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GOVERNMENT NOTICE

DEPARTMENT OF COOPERATIVE GOVERNANCE

No. 1064

14 December 2011

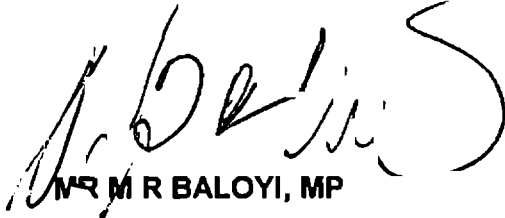
REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998 (ACT NO. 20 OF 1998)

DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS OF DIFFERENT MEMBERS OF MUNICIPAL COUNCILS

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, Richard Masenyani Baloyi, 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,

determine 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 2011 in respect of that municipal council, and repeal Government Notice No. R. 1196 of 10 December 2010 with effect from the same date.



MR M R BALOYI, 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.

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 housing allowance as provided in items 6(b) and 9(b), the municipal contribution to a pension fund as provided in item 11(a) and the municipal contribution to a medical aid scheme as provided in item 11(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;

“**salary**” includes a basic salary component, a housing allowance as provided in items 6(b) and 9(b), the municipal contribution to a pension fund as provided in item 11(a) and the municipal contribution to a medical aid scheme as provided in item 11(b);

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

“**total municipal income**” means in respect of a metropolitan, local or district municipality the sum total of the revenue income for the 2010 / 2011 financial year of the municipality concerned, including rates on property, fees for services rendered by the municipality, or on its behalf by a municipal entity, together with 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 replacement grant, interest earned on invested funds, rental for the use of municipal movable or immovable property, amounts received as agent for other spheres of government, but excluding transfers and / or grants from the national fiscus, as well as excluding value added tax (VAT) refunds on conditional grants;

“**total population**” means the latest available official statistics of the population residing in the area of jurisdiction of a metropolitan, local or district municipality, as determined by the Statistician-General 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 9(a), a housing allowance as provided in items 6(b) and 9(b), the municipal contribution to a pension fund as provided in item 11(a) and the municipal contribution to a medical aid scheme as provided in item 11(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 R 2,000,000,000		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, CHAIRPERSON OF A SECTION 79 COMMITTEE, WHIP OR CHAIRPERSON OF A SUBCOUNCIL
	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE	TOTAL REMUNERATION PACKAGE
6	1,012,467	809,974	759,350
5	744,200	595,360	558,150
4	635,343	508,274	476,507
3	611,895	489,516	458,921
2	572,948	458,358	429,711
1	558,251	445,001	417,188

"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 9(a), a housing allowance as provided in items 6(b) and 9(b), the municipal contribution to a pension fund as provided in item 11(a) and the municipal contribution to a medical aid scheme as provided in item 11(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 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) Motor vehicle 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;
- (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) Where a municipal council makes a vehicle available to a councillor, other than an executive mayor or mayor where applicable, for use on official business, the councillor would not be entitled to the 25% motor vehicle allowance that must be calculated on the annual total remuneration package, as determined in terms of item 5; and
- (v) Nothing herein contained shall prevent a councillor from making use of a council-owned vehicle for attendance at a specific function which that councillor has been delegated to attend.

(b) Housing allowance:

A councillor may structure their salary to include a housing allowance.

(c) Out of pocket expenses:

In addition to the total remuneration package, a councillor must be reimbursed for actual out of pocket expenses incurred during the execution of official and ceremonial duties.

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 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 and 11 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 local 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 R773 per sitting of the district council or any committee of that council: Provided that this allowance is limited to R773 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 paragraphs (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.

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

8. (1) The upper limit of the annual total remuneration package of a part-time councillor is as follows:

GRADE	MAYOR / EXECUTIVE MAYOR TOTAL REMUNERATION PACKAGE	SPEAKER, DEPUTY MAYOR OR DEPUTY EXECUTIVE MAYOR TOTAL REMUNERATION PACKAGE	MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE TOTAL REMUNERATION PACKAGE	OTHER PART-TIME MEMBERS TOTAL REMUNERATION PACKAGE
6	556,857	445,485	417,643	354,363
5	409,310	327,448	306,983	223,260
4	348,439	279,551	262,079	190,603
3	336,542	269,234	252,407	183,569
2	315,121	252,097	236,341	171,884
1	305,938	244,750	229,454	166,675

"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 9(a), a housing allowance as provided in items 6(b) and 9(b), the municipal contribution to a pension fund as provided in item 11(a) and the municipal contribution to a medical aid scheme as provided in item 11(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

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

(a) Motor vehicle 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 8;
- (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 8, 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) Where a municipal council makes a vehicle available to a councillor, other than an executive mayor or a mayor where applicable, for use on official business, the councillor would not be entitled to the 25% motor vehicle allowance that must be calculated on the annual total remuneration package, and as determined in terms of item 8; and
- (v) Nothing herein contained shall prevent a councillor from making use of a council-owned vehicle for attendance at a specific function which that councillor has been delegated to attend.

(b) Housing allowance:

A councillor may structure their salary to include a housing allowance.

(c) Out of pocket expenses:

In addition to the total remuneration package, a councillor must be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official and ceremonial duties.

Upper limits of cellphone allowances of councillors

10. In addition to the annual total remuneration packages provided for in items 5 and 8 respectively, a councillor may obtain a fixed allowance of not more than the following amounts in respect of cellphones:

- (a) R3146 per month may be paid to a full-time executive mayor or mayor of a grade 6 municipal council;
- (b) R1570 per month may be paid to a full-time councillor, other than an executive mayor or mayor of a grade 6 municipal council; or
- (c) R979 per month may be paid to a part-time councillor.

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

11. (a) The upper limit of the contribution to be made by a municipal council to the pension fund of which a councillor of that council is a member, is 15% of the basic salary of such councillor.

(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 to a maximum of R1440 per month: 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.

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