accessibility; affordability and cost control; equity; flexibility; simplicity; transparency and accountability and value of tools of trade.

16. Capacity building

(a) In addition to the total remuneration package provided for in items 5 and 9 respectively, a municipality may contribute towards the payment of costs towards capacity building initiatives directed at councillors.

(b) These capacity building initiatives may include specific training conducted by National Departments, associated government agencies and SETAs, Provincial Departments, municipalities and organised local government through institutions of higher learning and Further Education and Training colleges. The training programmes must be informed by capacity building needs of a municipality and also the affordability levels of the municipality.

17. Transitional arrangements

(a) Notwithstanding the repeal of Government Notice No. R. 64 of 29 January 2014 with effect from 1 July 2014, if the total remuneration package of a councillor decreases as a consequence of the determination of the grade of municipal council, as set out in item 4 of Government Notice No. R. 243 of 25 March 2015, such councillor retains the total remuneration package as determined in terms of Government Notice No. R. 64 of 29 January 2014.

(b) All municipal council resolutions which were taken in consultation with the Member of the Executive Council responsible for local government in each province in terms of Government Notice No. R. 243 of 25 March 2015, in accordance with Section 7(3) of the Act, remains valid as if taken in terms of this Notice.

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