

**THE INDEPENDENT COMMISSION
FOR THE REMUNERATION
OF
PUBLIC OFFICE BEARERS**



ANNUAL REPORT 2008



Front (L-R): Ms N Newton-King; Judge D Moseneke (Chairperson); Dr ATM Mokgokong (Deputy Chairperson)
Back (L-R): Mr R Martin; Dr SM Matsuenyane; Mr ML Ndllovu
Inserts (L-R): Dr FA Sonn; Ms AM Mokgabudi

To: The President of the Republic of South Africa

I have the honour, in terms of section 10(1) of the Independent Commission for the Remuneration of Public Office Bearers Act, 1997 (Act No. 92 of 1997), to present the Annual Report of the Commission for the period 01 January 2008 to 31 December 2008.

Yours sincerely



**Deputy Chief Justice Dikgang Moseneke
Chairperson**

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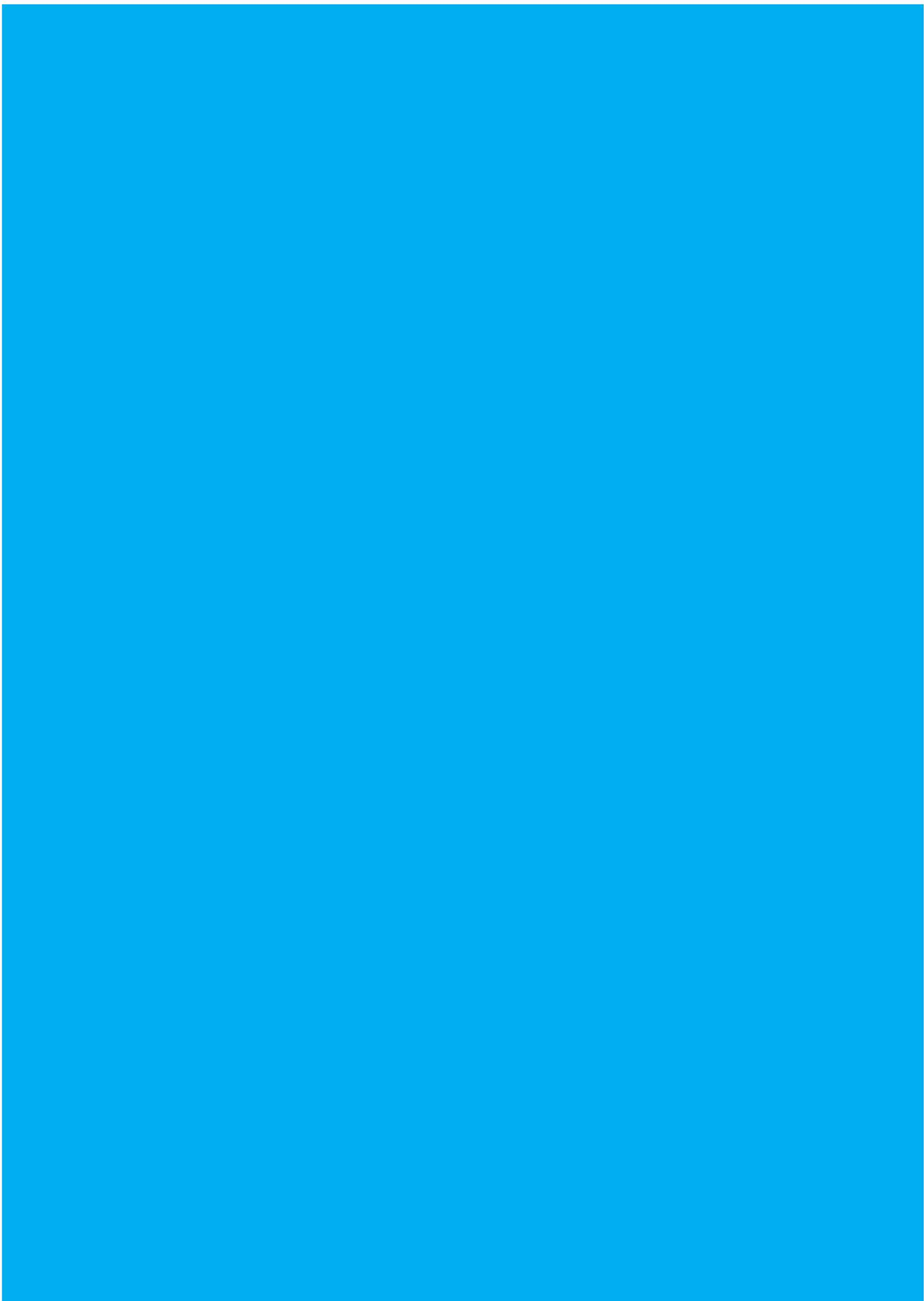
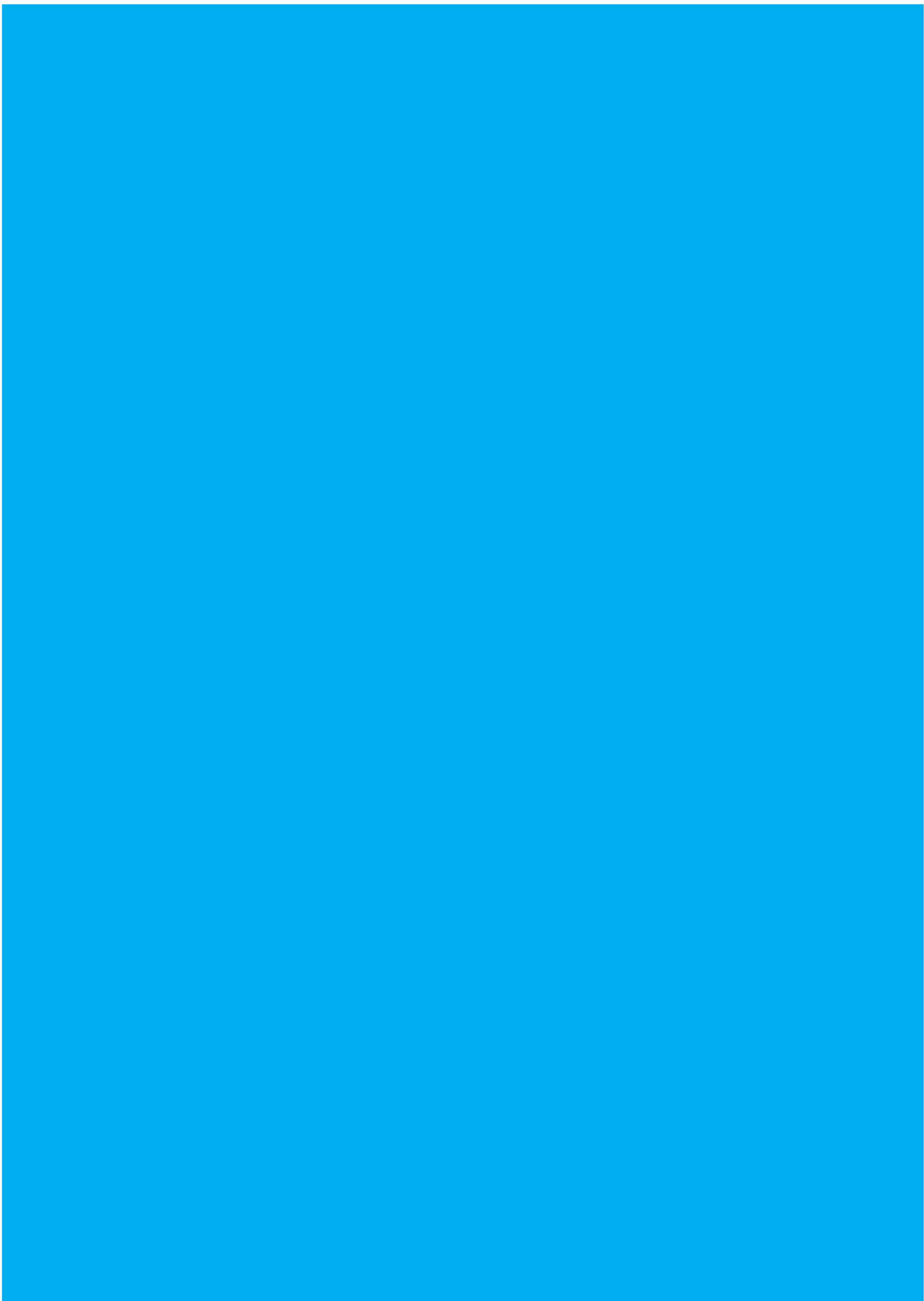


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1. OVERVIEW

This Annual Report covers the Independent Commission for Remuneration of Public Office Bearers (Commission) activities for the period 01 January 2008 to 31 December 2008.

The report aims to communicate the Commission's activities and to create an understanding amongst readers of the role, responsibilities and function of the Commission. The report contains the history, mandate, composition, roles and functions of the Commission, factors the Commission considers when making recommendations and the legislative framework within which the Commission operates.

The report also provides a summary of the Commission's activities, achievements and key priorities during 2008. The Programme of the Commission for 2008 highlights significant activities which include Commission meetings, statutory meetings with officials, meetings with stakeholders and deadlines for delivery of reports.

The Commission delivered to the President and Parliament its First Major Review Report (First Review Report) during March 2007 and its Second Major Review Report (Second Review Report) during April 2008 which were published in the government gazette in March 2007 and April 2008 respectively. The First Review Report dealt with basic remuneration and the Second Review Report made recommendations on pension and medical benefits.

After the First and Second Review Reports were published, the Presidency received several submissions from certain stakeholders, affected persons and interest groups raising issues about the Commission's recommendations. In each case the Commission responded to the request by the President for advice.

The period under review has been significant for the Commission as the President made determinations based on the Commission's recommendations contained in the First and Second Review Reports and also in the Commission's revised recommendations published in October 2008. The President's endorsement of the Commission's Reports led to the overall change in the remuneration system of public office-bearers in the country and it is important milestone in the Commission's tenure.

The Commission further published recommendations on the pension of the former President and recommendations on the security measures of the former Chief Justice, Judge Chaskalson.

The Commission engaged public office-bearers and other stakeholders from different provinces to collate source documents that relate to tools of trade and to receive comments from them on the resources (tools of trade) required by different public office bearers' positions in order to perform their respective duties effectively. The engagement with stakeholders on tools of trade is still ongoing and it is envisaged to constitute the Third Review Report. The Commission continues to advance greater co-operation and strengthening of relationships with public office-bearers and other stakeholders.

The Commission will also bid farewell to the outgoing Chairperson, Deputy Chairperson and three other fellow Commissioners in March 2009. Their outstanding performance and valuable contributions, the insight, experience and depth of knowledge of these individuals will surely be missed by the Commission.

The Commission endeavours to support public office-bearers institutions in Attracting, and retaining skilled and competent staff across the spectrum of public office-bearer groups through its research and recommendations and affirms its commitment to continuous improvement.

A full copy of the Annual Report 2008 is available on the Commission's website <http://www.remcommission.gov.za>.

2. ABOUT THE COMMISSION

2.1 History and mandate

The existence of the Commission can best be understood by tracing the historical background of the Commission.

Schlebusch Commission of Inquiry

Established in 1985 to inquire into the structure of the remuneration and conditions of service of the then State President, Ministers, Deputy Ministers, Members of Parliament and members of the President's Council

Melamet Commission

Established in 15 March 1994 by the Transitional Executive Council to consider the remuneration of persons elected to legislative bodies at the various levels of government during the April 1994 elections, and to establish a consistent and coherent remuneration structure for members of national and provincial legislatures

Section 207 of the Interim Constitution, 1993

Promulgated a Commission to make recommendations to Parliament, the provincial legislatures and local governments regarding the nature, extent and conditions of the remuneration and allowances of the members of all elected legislative bodies of the national, provincial and local governments, and members of provincial houses and the Council of Traditional Leaders

Commission on the Remuneration of Representatives

Instituted in terms of the Commission on Remuneration of Representatives Act, 1994. The Commission functioned from 21 April 1995 to 05 April 1998. The first Chairperson of this Commission was Justice HW Levy, who was succeeded from 06 March 1996 by Justice JH Steyn

Section 219 of the Constitution, 1996

Prescribed that an Act of Parliament should establish a framework for determining the salaries, allowances and benefits, or upper limits thereof, as the case may be, of certain public office bearer positions

Independent Commission for the Remuneration of Public Office Bearers

As a consequence of section 219 of the Constitution, the Independent Commission for the Remuneration of Public Office Bearers Act, 1997, established the current Commission to make recommendations concerning the salaries, allowances and benefits of defined office-bearers. The first Chairperson appointed in terms of this Act was Justice JH Steyn, who served as such from 21 August 1998 to 30 April 2000, when he was succeeded by Justice RJ Goldstone. Justice Goldstone served as Chairperson until 31 March 2004, when he was succeeded by the current Chairperson, Deputy Chief Justice Dikgang Moseneke

The Commission obtains its mandate mainly from:

- The Constitution of the Republic of South Africa,
- The Independent Commission for the Remuneration of Public Office-bearers Act, 1997
- The Remuneration of Public Office Bearers Act, 1998

2.2 Composition of the Commission

Section 2 of the Independent Commission for the Remuneration of Public Office-bearers Act, 1997 establishes the Commission. The Act provides that the Commission shall consist of eight members appointed by the President who serve in a part time capacity for a non renewable term of office of five years.

The Commission members are appointed on the ground of their knowledge of, or experience in, matters relating to the functions of the Commission. The Independent Commission for the Remuneration of Public Office-bearers Act, 1997 also provides for criteria for disqualification to appointment and vacation of office of members of the Commission.

2.3 Roles and functions

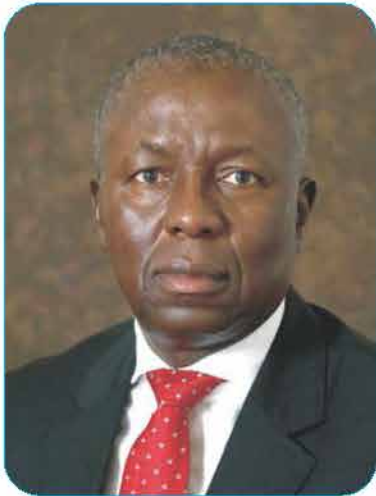
The role of the Commission is to make recommendations on salaries, allowances and benefits of public office-bearers. The Commission's role is critical as it promotes a democratic society where public office-bearers do not set remuneration for themselves.

The functions of the Commission are set out fully in the Independent Commission for the Remuneration of Public Office-Bearers Act, 1997 and are summarised to include:

- the powers and duties conferred to the Commission by section 219 the Constitution, 1996;
- conducting inquiries into any statutorily authorized matter;
- conducting research, or causing research to be conducted as may be necessary for the performance of the functions of the Commission;
- publishing annual recommendations concerning salaries, allowances and benefits of all public office bearers, and resources necessary to enable an office-bearer to perform his or her functions effectively; and publishing an Annual Report on its activities.

2.4

Current Commission members



**Deputy Chief Justice
Dikgang Moseneke
Chairperson**



**Dr ATM Mokgokong
Deputy Chairperson**



**Mr R Martin
Member**



**Ms N Newton-King
Member**



**Dr SM Motsuenyane
Member**



**Mr ML Ndlovu
Member**



**Ms AM Mokgabudi
Member**

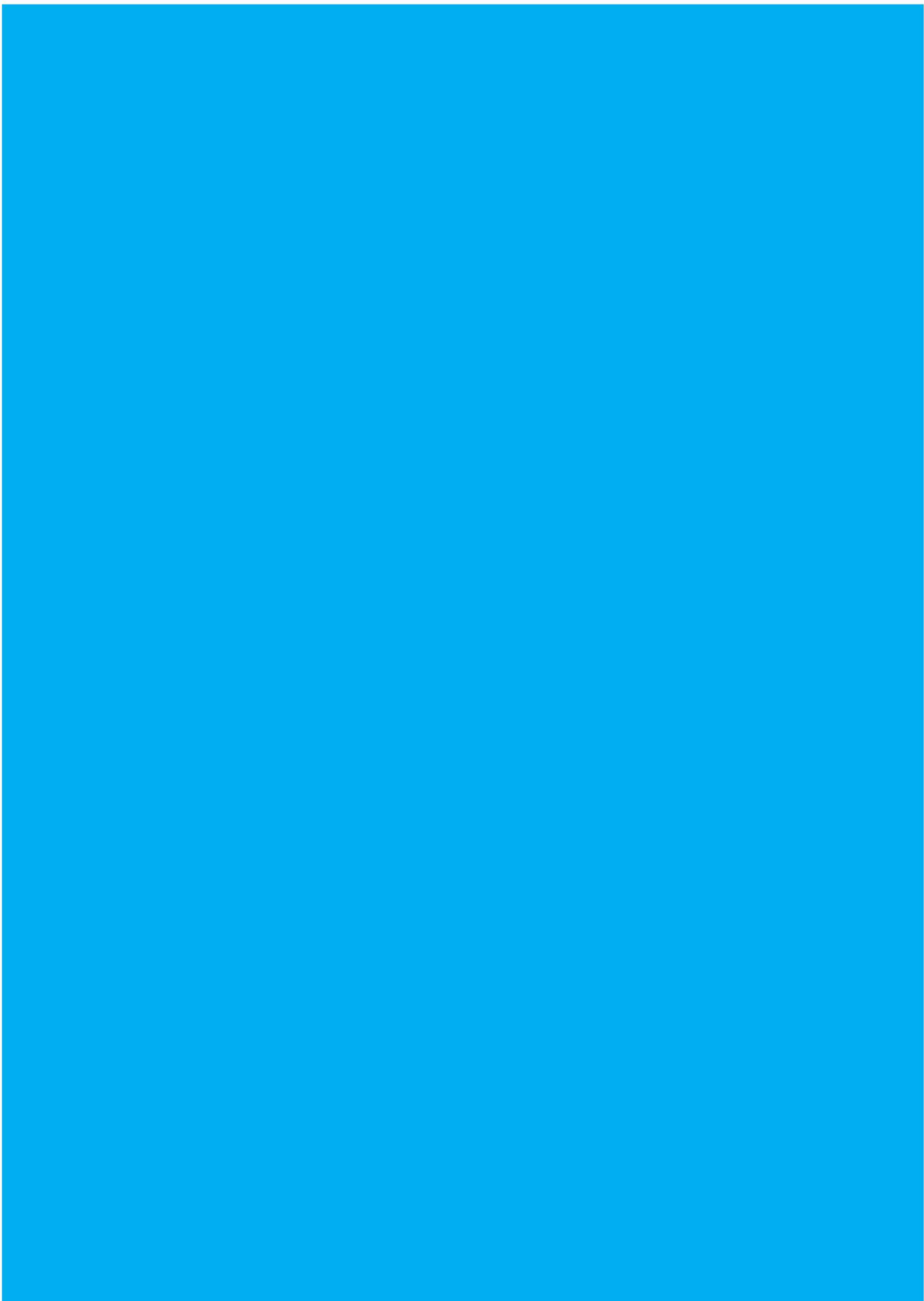


**Dr FA Sonn
Member**

Table 1: Terms of office of the Commissioners

NAME	ASSIGNMENT	DATE FROM	DATE TO
Deputy Chief Justice Dikgang Moseneke	Chairperson	01 April 2004	31 March 2009
Dr ATM Mokgokong	Deputy Chairperson	17 March 2004	16 March 2009
Dr F Sonn	Member	17 March 2004	16 March 2009
Mr ML Ndlovu	Member	17 March 2004	16 March 2009
Dr SM Motsuenyane	Member	24 November 2005	23 November 2010
Ms AM Mokgabudi	Member	24 November 2005	23 November 2010
Mr R Martin	Member	24 November 2005	23 November 2010
Ms N Newton-King	Member	10 March 2006	09 March 2011

The Commission was fortunate to operate at full strength for the entire duration of 2008. All Commissioners have significantly contributed to the vision of the institution, setting its priorities and ensuring consistency with its vision and tireless commitment. From March 2009 the Commission will bid farewell to the Chairperson, Deputy Chief Justice Dikgang Moseneke, the Deputy Chairperson, Dr ATM Mokgokong, Mr ML Ndlovu, Dr FA Sonn and Dr SM Motsuenyane. The Commission would like to thank these fellow Commissioners for their valuable input, their passion and dedication, and their vision to the Commission. These Commissioners played a meaningful role in the formulation of the major reviews that changed the landscape of public office bearer remuneration.



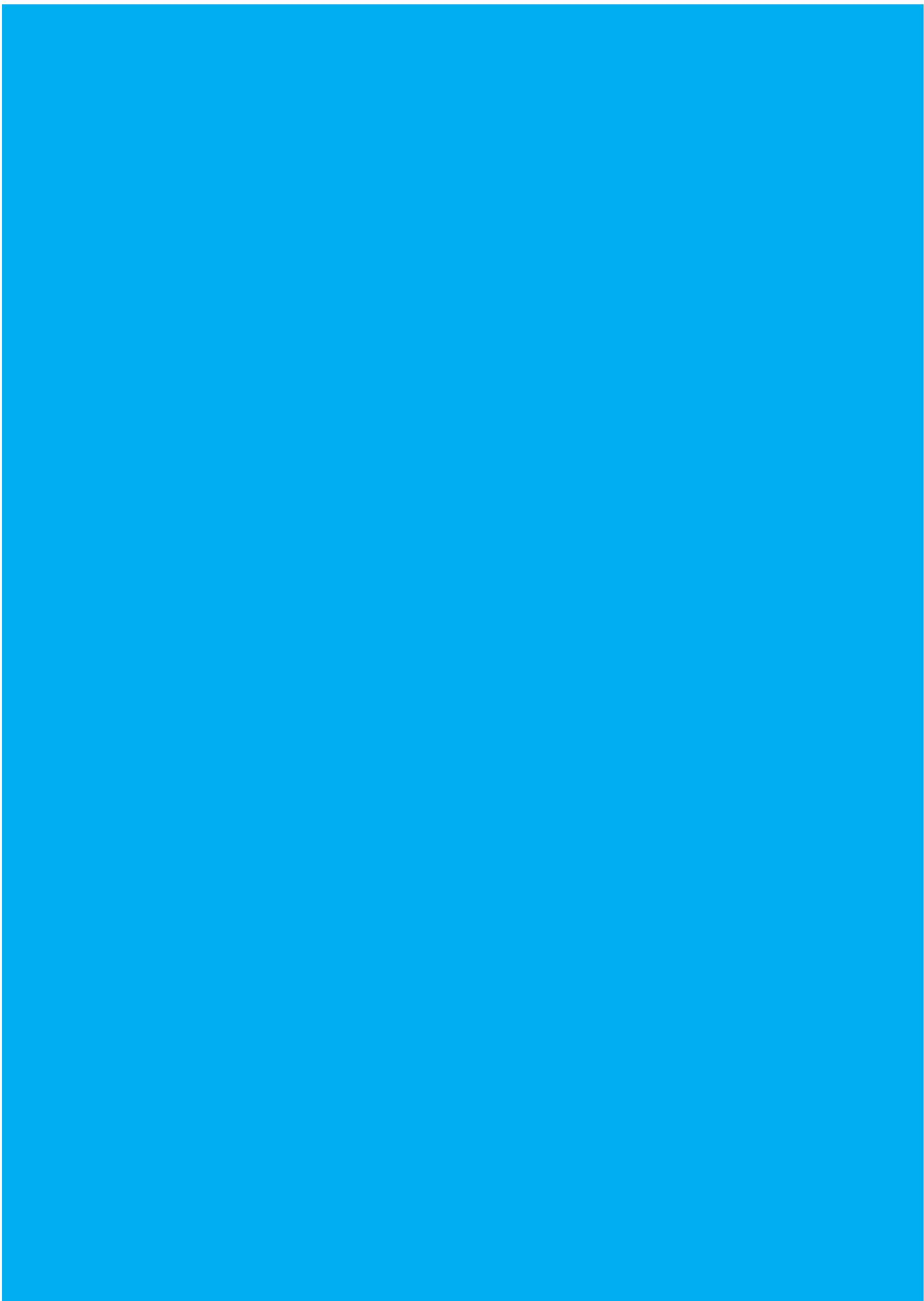
3. THE COMMISSION'S UNDERLYING PRINCIPLES

The Commission formulated a set of underlying principles it utilised in exercising the discretion and responsibility conferred on it by the Constitution and legislation to make recommendations on the salaries, allowances and benefits of defined public office bearers. The principles are not a substitute for, but are rather drawn from requirements set by the Constitution and applicable legislation.

The principles reflect the effort of the Commission to arrive at principled but practical bases for determining equitable remuneration. For some of the underlying considerations, the Commission is indebted to submissions preferred by stakeholders such as the executive, legislature, judiciary and traditional leaders. Other principles have emerged from the research and deliberations of the Commission.

The principles fall into two interrelated classes. The first set of principles is overarching and is drawn from the objectives and values of our constitutional democracy. The second category of principles are meant to be practical guides in formulating a just remuneration dispensation. None of these principles are intended to be exhaustive or an exact science.

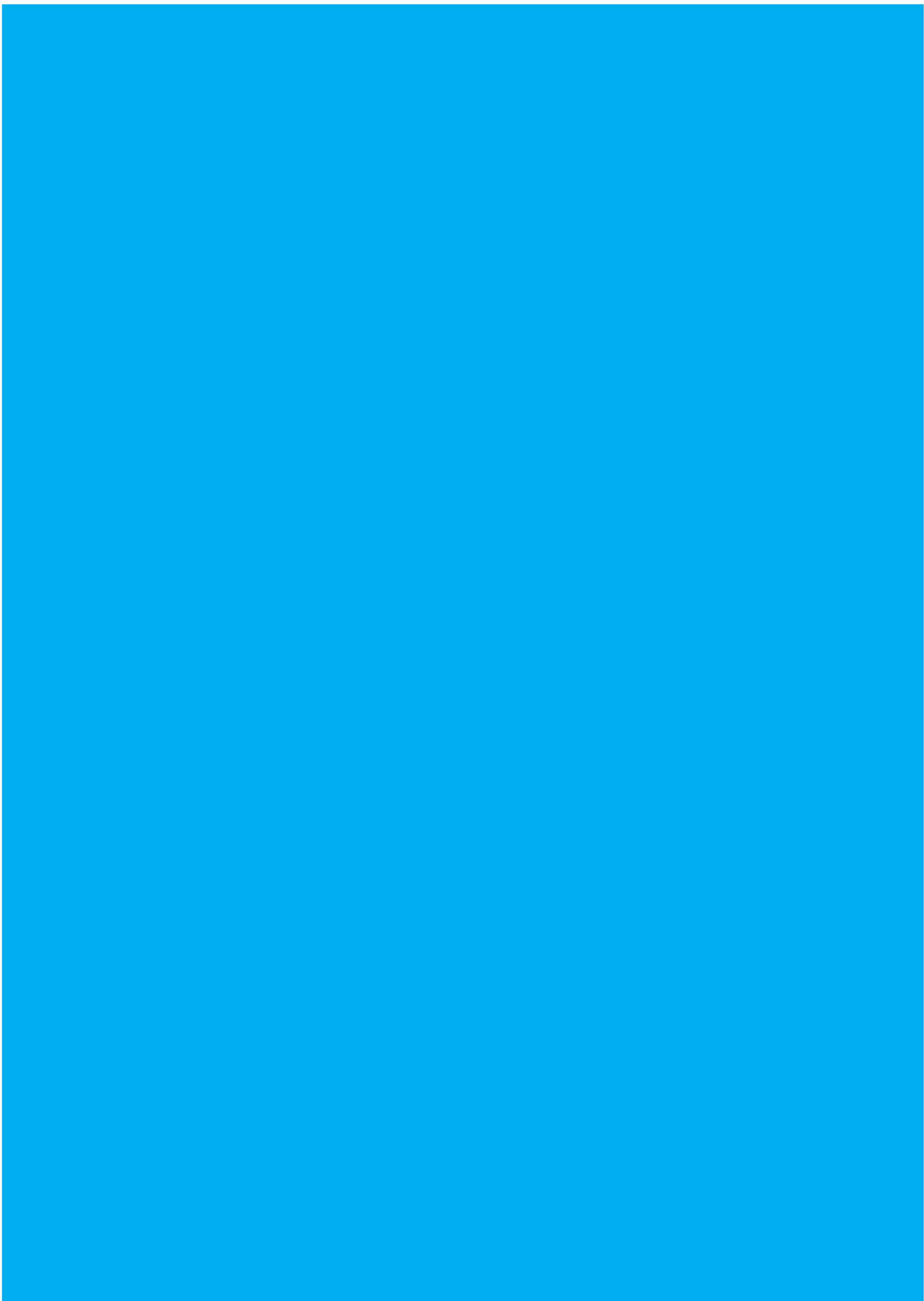
The Commission, like the remuneration committee of any enterprise, has to evaluate all relevant considerations and in the end bring sound judgment to bear on what is a fair and justifiable remuneration dispensation. The detailed underlying principles of the Commission were published in the First Major Review Report.



4. FACTORS THAT THE COMMISSION CONSIDERS WHEN MAKING RECOMMENDATIONS

When making recommendations referred to in section 8(4) of the Independent Commission for the Remuneration of Public Office-Bearers Act, 1997 as amended, the Commission in terms of section 8(6) of the same Act, must take the following factors into account:

- (i) the role, status, duties, functions and responsibilities of the public office bearers concerned;
- (ii) the affordability of different levels of remuneration of public office bearers;
- (iii) current principles and levels of remuneration, particularly in respect of organs of state, and in society generally;
- (iv) inflationary increases;
- (v) the available resources of the state; and
- (vi) any other factor which, in the opinion of the said Commission, is relevant.



5. THE LEGISLATIVE FRAMEWORK

5.1 Who is a public office bearer

In terms of Section 1 of the Independent Commission for the Remuneration of Public Office-Bearers Act, 1997, as amended by section 7 of the Judicial Officers (Amendment of Conditions of Service) Act, 2003, "office-bearer" means-

- a) any member of the Cabinet, any Deputy Minister, any member of the National Assembly, or any permanent delegate to the National Council of Provinces;
- b) any member of the Executive Council of a Province or any member of any provincial legislature;
- c) any member of any Municipal Council of any category or type of municipality;
- d) any person holding the office of-
 - i) Constitutional Court judge or a judge, as defined in section 1 of the Judges' Remuneration and Conditions of Employment Act, 2001 (Act No. 47 of 2001); and
 - ii) Magistrate, who is appointed under section 9 of the Magistrates' Courts Act, 1944 (Act No. 32 of 1944), read with section 10 of the Magistrates Act, 1993 (Act No. 90 of 1993); and
- e) any member of the National House of Traditional Leaders, any member of any Provincial House of Traditional Leaders or any traditional leader.

Section 5(5) of the Remuneration of Public Office Bearers Act, 1998 defines a Traditional leader as - "a person identified by the Minister for Provincial Affairs and Constitutional Development after consultation with the Premier concerned, by notice in the Gazette, for the purpose of this Act."

5.2 What must the Commission make recommendations on

In terms of Section 8(4) of the Independent Commission for the Remuneration of Public Office Bearers Act, 1997, as amended, the Commission shall, after taking into consideration the factors referred to in subsection (6), publish in the Gazette recommendations concerning -

- a) the salaries, allowances and benefits of any office-bearer, as defined in paragraphs (a), (d) and (e) of the definition of 'office-bearer' in section 1;
- b) the upper limits of the salaries, allowances or benefits of any office-bearer as defined in paragraphs (b) and (c) of the definition of 'office-bearer' in section 1, and
- c) the resources which are necessary to enable an office-bearer, as defined in paragraphs (a), (b), (c) and (e) of the definition of 'office-bearer' in section 1 to perform the office-bearer's functions effectively.

5.3 When and where must the Commission's recommendations be published?

Section 8(5) of the Independent Commission for the Remuneration of Public Office Bearers Act, 1997, provides that recommendations referred to in subsection (4) must be published in the Gazette at least once a year in respect of each category of office-bearers and must be submitted to Parliament before publication.

Table 2 below sets out briefly the legislative framework within which the Commission and its predecessor operated since 1993, and indicate, where applicable, which Acts have been repealed.

Table 2: Legislative framework

Act	Act No.	Relevance	Repealed by Act
Magistrates Act	90/1993	Provides for remuneration and conditions of employment of Magistrates	N/A
Constitution of the Republic of South Africa	200/1993	Promulgated legislation establishing a Commission to make recommendations on remuneration of office-bearers	108/1996
Commission on Remuneration of Representatives Act	37/1994	Established a Commission to make recommendations regarding the nature, extent and conditions of remuneration and allowances of all elected members of national, provincial and local legislative bodies, and traditional leaders	92/1997
Payment of Members of Parliament Act	6/1994	Provided for payment of remuneration and allowances to Members of Parliament	20/1998
Remuneration and Allowances of Executive Deputy Presidents, Ministers and Deputy Ministers Act	53/1994	Provided for payment of remuneration and allowances to Executive Deputy Presidents, Ministers, Deputy Ministers	20/1998
Remuneration of Traditional Leaders Act	29/1995	Provided for the remuneration of certain traditional leaders	20/1998
Constitution of the Republic of South Africa	108/1996	Provides for legislation and Independent Commission to make recommendations regarding salaries, allowances and benefits of certain stated office-bearers	N/A
Independent Commission for the Remuneration of Public Office Bearers Act	92/1997	Established this Commission to make recommendations regarding salaries, allowances and benefits of office-bearers	N/A
Remuneration of Public Office Bearers Act	20/1998	Provides a framework for determining salaries, allowances and benefits of defined office-bearers	N/A
Remuneration of Public Office Bearers Amendment Act	9/2000	Further regulates remuneration of political office bearers	N/A
Remuneration of Public Office Bearers Second Amendment Act	21/2000	Regulates remuneration of Traditional Leaders holding more than one office	N/A
Judges' Remuneration and Conditions of Employment Act	47/2001	Provides for remuneration and conditions of employment of all Judges	N/A
Judicial Officers (Amendment of Conditions of Service) Act	28/2003	Includes all judicial office bearers in the scope and definition of office-bearers	N/A
Traditional Leadership and Governance Framework Act	41/2003	Changes the structure of traditional leadership office-bearer positions	N/A

5.4 What does Section 219 of the Constitution provide?

Section 219 provides Constitutional acknowledgement and recognition for the need for ongoing impartial adjudication of appropriate levels of remuneration for all Public Office Bearers. It acknowledges that public trust of and confidence in South African public office-bearers could only be achieved and maintained at acceptable levels if this task is conducted with scrupulous objectivity. It was with this objective in mind that the Independent Commission for the Remuneration of Public Office Bearers Act, 1997 was enacted to give effect to the Constitutional precepts of Section 219. Section 219 of the Constitution stipulates that –

- (1) An Act of Parliament must establish a framework for determining-
 - (a) the salaries, allowances and benefits of members of the National Assembly, permanent delegates to the National Council of Provinces, members of the Cabinet, Deputy Ministers, traditional leaders and members of any councils of traditional leaders; and
 - (b) the upper limit of salaries, allowances or benefits of members of provincial legislatures, members of Executive Councils and members of Municipal Councils of the different categories.
- (2) National legislation must establish an independent commission to make recommendations concerning the salaries, allowances and benefits referred to in subsection (1).
- (3) Parliament may pass the legislation referred to in subsection (1) only after considering any recommendations of the Commission established in terms of subsection (2).
- (4) The national executive, a provincial executive, a municipality or any other relevant authority may implement the national legislation referred to in subsection (1) only after considering any recommendations of the Commission established in terms of subsection (2).
- (5) National legislation must establish frameworks for determining the salaries, allowances and benefits of judges, the Public Protector, the Auditor-General,

and members of any commission provided for in the Constitution, including the broadcasting authority referred to in section 192.”

5.5 What does the Independent Commission for the Remuneration of Public Office Bearers Act, 1997 provide

Section 2 of the Act establishes the Commission.

Section 3 (as substituted by section 8 of Act 28 of 2003) provides that the Commission shall consist of eight members appointed by the President.

Section 8 outlines the following functions of the Commission:

- (1) The Commission may exercise the powers and shall perform the duties entrusted to the Commission by this Act, section 219 of the Constitution or any other law.
- (2)
 - (i) The Commission may conduct an inquiry into any matter in respect of which it is authorized by this Act, section 219 of the Constitution or any other law to perform any function.
 - (ii) For the purposes of the inquiry, the Commission shall have the powers contemplated in section 8 of the Commission Act, 1997, and the provisions of subsections (3) and (4) of the said section 3 shall apply in respect of a person who gives evidence before the Commission or who has been summoned to attend any meeting of the Commission as a witness or to produce any book, document or object.
- (3) The Commission may conduct or cause to be conducted such research or obtain such information from the Secretary to Parliament, the Secretary to any Provincial Legislature, the Secretary to the National House of Traditional Leaders, the Secretary to any Provincial House of Traditional Leaders, the Chief Executive Officer of any municipality, the Chief Justice or any person designated for that purpose by the Chief Justice, or any functionary or body as may be necessary for the performance of the

functions of the Commission under this Act, section 219 of the Constitution or any other law.

(3A) Whenever the Commission performs any function in terms of this Act relating to the remuneration of any office-bearer as defined-

(a) in paragraph (d) (i) of the definition of 'office-bearer' in section 1, it must have regard to the provisions of the Judges' Remuneration and Conditions of Employment Act, 2001 and in particular to section 2 of that Act; or

(b) in paragraph (d) (ii) of the definition of 'office-bearer' in section 1, it must have regard to the provisions of the Magistrates Act, 1993 (Act 90 of 1993), and in particular to section 12 of that Act.

(3B) (a) If the chairperson of the Commission is an office-bearer as defined in paragraph (d) (i) of the definition of 'office-bearer' in section 1, that member must refrain from participating in any of the Commission's deliberations relating to the remuneration of any office-bearer as defined in paragraph (d) of the said definition.

(b) Any member of the Commission who may directly or indirectly derive any benefit from the acceptance by the President of any recommendations by the Commission must refrain from participating in any of the Commission's deliberations relating to such recommendations.

(4) The Commission shall, after taking into consideration the factors referred to in subsection (6), publish in the Gazette recommendations concerning-

(a) the salary, allowances and benefits of any office-bearer as defined in paragraphs (a), (d) and (e) of the definition of 'office-bearer' in section 1;

(b) the upper limits of the salary, allowances or benefits of any office-bearer as defined in paragraphs (b) and (c) of the definition of 'office-bearer' in section 1; and

(c) the resources which are necessary to enable an office-bearer as defined in paragraphs (a), (b), (c) and (e) of the definition of 'office-bearer' in section 1 to perform the office-bearer's functions effectively.

(5) Recommendations referred to in subsection (4) must be published in the Gazette at least once a year in respect of each category of office-bearers and must be submitted to Parliament before publication.

(6) Subsection 6 provides for the factors the Commission must take into account when making recommendations in subsection (4).

5.6 What does the Remuneration of Public Office Bearers Act, 1998 provide

This is the main Act dealing with the remuneration of office-bearers, and outlines also the processes for determining the salaries, benefits and allowances for office-bearers. The respective processes are summarized below for ease of reference.

(i) The President

The Commission makes recommendations regarding the salary, benefits and allowances of the President of the Republic.

The National Assembly determines, by resolution, the salary, benefits and allowances to be paid to the President, after considering the following:

- the Commission's recommendations;
- the different roles, status, duties, functions and responsibilities of public office bearers;
- the affordability of different levels of remuneration of public office bearers;

- current principles and levels of remuneration in society in general; and
- inflationary trends and figures.

The National Assembly also determines the amount to which section 8(1)(d) of the Income Tax Act, 1962, as amended shall apply. This amount is referred to as the political office bearer's allowance.

(ii) The Deputy President, Ministers, Deputy Ministers, Members of the National Assembly and permanent delegates to the National Council of Provinces

The Commission makes recommendations to the President regarding the salaries, benefits and allowances of these public office bearers.

The President subsequently determines the salaries, benefits and allowances of these public office bearers after considering:

- the recommendations of the Commission;
 - the different roles, status, duties, functions and responsibilities of public office bearers;
 - affordability of different levels of remuneration of public office bearers;
 - current principles and levels of remuneration in society in general;
 - inflationary trends and figures; and
 - advice of a relevant Cabinet Committee.
- The President also determines the amount which shall constitute the political office bearers' allowance in terms of section 8(1)(d) of the Income Tax Act, 1962.

(iii) Premiers, Members of Executive Committees and Members of Provincial Legislatures

The Commission makes recommendations to the President on the upper limits of the salaries, benefits and allowances of these public office bearers.

The President subsequently determines the upper limits of the salaries, benefits and allowances of the public office

bearers.

The applicable Provincial Legislature determines a Premier's actual salary, benefits and allowances by way of a resolution.

The Premier in turn determines the actual salaries, benefits and allowances of the Members of Executive Committees and Members of Provincial Legislatures in the applicable Provincial Legislature.

(iv) Traditional Leaders, Members of the National and Provincial Houses of Traditional Leaders

The Commission makes recommendations to the President on the salaries, benefits and allowances of these public office bearers.

The President subsequently determines the salaries, benefits and allowances of these office-bearers, after consultation with the Minister for Provincial and Local Government and relevant Premier(s), and after considering:

- the recommendations of the Commission;
- the roles, status, duties, functions and responsibilities of traditional leaders, members of the National House of Traditional Leaders, and members of the Provincial Houses of Traditional Leaders;
- the current principles and levels of remuneration in society generally;
- the need for the promotion of equality and uniformity of salaries and allowances for equal work performed;
- the enhancement of co-operation, unity and understanding between traditional communities nationally;
- the extent of the role and functions of traditional leaders across provincial borders; and
- inflationary trends and figures.

(v) Members of Municipal Councils

The Commission makes recommendations to the President on the upper limits of the salaries, benefits and allowances of these public office bearers.

The Minister for Provincial and Local Government, after consultation with each provincial MEC responsible for local government, determines the upper limits of the salaries, benefits and allowances, after having considered:

- the recommendations of the Commission;
- the respective role, status, duties, functions and responsibilities of the different members of Municipal Councils;
- the different categories or types of municipalities, having regard to their respective powers, duties and functions;
- the gross income, the area of jurisdiction and the nature of settlement of each municipality;
- the affordability of different levels of remuneration of public office bearers;
- the current principles and levels of remunerations in society generally;
- the need for the promotion of equality and uniformity of salaries, benefits and allowances for equal work performed;
- the provision of uniform norms and standards nationally to address disparities; and
- inflationary trends and figures.

A member of a Municipal Council is entitled to an additional allowance in respect of membership of any other Municipal Council than the one elected to, which allowance is determined by a majority resolution of such other Municipal Council in consultation with the MEC responsible for local government in the relevant Province.

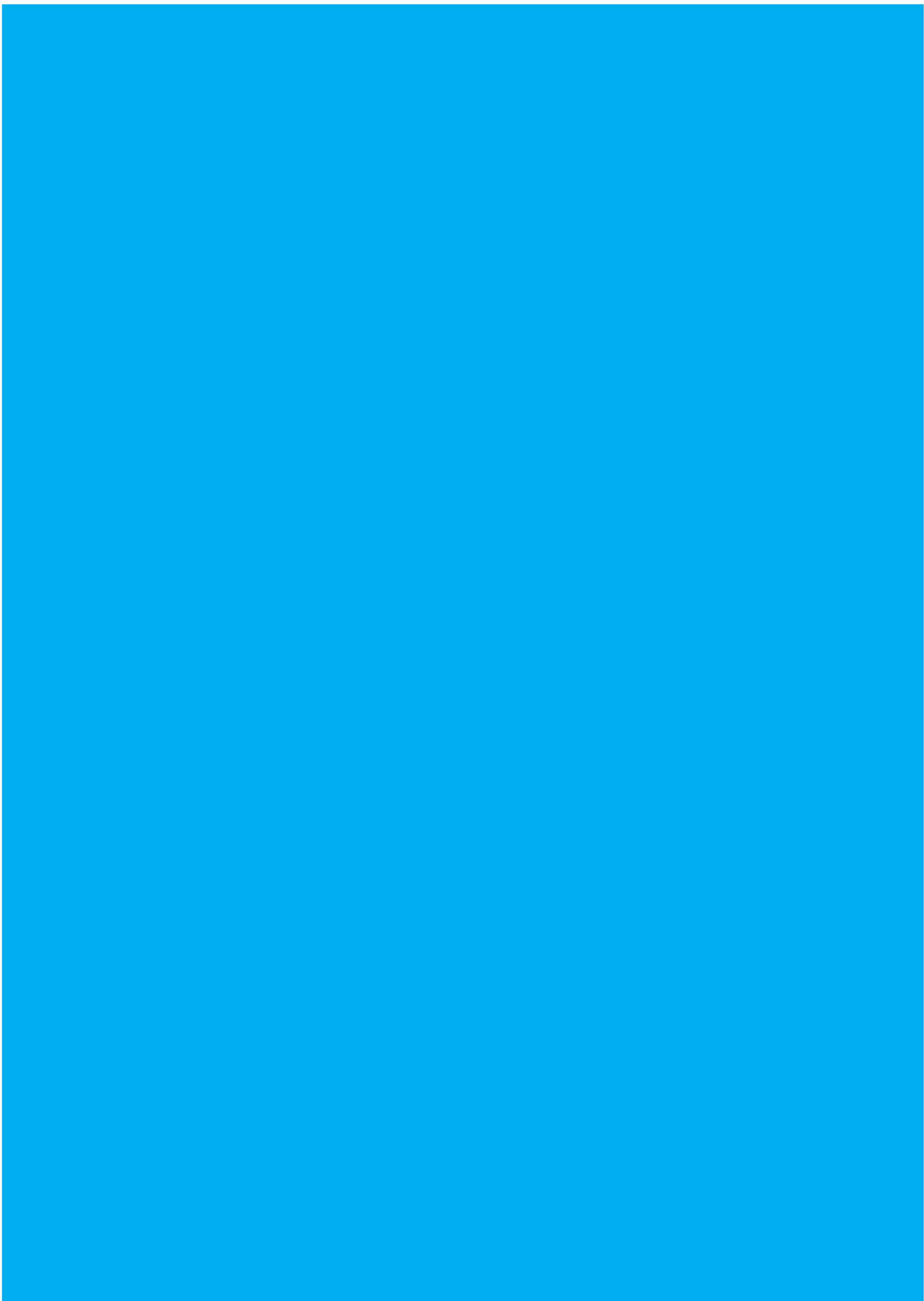
(vi) Constitutional Court Judges, Judges and Magistrates

The Commission makes recommendations to the President regarding the salaries, benefits and allowances of these judicial office-bearers. In doing so, the Commission is statutorily obliged to consult with:

- The Minister of Justice and Constitutional Development;

- The Minister of Finance; and
- The Chief Justice or a person designated by the Chief Justice.

The President determines the salaries, benefits and allowances by means of a notice in the Gazette after Parliament considered, and approved the draft notice.



6. GOVERNANCE

The Independent Commission for the Remuneration of Public Office-bearers Act, 1997, regulates the operations and governance of the Commission to a very large extent and determines, amongst others, how the Commission is constituted, the terms of office of members of the Commission, meeting and reporting requirements of the Commission, as well as specific functions and the administration of the Commission.

When should the Commission meet and how are decisions taken

The Commission is required by law to meet at least once per year, at a time and place determined by the Chairperson of the Commission. The Commission in fact meets far more often than this, as set out more fully below. The Act also sets out that five members of the Commission shall constitute a quorum for Commission meetings, and that a decision of a majority of the members of the Commission present at a meeting shall constitute a decision of the Commission.

The schedules of the Commission's programme and attendance registers of meetings for 2008 are set out below. The schedules distinguishes between Commission meetings; statutory meetings with officials; meetings with stakeholders; and deadlines for delivery of reports.

COMMISSION PROGRAMME FOR 2008

DATE	TIME	ACTIVITY	VENUE
23 January	09:00 - 11:00	Meeting with SALGA	Pretoria
23 January	11:00 - 13:00	Meeting with Traditional Leaders	Pretoria
23 January	14:00 - 16:00	Meeting with Provincial Legislatures	Pretoria
19 February	09:00 - 14:00	Commission meeting	Sandton
14 March	09:00 - 14:00	Commission Meeting	
17 April		Publication of the Second Review Report in the <i>Government Gazette</i>	Pretoria
17 April		Publication of recommendations on the pension benefit of the former President in the <i>Government Gazette</i>	Pretoria
20 March	09:00 - 11:00	Meeting with Magistrates	Pretoria
20 March	11:00 - 12:00	Meeting with Traditional Leaders	Pretoria
20 March	12:00 - 13:00	Meeting with National Parliament and provincial legislatures	Pretoria
20 March	13:00 - 13:30	Meeting with National Treasury	Pretoria
17 June	09:00 - 13:00	Commission meeting	Cape Town
15 August	10:00 - 12:00	Meeting with Traditional Leaders	Johannesburg
05 September	09:00 - 13:00	Commission meeting	Johannesburg
07 October	10:00 - 11:00	Meeting with President - Revised recommendations	Pretoria
14 October	10:00 - 11:00	Meeting with National Parliament - Revised recommendations	Cape Town
15 October	10:00 - 12:00	Media briefing - Revised recommendations	Pretoria
15 October		Publication of the revised recommendations in the <i>Government Gazette</i>	Pretoria
28 November	09:00 - 13:00	Commission meeting	Johannesburg

MEETING ATTENDANCE REGISTERS

Commission meetings attended in 2008							
Name	19 Feb	29 Feb	14 Mar	17 Jun	12 Aug	05 Sep	28 Nov
Commissioners							
Justice DE Moseneke	P	P	P	A	P	P	P
Mr R Martin	P	P	P	A	P	P	P
Ms T Mokgabudi	A	A	P	P	A	A	P
Dr A Mokgokong	A	A	A	A	P	P	P
Dr SM Motsuenyane	P	P	P	P	P	P	P
Mr ML Ndlovu	P	P	A	P	A	P	P
Ms N Newton-King	P	P	P	P	A	A	P
Dr F Sonn	P	P	A	P	P	P	A
Secretariat							
Mr N Ulrich	P	P	P	P	A	N/A	N/A
Mr P Makapan	P	P	A	P	P	P	P
Mr D v/d Vyver	P	P	A	P	A	P	P
Adv NB Dawood	P	P	A	P	A	P	P

MEETING ATTENDANCE REGISTERS

Stakeholders' meetings attended in 2008								
Name	23 Jan	23 Jan	23 Jan	20 Mar	20 Mar	20 Mar	20 Mar	15 Aug
Justice D Moseneke	P	P	P	P	P	P	P	P
Mr R Martin	P	P	P	A	P	P	P	P
Ms T Mokgabudi	P	P	P					
Dr A Mokgokong								
Dr SM Motsuenyane				P	P	P	P	
Mr L Ndlovu	P	P	P	P	P	P	P	
Ms N Newton-King								
Dr F Sonn								
Mr N Ulrich	P	P	P	P	P	P	P	N/A
Mr P Makapan	N/A	N/A	N/A	P	P	P	P	P
Mr D v/d Vyver	N/A	N/A	N/A	P	P	P	P	P
Adv NB Dawood	P	P	P	P	P	P	P	P

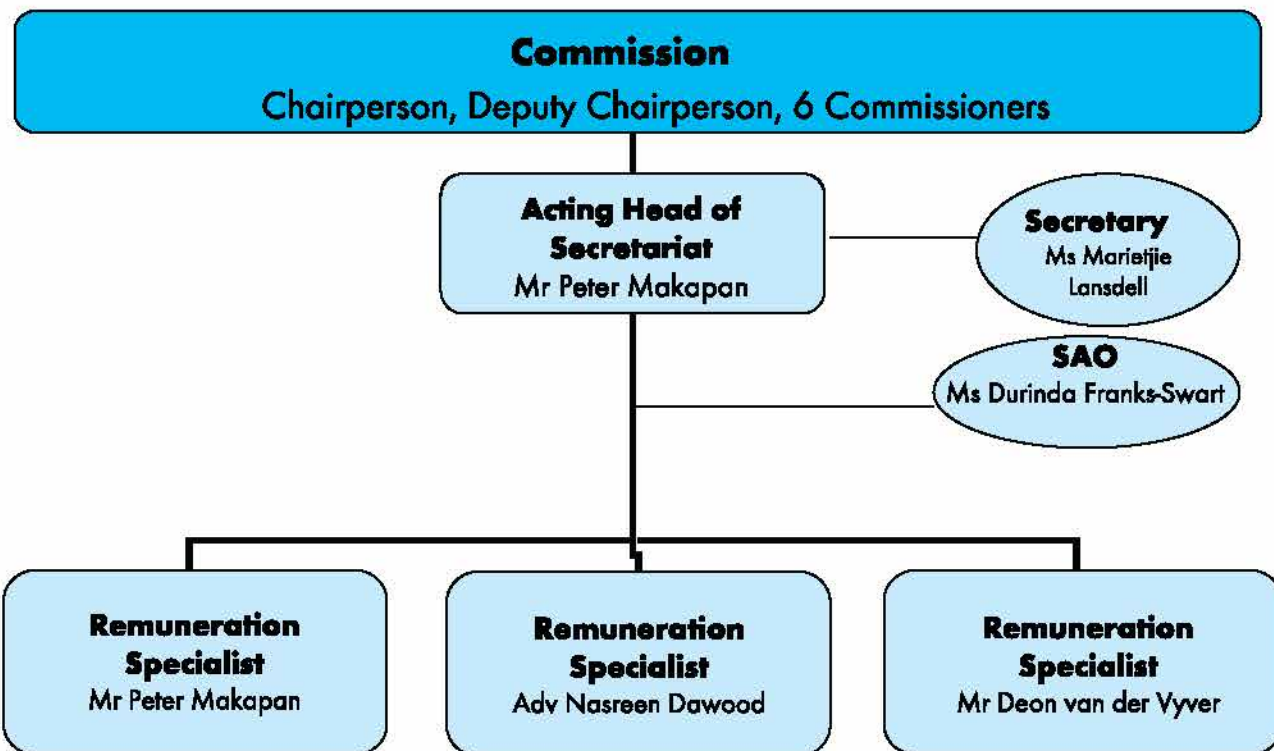
The Commission's budget

The expenditure incidental to the exercise or performance of the powers and duties of the Commission is defrayed from money appropriated by Parliament for that purpose.

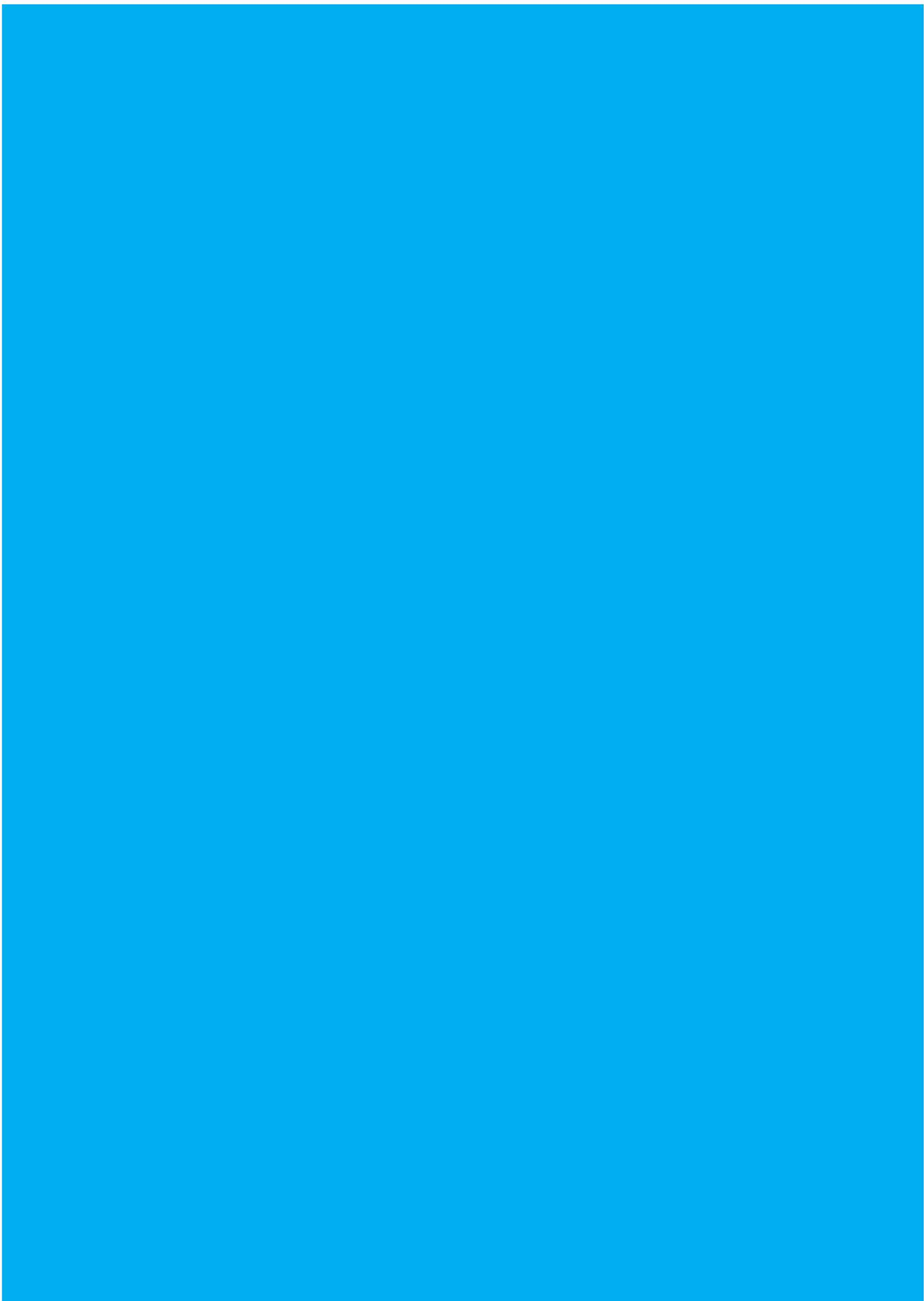
Administration of the Commission

The Commission is assisted by the Secretariat to perform the work incidental to the exercise or performance of its powers and duties. The Secretariat is consisting of officials on the establishment of The Presidency as depicted below.

The Commission expresses its appreciation to the Secretariat for their outstanding service to the Commission, the high standard of working documents and reports they developed. The Commission further wishes to convey its appreciation to Mr Neil Ulrich, the former Head of Secretariat, who worked for the Commission since 2004 and resigned in June 2008.



Back (fltr): Mr. D van der Vyver; Ms D Franks-Swart; Adv N Dawood, and Ms. M Lansdell
 Front: Mr PM Makapan (Acting Head of Secretariat)



7. KEY ACTIVITIES

7.1 Key outputs

Since the beginning of constitutional governance in 1994, the annual remuneration recommendations of the Commission were based largely on historical remuneration practices and levels. Then there was no overarching remuneration commission. Remuneration structures of public office bearers became divergent.

No common baselines were set in respect of the entire public office bearer structure and the comparative information was not always readily accessible or transparent. The development of office bearer remuneration structure was based on historical baselines which led to a number of significant inequities in the current remuneration structure.

The Commission considered it appropriate to review the current system for office-bearer remuneration, and to establish baselines and policy for office-bearer remuneration.

Research on the major review of public office-bearer remuneration was initiated at the end of 2002. Research conducted prior to 2005 produced:

- A report on an international comparative study on the remuneration of public office-bearers;
- A comparison of the current salary structures with other salary structures with a view to moving towards an appropriately integrated structure; and
- A report and recommendations on a Total Cost to Employer salary system.

The above information had to be supplemented before meaningful recommendations could be made to bring about these changes. The Commission appointed consultants to generate a report by January 2006, which would bring to the fore information as follows:

- An analysis of the purpose, duties, responsibilities, powers, activities, nature and scope of all public office-bearers positions;
- An analysis of existing conditions of service, salaries, benefits and allowances of all public office-bearers;

- Benchmarking of all public office-bearers' positions with comparable public and private sector positions;
- Recommendations on the resources necessary to enable each public office-bearer to perform his or her functions properly;
- Recommendations on an integrated and transparent and equitable remuneration structure for all public office-bearers; and
- A comprehensive implementation plan for the conversion to a total cost to employer remuneration structure.

This project was ambitious as it had clearly never been attempted in the past. The Commission produced the First and Second Review Reports in 2007 and 2008 respectively and revised recommendations in 2008, which contain recommendations that incorporate the Commission's research and methodology, and which has finally gained the relevant approvals by the President and Parliament in 2008 and will usher implementation of these recommendations.

Like with everything new, areas of concern may arise and the Commission is aware of these concerns, however the Commission assures stakeholders that review of public office bearers remuneration is not a once-off isolated occurrence but an ongoing process that strives for improvement. Areas of concern that may not have been addressed in the review recommendations which have been determined may be directed to the Commission for consideration in the future.

7.1.1 First Review Report - A salary review

In this review the Commission approached its task in four stages. First, the Commission completed a pioneering but thorough job evaluation of all public office bearer positions by drafting comprehensive role profiles for each position. Secondly, the Commission ranked all public office bearer positions into appropriate grades that would represent a fair vertical and horizontal relationship with other positions. The third stage dealt with the benchmarking of public office bearer positions in the most appropriate manner to determine remuneration levels that would be both fair and equitable. In the fourth stage the Commission, having considered all the material and submissions, assessed and fixed actual pay levels for each public office bearer position.

A summary of the results and recommendations in the First Review are as follows:

(a) NATIONAL EXECUTIVE AND DEPUTY MINISTERS

Job Profiling

Job profiles were drafted for the positions of President, Deputy President, Minister, and Deputy Minister, in consultation with a Ministerial Committee assigned by Cabinet for this purpose.

Job Grading

The grading structure is characterized by both grades and pay levels to distinguish between positions on the basis of its relative worth.

Table 13 of the First Review Report: Grading table for National Executive and Deputy Ministers

Grade	Pay level	Position
EA	1	President
EB	1	Deputy President
EC	1	Minister
ED	1	Deputy Minister

Benchmarking

The Commission applied a hybrid benchmarking model for all public office bearers which contains elements of both benchmarking positions on a job grade basis and determining positional ratios to an anchor position. The Commission considered the position of the Deputy President to be the most appropriate remuneration anchor position for public office bearer positions in the National Executive and Deputy Ministers.

In order to find an optimal benchmark for the position of Deputy President, the Commission considered private sector remuneration at a similar Peromnes grade and benchmarking practices in countries with similar constitutional and governmental systems as South Africa. Having thus established appropriate benchmarks for the anchor positions of the Deputy President, ratios to the anchor position were determined for the positions of President, Minister and Deputy Minister, after taking into consideration:

- The extent of job evaluation and grading differences;
- Location on or close to the public office bearer pay line developed by the Commission's consultants;
- Consistency in the rates of spread between top and bottom remuneration levels in institutions; and
- Creating room for aspiration and career progression within an institution.

Table 14 of the First Review Report: Remuneration ratios in relation to institutional anchor

Grade	Pay level	Position	Ratio to anchor
EA	1	President	EB1 + 10%
EB	1	Deputy President	Anchor
EC	1	Minister	EB1 - 15%
ED	1	Deputy Minister	EB1 - 30%

Pay levels

The Commission developed recommended remuneration levels, ratios, and a pay curve for public office bearer positions for National Executive and Deputy Ministers.

Table 16 of the First Review Report: Recommended remuneration Table for National Executive and Deputy Ministers

GRADE	PAY LEVEL	POSITION	* CURRENT PACKAGE	** SEC 8(1)(d) ALLOWANCE	INCREASE IN REMUNERATION	PROPOSED TOTAL REMUNERATION	DIFFERENCE	PERCENTAGE CHANGE	NO OF POSTS	TOTAL COST	EXPLANATION
EA	1	President ***	1 181 438	80 000	676 962	1 898 400	716 962	Sec 8(1)(d) Allowance 100	1	716 962	A + 10%
EB	1	Deputy President	1 188 940	80 000	479 660	1 708 600	519 660	Remuneration 100	1	519 660	Anchor (A)
EC	1	Minister	1 084 512	80 000	327 788	1 452 300	367 788	100	26	9 562 488	A - 15%
ED	1	Deputy Minister	889 007	80 000	266 993	1 196 000	306 993	100	21	6 446 853	A - 30%
		TOTAL COST IMPLICATION								17 245 963	

* The value of current total remuneration packages have been calculated as set out in Annexure H (First Review Report), and include basic salary, motor vehicle allowance, pension and medical aid benefits.

* The basis for current package values is the total remuneration in the third notch. The % change stated above will therefore be understated in respect of those incumbents who are not currently remunerated in terms of the third notch.

** This allowance represents an increase from the current level of R40 000 per annum, which amount is included in the calculation of the current package in the previous column.

*** The current package of the President appears less than that of the Deputy President because the remuneration of the Deputy President includes a medical and pension benefit, whereas the President's medical and pension benefits are regulated differently from other public office bearers, and are not included in his package reflected in the table.

(b) NATIONAL PARLIAMENT AND NCOP

Job Profiling

After the process of initial consultations and considering all submissions and correspondences received from representatives of Parliament, as well as subsequent in depth role profiling consultations, job profiles were drafted for the following public office bearer positions in Parliament (National Assembly and National Council of Provinces):

- Speaker;
- Chairperson;
- Deputy Speaker;
- Deputy Chairperson;
- House Chairperson;
- Chief Whip: Majority Party;
- Chief Whip: NCOP;
- Leader of Opposition;
- PC: President;
- PC: Deputy President;
- Chairperson of a Committee;
- Chief Whip: Largest Minority Party;
- Deputy Chief Whip: Majority Party;
- Leader of a Minority Party;
- Whip;
- Member of the NA; and Permanent delegate to the NCOP.

Job Grading

The grading structure is characterised by both grades and pay levels to distinguish between positions on the basis of its relative worth.

Table 17 of the First Review Report: Grading table for National Parliament and NCOP

Grade	Pay level	Position
PA	1	Speaker of the National Assembly Chairperson of the NCOP
PB	1	Deputy Speaker of the National Assembly Deputy Chairperson of the NCOP
	2	House Chairperson
PC	1	Chief Whip: Majority Party Chief Whip: NCOP Leader of the Opposition Parliamentary Counsel: President Parliamentary Counsel: Deputy President
	2	Chairperson of a Committee
PD	1	Chief Whip: Largest Minority Party Deputy Chief Whip: Majority Party Leader of a Minority Party
	2	Whip
PE	1	Member of the National Assembly Permanent Delegate to the NCOP

Benchmarking

The Commission considered comparators in the private sector, senior public service, senior executives in State Owned Entities and institutions supporting constitutional democracy, and similar international positions and practices.

The Commission considered the positions of Speaker of the National Assembly and Chairperson of the National Council of Provinces to be the most logical and appropriate top level anchor positions in Parliament.

The Commission found that the practice of basing remuneration progression on a notch system was both archaic and counterproductive and at odds with modern trends towards performance-based remuneration. The Commission recommended that the notch system of remuneration should be abolished in favour of a remuneration system, within which incumbents could progress on the basis of performance and achievement of institutional goals.

Having thus established appropriate benchmarks for the anchor positions of the Deputy President, ratios to the anchor position were determined for the positions of President, Minister and Deputy Minister, after taking into consideration:

- * The extent of job evaluation and grading differences;
- * Location on or close to the public office bearer pay line developed by the Commission's consultants;
- * Consistency in the rates of spread between top and bottom remuneration levels in institutions; and
- * Creating room for aspiration and career progression within an institution.

Table 18 of the First Review Report: Remuneration ratios in relation to institutional anchor

Grade	Pay level	Position	Ratio to anchor
PA	1	Speaker of the National Assembly Chairperson of the NCOP	Anchor
PB	1	Deputy Speaker of the National Assembly Deputy Chairperson of the NCOP	PA1 - 30%
	2	House Chairperson	PA1 - 35%
PC	1	Chief Whip: Majority Party Chief Whip: NCOP Leader of the Opposition Parliamentary Counsel: President Parliamentary Counsel: Deputy President	PA1 - 45%
	2	Chairperson of a Committee	PA1 - 50%
PD	1	Chief Whip: Largest Minority Party Deputy Chief Whip: Majority Party Leader of a Minority Party	PA1 - 55%
	2	Whip	PA1 - 62%
PE	1	Member of the National Assembly Permanent Delegate to the NCOP	PA1 - 66%

Pay levels

The Commission developed recommended remuneration levels, ratios, and a pay curve for public office bearer positions in National Parliament.

Based on the grading and market data per grade, the Commission recommended that the majority of ordinary members of the National Assembly and the NCOP are being paid at a level which does not merit increase. The pension fund benefit was regarded as being favourable when compared with the general market. The facilities of Members were fair and could be compared favourably to facilities for similar positions in the private sector.

Table 20 of the First Review Report: Recommended remuneration Table for National Parliament

GRADE	PAY LEVEL	POSITION	CURRENT PACKAGE	SEC 8(1)(d) ALLOWANCE	INCREASE IN REMUNERATION	PROPOSED TOTAL REMUNERATION	DIFFERENCE	PERCENTAGE CHANGE		NO OF POSTS	TOTAL COST	EXPLANATION	
								Sec 8(1)(d) Allowance	Remuneration				
PA	1	Speaker: NA	1 084 512	80 000	584 088	1 708 600	624 088	100	53.85	1	624 088	Anchor (A)	
		Chairperson: NCOP	1 084 512	80 000	584 088	1 708 600	624 088	100	53.85	1	624 088		
PB	1	Deputy Speaker: NA	889 007	80 000	266 993	1 195 000	306 993	100	30.03	1	306 993	A-30%	
		Deputy Chairperson: NCOP	889 007	80 000	266 993	1 195 000	306 993	100	30.03	1	306 993		
	2	House Chairperson	704 577	80 000	366 023	1 110 600	406 023	100	51.95	3	1 218 069	A-35%	
PC	1	Chief Whip: Majority Party	739 490	80 000	160 210	939 700	200 210	100	21.66	1	200 210	A-45%	
		Chief Whip: NCOP	739 490	80 000	160 210	939 700	200 210	100	21.66	1	200 210		
		Parliamentary Counsel: President	739 490	80 000	160 210	939 700	200 210	100	21.66	1	200 210		
		Parliamentary Counsel: Deputy President	739 490	80 000	160 210	939 700	200 210	100	21.66	1	200 210		
		Leader of Opposition	739 490	80 000	160 210	939 700	200 210	100	21.66	1	200 210		
	2	Chairperson of a Committee	683 973	80 000	130 327	854 300	170 327	100	19.05	48	8 175 696	A-50%	
PD	1	Deputy Chief Whip: Majority Party	664 124	80 000	64 776	768 900	104 776	100	9.75	1	104 776	A-55%	
		Chief Whip: Largest Minority Party	664 124	80 000	64 776	768 900	104 776	100	9.75	1	104 776		
		Leader of a Minority Party	664 124	80 000	64 776	768 900	104 776	100	9.75	14	1 466 864	5.4% increase + allowance increase	
	2	Whip	639 031	80 000	34 469	713 500	74 469	100	5.40	53	3 946 857	5.4% increase + allowance increase	
PE	1	Member: NA	572 873	80 000	30 927	643 800	70 927	100	5.40	298	21 136 246	5.4% increase + allowance increase	
		Permanent Delegate: NCOP	572 873	80 000	30 927	643 800	70 927	100	5.40	27	1 915 079		
		TOTAL COST IMPLICATION											
												40 931 925	

* The value of current total remuneration packages have been calculated as set out in Annexure H (First Major Review), and include basic salary, motor vehicle allowance, pension and medical aid benefits.

* The basis for current package values is the total remuneration in the third notch. The % change stated above will therefore be understated in respect of those incumbents who are not currently remunerated in terms of the third notch.

** This allowance represents an increase from the current level of R40 000 per annum, which amount is included in the calculation of the current package in the previous column.

(c) PROVINCIAL LEGISLATURES

Job Profiling

After a process of initial consultation, and considering all submissions and correspondence received from representatives from each of the Provincial Legislatures, as well as subsequent in-depth role profiling consultations, the Commission drafted job profiles for the following public office bearer positions in Provincial Legislatures:

- Premier;
- MEC;
- Speaker;
- Deputy Speaker;
- Chief Whip: Majority Party;
- Leader of Opposition;
- Chairperson of Committees;
- Chairperson of a Committee;
- Chief Whip: Largest Minority Party;
- Deputy Chief Whip: Majority Party;
- Deputy Chairperson of Committees;
- Leader of a Minority Party;
- Parliamentary Counsel to a King;
- Whip; and
- MPL.

Job Grading

A vertically and horizontally integrated grading structure has been developed for all elected political office bearers, which reflects the intra- and inter-institutional relatedness amongst the different positions.

Table 21 of the First Review Report: Grading table for Provincial Legislatures

Grade	Pay level	Position
LA	1	Premier
LB	1	MEC Speaker
LC	1	Deputy Speaker
	2	Chief Whip: Majority Party Chairperson of Committees Leader of the Opposition
	3	Chairperson of a Committee Chief Whip: Largest Minority Party Deputy Chief Whip: Majority Party Deputy Chairperson of Committees Leader of a Minority Party
LD	1	Parliamentary Counsel to a King Whip
	2	MPL

Benchmarking

The Commission considered comparators in the private sector, senior public service, senior executives in State Owned Entities and institutions supporting constitutional democracy, and similar international positions and practices.

The Commission considers the position of the Premier to be the most appropriate remuneration top level anchor position for public office bearer positions in the provincial legislature structure. In order to find an optimal benchmark for the anchor positions, the Commission considered the following:

- Private sector remuneration at a similar Peromnes grade. In this regard the Commission was advised by its expert consultants that remuneration levels for Size E Private Sector Company would be most appropriate.
- Benchmarking practices in countries with similar constitutional and governmental systems to South Africa show that the remuneration of the Head of State/Head of Government is at a similar or lower level as that of its Chief Justice.
- The hierarchical relation between National, Provincial and Local spheres of government. The principles eluded to in the abovementioned comprehensive submission on behalf of Parliament are equally relevant, mutatis mutandis, to public office bearers in Provincial Legislatures.

Table 22 of the First Review Report: Remuneration ratios in relation to institutional anchor

Grade	Pay level	Position	Ratio to anchor
LA	1	Premier	PA1 – 20%
LB	1	MEC Speaker	PA1 – 30%
LC	1	Deputy Speaker	PA1 – 45%
	2	Chief Whip: Majority Party Chairperson of Committees Leader of the Opposition	PA1 – 50%
	3	Chairperson of a Committee Chief Whip: Largest Minority Party Deputy Chief Whip: Majority Party Deputy Chairperson of Committees Leader of a Minority Party	PA1 – 62%
LD	1	Parliamentary Counsel to a King Whip	PA1 – 66%
	2	MPL	PA1 – 67.5%

Pay levels

The Commission developed recommended remuneration levels, ratios, and a pay curve for public office bearer positions in Provincial Legislatures, as depicted in Table 24.

Table 24 of the First Review Report: Recommended remuneration Table for Provincial Legislatures

GRADE	PAY LEVEL	POSITION	CURRENT PACKAGE	SEC 81(1)(d) ALLOWANCE	INCREASE IN REMUNERATION	PROPOSED TOTAL REMUNERATION	DIFFERENCE	PERCENTAGE CHANGE		EXPLANATION
								Sec 81(1)(d) Allowance	Remuneration	
IA	1	Premier	1 084 512	80 000	242 388	1 366 900	282 388	100	22.35	A - 20%
IB	1	MEC	889 007	80 000	266 993	1 196 000	306 993	100	30.03	A - 30%
		Speaker	889 007	80 000	266 993	1 196 000	306 993	100	30.03	
IC	1	Deputy Speaker	739 490	80 000	160 210	939 700	200 210	100	21.66	A - 45%
	2	Chairperson of Committees	664 124	80 000	64 776	768 900	104 776	100	9.75	A - 55%
		Chief Whip: Majority Party	664 124	80 000	64 776	768 900	104 776	100	9.75	
		Leader of Opposition	664 124	80 000	64 776	768 900	104 776	100	9.75	
		Deputy Chairperson of Committees	639 031	80 000	44 369	723 400	84 369	100	6.94	A - 60%
		Chairperson of a Committee	639 031	80 000	44 369	723 400	84 369	100	6.94	
		Deputy Chief Whip: Majority Party	639 031	80 000	44 369	723 400	84 369	100	6.94	
		Chief Whip: Largest Minority Party	639 031	80 000	44 369	723 400	84 369	100	6.94	
		Leader of a Minority Party	639 031	80 000	44 369	723 400	84 369	100	6.94	
ID	1	Parliamentary Counsel to a King	572 873	80 000	30 927	643 800	70 927	100	5.4	5.4% increase + allowance increase
		Whip	572 873	80 000	30 927	643 800	70 927	100	5.4	
	2	MPL	553 216	80 000	29 884	623 100	69 884	100	5.4	5.4% increase + allowance increase

- * The value of current total remuneration packages have been calculated as set out in Annexure H (First Review Report), and include basic salary, motor vehicle allowance, pension and medical aid benefits.
- * The basis for current package values is the total remuneration in the third notch. The % change stated above will therefore be understated in respect of those incumbents who are not currently remunerated in terms of the third notch.
- ** This allowance represents an increase from the current level of R40 000 per annum, which amount is included in the calculation of the current package in the previous column.

(d) LOCAL GOVERNMENT

Job Profiling

After a process of initial consultations, and considering all submissions and correspondence received from representatives from the South African Local Government Association (SALGA), as well as subsequent in-depth role profiling consultations, the Commission drafted job profiles for the following public office bearer positions in Local Government:

- Executive Mayor;
- Mayor;
- Deputy Executive Mayor;
- Deputy Mayor;
- Speaker;
- MEC;
- MMC;
- Chairperson of a sub council;
- Whip; and
- Municipal Councillor.

Job Grading

A vertically and horizontally integrated grading structure has been developed for all elected political office bearers, which reflects the intra- and inter-institutional relatedness amongst the different positions.

Table 25 of the First Review Report: Grading Results for Local Government

Grade	Pay level	Position
MA	1	Executive Mayor Mayor
MB	1	Deputy Executive Mayor Deputy Mayor Speaker
MC	1	MEC MMC Chairperson of a sub-council Whip
MD	1	Municipal Councillor

Benchmarking

The Commission considered comparators in the private sector, senior public service, senior executives in State Owned Entities and institutions supporting constitutional democracy, and similar international positions and practices.

The Commission considered the position of Executive Mayor to be the most logical and appropriate top level anchor positions in the Local Government structures.

The Commission found that the practice of basing remuneration progression on a notch system is both archaic and counterproductive in terms of modern trends towards performance based remuneration. The Commission is therefore of the view that the current notch system of remuneration should be abolished in favour of salary ranges for each position, within which incumbents could progress on the basis of performance and achievement of institutional goals. Similarly, the Commission is of the firm view that longevity in public office should not primarily be rewarded through a notch progression system that is not necessarily performance related, but rather through appropriate pension payouts.

Pay levels

The Commission did not develop any remuneration tables, ratios, or pay curves for public office bearer positions in Local Government, as a result of the major remuneration review thereof conducted in 2006, which resulted in the determination of appropriate remuneration levels in Local Government in June 2006.

The Commission therefore only recommended an annual cost-of-living adjustment to the total remuneration of members of Local Government institutions.

Table 27: Total Remuneration Table for members of Local Government institutions

GRADE	PAY LEVEL	POSITION	CURRENT PACKAGE	SEC 8(1)(d) ALLOWANCE	INCREASE IN REMUNERATION	PROPOSED TOTAL REMUNERATION	DIFFERENCE	PERCENTAGE CHANGE		EXPLANATION
								Sec 8(1)(d) Allowance	Remuneration	
MA	1	Executive Mayor	680152	80 000	36 748	756 900	76 748	100	5.40	5.4% increase + allowance increase
		Mayor	680152	80 000	36 748	756 900	76 748	100	5.40	5.4% increase + allowance increase
MB	1	Deputy Executive Mayor	544122	80 000	29 378	613 500	69 378	100	5.40	5.4% increase + allowance increase
		Speaker / Chairperson	544122	80 000	29 378	613 500	69 378	100	5.40	5.4% increase + allowance increase
MC	2	MIEC	510114	80 000	27 586	577 700	67 586	100	5.40	5.4% increase + allowance increase
		MIMC Chairperson of a sub-council	510114	80 000	27 586	577 700	67 586	100	5.40	5.4% increase + allowance increase
MD	1	Municipal Councillor	238053	80 000	12 847	290 900	52 847	100	5.40	5.4% increase + allowance increase

* The value of current total remuneration packages have been calculated as set out in Annexure H(First Review Report), and include basic salary, motor vehicle allowance, cellular phone allowance, pension and medical aid benefits.

* The basis for current package values is the total remuneration in the third notch. The % change stated above will therefore be understated in respect of those incumbents who are not currently remunerated in terms of the third notch.

** This allowance represents an increase from the current level of R40 000 per annum, which amount is included in the calculation of the current package in the previous column.

(e) TRADITIONAL LEADERS

Job Profiling

Drafting job profiles for some positions in the Traditional Leadership structure proved to be difficult, as a result of the fact that some positions are based on lineage and not necessarily on the performance of clearly defined functions and others on normal office holder duties. These issues were however extensively debated with the relevant stakeholders, and duly considered by the Commission before adopting the applicable job profiles for inclusion in its report and recommendations.

Job profiles were drafted for the following public office bearer positions in Traditional Leadership structures:

- King;
- Chairperson NHTL;
- Deputy Chairperson NHTL;
- Chairperson PHTL;
- Deputy Chairperson PHTL;
- Member NHTL;
- Member PHTL;
- Senior Traditional Leader; and
- Headman.

Job Grading

A vertically integrated grading structure was developed for all office bearers in the Traditional Leadership structure, which reflects, amongst other things, the differences between office-holder and lineage positions, as well as the intricate relationships amongst those positions.

Table 28 of the First Review Report: Grading Results for Traditional Leaders

Grade	Pay level	Position
TA	1	King / Queen
TB	1	Chairperson NHTL
	2	Chairperson PHTL
	3	Deputy Chairperson NHTL
	4	Deputy Chairperson PHTL
TC	1	Member NHTL
	2	Member PHTL
TD	1	Senior Traditional Leader
	2	Headman

Benchmarking

In order to conduct a comprehensive and credible benchmarking exercise, the Commission considered comparators in private sector, senior public service, senior

executives in State Owned Entities and institutions supporting constitutional democracy, and similar international positions and practices.

The Commission considered it appropriate to make a distinction between full-time and part-time positions, which would inevitably have to be treated very differently for remuneration purposes.

Table 29 of the First Review Report: Remuneration ratios in relation to institutional anchor

Grade	Pay level	Position	Ratio to anchor
TA	1	King / Queen	Anchor
TB	1	Chairperson NHTL	TA1 - 15%
	2	Chairperson PHTL	TA1 - 30%
	3	Deputy Chairperson NHTL	TA1 - 35%
	4	Deputy Chairperson PHTL	TA1 - 40%
TC	1	Member NHTL	TA1 - 65%
	2	Member PHTL	TA1 - 70%
TD	1	Senior Traditional Leader	TA1 - 78%
	2	Headman	NIL

Pay levels

It is critical to note that the amounts reflected herein represent the total remuneration which is recommended for payment to public office bearers, which includes salaries, all allowances and all benefits. This however does not apply to part-time office-holders in the National and Provincial Houses of Traditional Leaders, who should remain entitled to current salaries and allowances for attendance of formal meetings of the respective Houses, adjusted by 5.75% to accommodate cost-of-living changes.

Table 32 of the First Review Report: Recommended Remuneration Table for Traditional Leaders

GRADE	PAY LEVEL	POSITION	CURRENT PACKAGE	PROPOSED PACKAGE	DIFFERENCE	% CHANGE	NO. OF POSTS	TOTAL COST	EXPL

TA	1	King	507 038	590 400	83 362	16.44	12	1 000 344	Anchor (A)
TB	1	Chairperson: NHTL	403 033	501 800	98 767	24.51	1	98 767	A - 15%
	2	Chairperson: PHTL	369 035	413 300	44 265	11.99	6	265 590	A - 30%
	3	Deputy Chairperson: NHTL *	349 875	383 800	33 925	9.7	1	33 925	A - 35%
	4	Deputy Chairperson: PHTL *	328 252	354 200	25 948	7.9	6	155 688	A - 40%
TC	1	Member: NHTL *	121 702	206 600	84 898	69.76	16	1 358 368	A - 65%
	2	Member: PHTL *	121 702	177 100	55 398	45.52	192	10636 416	A - 70%
TD	1	Senior Traditional Leader	121 702	129 900	8 198	6.74	760	6 230 480	A - 78%
	2	Headman	0	0	0	0	20000	0	
TOTAL COST IMPLICATION **								19 779 578	

* Part-time office bearers will only receive current allowances plus 5.40%
 ** Total cost implication will be minimised as a result of the number of part-time office bearers, and current expenditure on allowances
 *** The value of current total remuneration packages have been calculated as set out in Annexure H (First Review Report).

(f) JUDICIARY

Job Profiling

After a process of initial consultations, and considering all submissions and correspondence received from representative Judges, Magistrates and other relevant stakeholders, as well as subsequent in-depth role profiling consultations, the Commission drafted job profiles for public office bearers in the Judiciary:

- Chief Justice;
- Deputy Chief Justice;
- President: Supreme Court of Appeal;
- Deputy President: Supreme Court of Appeal;
- Judge of the Constitutional Court;
- Judge of the Supreme Court of Appeal;
- Judge President of a High Court;
- Judge President of a Labour Court;
- Deputy Judge President of a High Court;
- Deputy Judge President of a Labour Court;
- Judge of a High Court;
- Judge of a Labour Court;
- Special Grade Chief Magistrate;
- Regional Court President;
- President of a Divorce Court;
- Regional Magistrate;
- Chief Magistrate;
- Presiding Officer: Divorce Court;
- Senior Magistrate; and
- Magistrate.

Job Grading

A grading structure was developed for all judicial office bearers, which reflects the institutional relatedness amongst different positions in the judiciary. There was overwhelming and compelling support both locally and internationally for the notion of maintaining completely separate grading, benchmarking and remunerative structures for office bearers in the Judiciary from those in political institutions (Executive and Legislature).

Table 33 of the First Review Report: Grading Results for Judiciary

Grade	Pay level	Position
JA	1	Chief Justice
JB	1	Deputy Chief Justice President: Supreme Court of Appeal
JC	1	Deputy President: Supreme Court of Appeal
	2	Judge of the Constitutional Court Judge of the Supreme Court of Appeal
	3	Judge President of the High Court Judge President of the Labour Court
	4	Deputy Judge President of the High Court Deputy Judge President of the Labour Court
	5	Judge of the High Court Judge of the Labour Court
JD	1	Special Grade Chief Magistrate Regional Court President
JE	1	President of a Divorce Court Regional Magistrate Chief Magistrate
	2	Presiding Officer of a Divorce Court
JF	1	Senior Magistrate
JG	1	Magistrate

Benchmarking

In order to conduct a comprehensive and credible benchmarking exercise, the Commission considered comparators in the private sector, senior public service, senior executives in State Owned Entities and institutions supporting constitutional democracy, and similar international positions and practices.

The Commission considered the position of the Chief Justice to be the most appropriate remuneration top level anchor position for public office bearer positions in the Judiciary.

**Table 34 of the First Review Report:
Remuneration ratios in relation to
institutional anchor**

Grade	Pay level	Position	Ratio to anchor
JA	1	Chief Justice	Anchor
JB	1	Deputy Chief Justice President: Supreme Court of Appeal	JA1 - 10%
JC	1	Deputy President: Supreme Court of Appeal	JA1 - 15%
	2	Judge of the Constitutional Court Judge of the Supreme Court of Appeal	JA1 - 20%
	3	Judge President of the High Court Judge President of the Labour Court	JA1 - 25%
	4	Deputy Judge President of the High Court Deputy Judge President of the Labour Court	JA1 - 30%
	5	Judge of the High Court Judge of the Labour Court	JA1 - 35%
	JD	1	Special Grade Chief Magistrate Regional Court President
JE	1	President of a Divorce Court Regional Magistrate Chief Magistrate	JA1 - 60%
	2	Presiding Officer of a Divorce Court	JA1 - 63%
JF	1	Senior Magistrate	JA1 - 67%
JG	1	Magistrate	JA1 - 70%

Magistrates have been remunerated in terms of the same salary, allowances and benefits structure as public servants until 2003, when they were included under the definition of "office bearers". Despite their addition to the fold of public office bearers, their remuneration packages are however still composed similarly to those of ordinary public servants.

Magistrates have historically been regarded as separate from Judges. The Judiciary is not seen as one integrated authority. Much discussion has been held in the past over linking the salaries of Magistrates to those of Judges in the High Court. No link has been implemented thus far. A uniform remuneration structure including benefits and conditions of service should be developed and implemented for the entire Judiciary. Pay lines therefore are to be developed based on the anchoring of the remuneration of the Chief Justice with a sliding scale moving down the judicial hierarchy through to the District Magistrates.

Pay levels

The Commission considered the levels of remuneration of public prosecutors and other legal practitioners in the public service, and the possible comparison thereof to the remuneration of Magistrates, based on historical remuneration practices. The Commission however considered it inappropriate to deviate from its principled and scientifically formulated remuneration recommendations in respect of Magistrates, as a result of inappropriate comparisons of the two sets of

remuneration packages and levels.

The Commission has formed a strong view that equal remuneration levels for the Chief Justice, Auditor General, Deputy President, Speaker of the National Assembly and Chairperson of the National Council of Provinces, would support and develop constitutional democracy optimally in South Africa as far as the impact of remuneration levels thereon is concerned.

The payment of retirement benefits to Constitutional Court judges and judges is regulated in terms of sections 5 and 6 of the Judges Remuneration and Conditions of Employment Act, 2001. In terms of these sections a Constitutional Court judge or judge who is discharged from active service in terms of section 3 of the same Act, shall be paid:

- A salary in accordance with the formula: $[(\text{annual salary of the highest office held by such Constitutional Court judge or judge in a permanent capacity during the period of his or her active service}) \div 15] \times [\text{period in years of active service of such Constitutional Court judge or judge}]$; and
- A gratuity in accordance with the formula: $[\text{annual salary of the Constitutional Court judge or judge at the time of his or her discharge from service}] \times 2 \times [(\text{period of years of active service, up to a maximum of 20 years}) \div 15]$.

For the purpose of determining appropriate levels of remuneration for Judges, the Commission used the Deloitte Top Executive Vehicle Tables to value the annual benefit for the type of vehicle allocated to Judges at R211 848. In calculating this value, the following assumptions were made:

- Depreciation was calculated over a period of 48 months (4 years).
- An average use of 30 000km per year was assumed.
- A residual amount of R386 214 has been used (60% of the smoothed value of the vehicle).
- Interest rate of 14%.
- Calculation includes license and registration, insurance costs and monthly instalments.

Table 38: Recommended Remuneration Table for the Judiciary

GRADE	PAY LEVEL	POSITION	CURRENT PACKAGE	PROPOSED PACKAGE	DIFFERENCE	% CHANGE	NO. OF POSTS	TOTAL COST	EXPL
JA	1	Chief Justice	1 034 302	1 708 600	674 298	65.19	1	674 298	Anchor (A)
JB	1	Deputy Chief Justice	1 021 322	1 537 700	516 378	50.56	1	516 378	A - 10%
		President: SCA	1 021 322	1 537 700	516 378	50.56	1	516 378	
JC	1	Deputy President: SCA	1 009 184	1 452 300	443 116	43.91	1	443 116	A - 15%
	2	Judges: Constitutional Court	973 118	1 366 900	393 782	40.47	9	3 544 038	A - 20%
		Judge: SCA	973 118	1 366 900	393 782	40.47	19	7 481 858	
	3	Judge President: High/Labour Court	968 782	1 281 500	312 718	32.28	9	2 814 462	A - 25%
	4	Deputy Judge President: High/Labour Court	957 445	1 196 000	238 555	24.92	9	2 146 995	A - 30%
	5	Judge: High/Labour Court	952 211	1 110 600	158 389	16.63	131	20 748 959	A - 35%
JD	1	Special Grade Chief Magistrate	680 779	786 900	88 121	12.94	1	88 121	A - 55%
		Regional Court President	680 779	786 900	88 121	12.94	10	881 210	
JE	1	President: Divorce Court	554 391	683 400	129 009	23.27	3	387 027	A - 60%
		Regional Magistrate	554 391	683 400	129 009	23.27	318	41 024 862	
		Chief Magistrate	554 391	683 400	129 009	23.27	26	3354 234	
	2	Presiding Officer: Divorce Court	554 391	632 200	77 809	14.04	5	389 045	A - 63%
JF	1	Senior Magistrate	489 114	563 800	74 686	15.27	160	11 949 760	A - 67%
JG	1	Magistrate	446 535	512 600	66 065	14.80	1 388	91 698 220	A - 70%
		TOTAL COST IMPLICATION						188 658 961	

*** The value of current total remuneration packages have been calculated as set out in Annexure H (First Review Report), and include basic salary, motor vehicle allowance, medical aid, pension, housing allowance, 13th cheque, and cellular phone allowance.

7.1.2 Recommendations on pension and medical aid benefits of a retired President

The Commission is, amongst other things, required, in terms of section 2(5)(a) and (b) and section 2(6) of the Remuneration of Public Office Bearers Act, 1998, (Act No. 20 of 1998), to make recommendations to the National Assembly on the pension and medical aid benefits payable to the President upon his or her retirement. In turn, the National Assembly bears the responsibility to determine such benefits in terms of existing law.

The Commission had regard to a number of considerations, some of which are contained in the bodies of both this report and the Commission's report on its review of public office bearer pension and medical aid benefits, of April 2008, (Second Review Report), but also of those contained in a 1998 report of the Independent Commission for the Remuneration of Public Office Bearers of the time, (First Review Report).

Pension benefits

After due consideration of the recommendations of the Independent Commission for the Remuneration of Public Office Bearers of the time, National Assembly resolved on 5 November 1998 that:

- in terms of section 2(5)(a) of the said Act, upon the President's retirement from office, with effect from the day following the day that he/she vacated office, a taxable pension benefit be paid to him/her equal to 75% of the total annual remuneration (salary and allowance) payable to him/her the day prior to his/her retirement, such pension benefit to be increased annually in keeping with the pension increases granted to retired public servants;
- in terms of section 2(5)(b) of the said Act, upon the death of the President or a former President, with effect from the day of his/her death, a taxable pension benefit be paid to his/her widow/widower equal to 50% of the pension benefit payable to the President or former President at the time of his/her death, such pension benefit to be increased annually in keeping with the pension increases granted to retired public servants; and

- in terms of section 2(6)(b) of the said Act, after the retirement of the President, the State shall contribute the full amount payable to a medical aid scheme in respect of membership of that scheme by the President or his/her widow/widower or dependent, as the case may be.

After having regard to the prior recommendations of the Commission in 1998, and after having completed a major review of public office bearer remuneration and benefits (as have been reported on by this Commission in March 2007 and April 2008), the Commission is of the view that the taxable pension benefit paid to a retired President should be equal to 100% of the annual remuneration paid to him or her on the day prior to his or her retirement from office.

Furthermore, the Commission is of the view that a taxable pension benefit equal to 50% of the President's pension, should be paid to the President's widow/widower upon the death of the President or former President. This is consistent with both the Commission's previous recommendations in this regard, and with comparable practices in public service.

The Commission has taken careful note of the National Assembly resolution of November 1998 for the determination of pension and medical aid benefits for a retired President, which was based on, amongst others, the recommendations of the Commission at the time. Those recommendations and determinations are in some respects inconsistent with the current recommendations contained herein. In view of the statutory mandate of the National Assembly to determine the pension and medical aid benefits of a retired President from time to time, and taking into consideration the review report and recommendations of this Commission of April 2008, it would be advisable for the National Assembly to revisit its November 1998 determination of the pension and medical aid benefits of a retired President, to bring it in line with current review results and recommendations.

Medical aid benefits

With regard to the medical aid benefit of a former President, the Commission is of the view that, after the retirement of the President, the State should contribute the full amount payable to a medical aid scheme of which the President or his/her widow/widower or dependent, as the case may be, is a member. Such a determination is consistent with the Commission's 1998 recommendations, the current parliamentary resolution, and the Commission's review results of April 2008.

A recommendation on pension and medical aid benefits of a retired President is obtainable from the Commission's website.

7.1.3 Second Review Report- Pension and medical aid benefits review

The Commission conducted research on pension and medical aid benefits separately from the salary review due to the comprehensive nature of these benefits. The Commission engaged consultants to effect calculations and conduct research and input on the pension and medical aid benefits of public office-bearers. The Commission considered key decision areas it identified, considered a comprehensive and transparent record of current benefits, but a principled analysis of the appropriateness thereof in a larger public office bearer remuneration structure. The Commission engaged stakeholders during 2007 and 2008 and invited submissions from stakeholders on proposed changes envisaged by them to the current benefits systems.

The proposals received from stakeholders during 2007 and 2008 were costed by the Commission's consultants so that the Commission could consider the cost implications and affordability.

The Commission sought a balance between the existing benefits systems on the one hand and proposals received from stakeholders on the other hand and in summary made recommendations as follows:

National Executive (excluding the President), National Parliament and Provincial Legislatures

Pension benefits

The state contribution including the annual service benefit to the pension fund was increased to 54.5% for National Parliament and Provincial Legislatures. The implementation of this increase has the effect that 22.5% of the benefit is already contained within the

total remuneration of the member. The state will be liable to inject the remaining 32% on an annual basis into the pension fund.

The pension design for National Parliament and Provincial Legislatures is a hybrid approach which is a defined contribution with a 92.5% defined benefit cap. All members will cease to contribute after 15 years of service. The normal retirement age remains at 50 years.

The Commission sought to address the imbalances of the past which provided inadequate benefits. The Commission therefore recommended that proposed benefits be extended to all members of National Parliament and Provincial Legislatures who exited the fund since April 1994.

Medical aid benefits

The Commission did not make any recommendations for medical aid benefits of National Parliament and Provincial Legislatures.

MUNICIPAL COUNCILLORS

Since the Commission did not receive any submissions from members of Municipal Councils, no recommendations were made for pension and medical aid benefits for these members.

TRADITIONAL LEADERS

The Commission recommended for the allocation of a Death benefit and a Funeral benefit to Traditional Leaders falling in the first tier. It was proposed that a contribution of 5% be made available from the fiscus for such benefits. Actuarial control of such a program is essential and must report to the National House of Traditional Leaders. All proposed changes to such a scheme must be sanctioned by the Commission before implementation thereof.

The second tier comprises the few Members who receive salaries, other than as Traditional Leaders, for their membership to the National and Provincial Houses of Traditional Leaders. These salaries lapse when a member exits a House. In this case, the Commission recommended that these members join the Political Office Bearers Pension Fund with effect from 01 April 2008.

Traditional Leaders should be allowed to become members of a specified medical aid fund, and provision should be made for increases in their proclaimed salaries to fund employer contributions to such fund. The guidelines and

contribution rates applicable to public servants should be followed in this regard.

JUDGES

No recommendations on pension and medical aid benefits were made for Judges as the Commission deemed these benefits to be sufficient.

MAGISTRATES

Pension benefits

The Commission was of the view that magistrates should not be members of the GEPP, but that a separate pension fund should be established to accommodate magistrates. The rules and benefit structures of such a fund should be similar to those applicable in respect of the GEPP.

Medical aid benefits

For magistrates, the Commission recommended that medical aid benefits should be the same as for State employees.

Cost of living adjustment for all public office bearers

The Commission recommended a 7.5% increase in cost of living adjustments.

The review of the pension and medical aid benefits can be termed the Second Review Report and was published in April 2008. The Second Review Report is obtainable from the Commission's website.

7.1.4 Revised recommendations

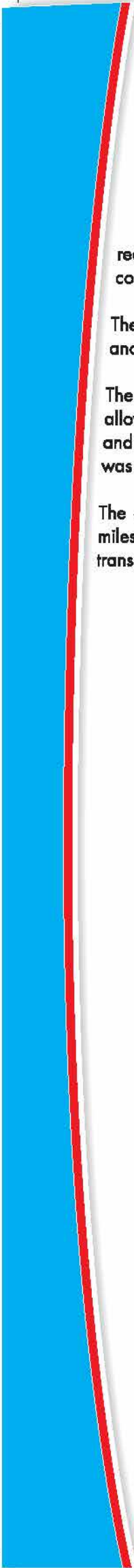
Due to the changes in the economic climate after April 2008, the Commission received submissions from stakeholders, and the President directed certain stakeholders' submissions to the Commission for clarity and advice. After having considered certain stakeholders' submissions and the economic climate as well as the challenges experienced by stakeholders, the Commission resolved not to change its recommendations in its First and Second Review Reports but to revise its recommendations to meet the challenges ensuing.

The Commission's revised recommendations are summarised as follows:

- By adjusting the remuneration levels recommended in the First Review Report by a CPIX of 11% per annum with effect from 1 April 2008 instead of the 7.5% per annum that was used in the calculations in the Second Review Report published in the Gazette of 17 April 2008.
- By recommending a once-off gratuity or terminal benefit in the following terms:
 - o A member of Parliament or of the provincial legislature who has served a period of 5 years or less should not be entitled to a pension but rather a once-off terminal payment equal to 45% of pensionable salary for every year of service;
 - o A member of Parliament or of the provincial legislature who has served more than 5 years whose term of office has ended be entitled to a once-off gratuity equal to 4 months pensionable salary for every year of service.
- By recommending that an allowance provided for in section 8(1)(d) of the Income Tax Act, 1962 be increased from R40 000,00 per annum to R120 000,00 per annum in relation to every member of Parliament or of the provincial legislature.
- By adding table 40 reflecting pay levels of local government public office-bearers be recast to include all grades of Municipal Councils. The Commission recommended that all grades of Municipal Councils to the allowance permitted by section 8(1)(d) of the Income Tax Act, 1962 and that in their case too the amount of the allowance should be R120 000,00.

The revised recommendations were published on 15 October 2008 and may be obtained from the Commission's website.

The Commission also launched the revised

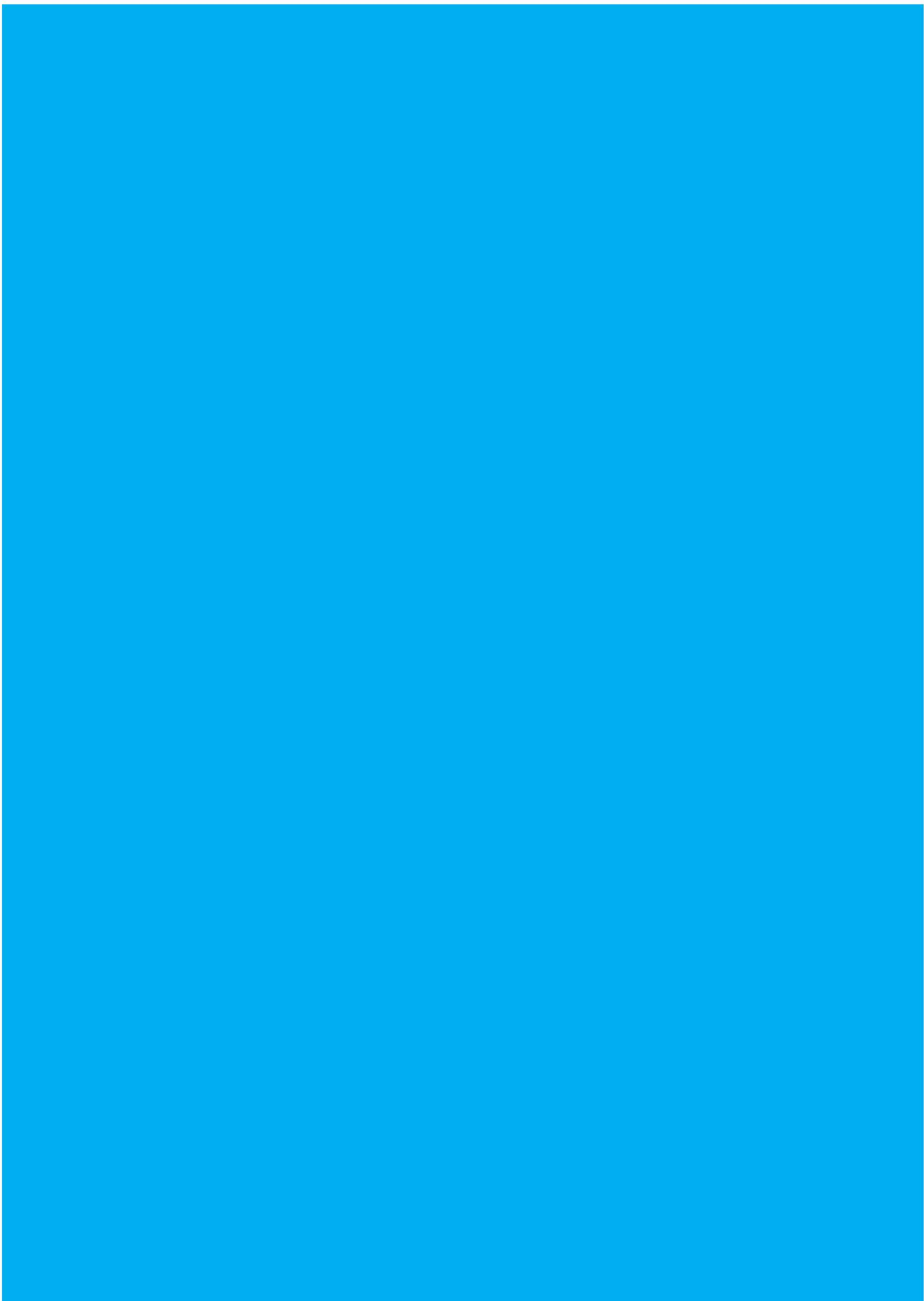


recommendations at a well orchestrated media event on 15 October 2008, a few hours before publication, where it communicated the most critical elements contained in its recommendations to everyone.

The Commission before publishing any of its recommendations conducted statutory consultations with the Chief Justice and the Ministers of Finance and of Justice and Constitutional Development.

The President after considering the recommendations of the Commission, proclaimed determinations of salary, allowances and benefits of certain public office-bearers as recommended by the Commission, on 27 October 2008 and 12 November 2008 respectively and Parliament's approval of the remuneration of certain public office-bearers was obtained.

The completion and publication of the recommendations of the Commission during the review process is a major milestone in the Commission's execution of its constitutional mandate to make recommendations for a fair, justifiable, transparent and accountable remuneration regime for public office-bearers in South Africa.

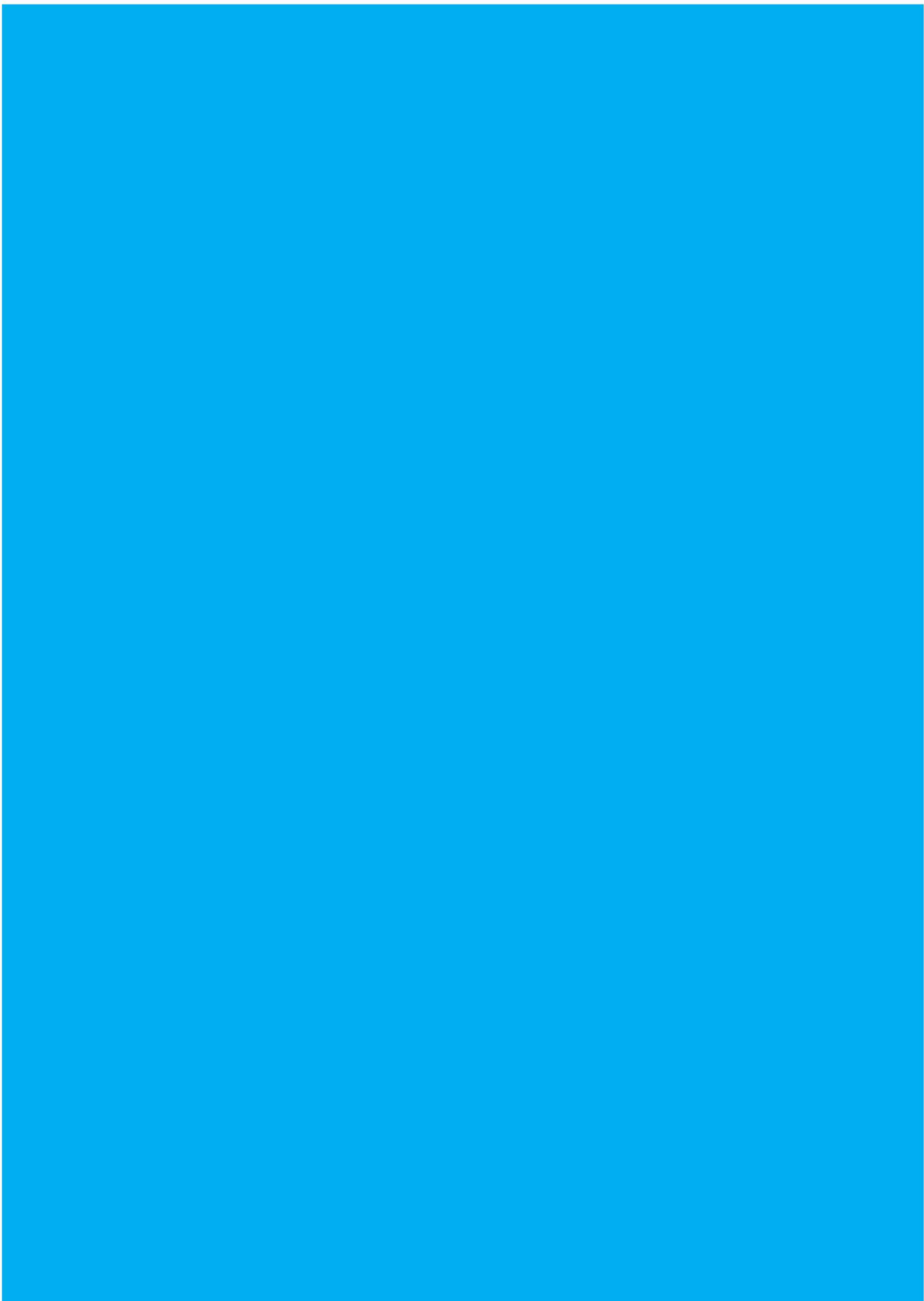


7. KEY ACTIVITIES

7.2 Key Priorities

The Commission identified key priorities listed below toward the fulfillment of its mandate. Some of the priorities listed will be achieved in 2008/2009 and some of the priorities will direct the Commission's activities beyond 2008/2009.

- o Effective communication with public office bearers.
- o Supplement existing remuneration research to address any shortcomings.
- o Complete annual cost-of-living remuneration adjustments for 2008/2009.
- o Complete the 2008 Annual Report.
- o Assisting with the implementation of the major review on salaries, pension and medical aid benefits of public office-bearers.
- o The updating of Presidential and Ministerial Handbooks.
- o The updating of the pension rules of pension fund benefits for certain public office bearers.
- o Complete a major review of the resources necessary to enable an office-bearer in each of the institutions to perform his or her functions effectively.
- o Comprehensive African and International benchmarking.
- o Closer liaison with similar Remuneration Tribunals in SADC countries.
- o Recommend a remuneration system for all public office bearers, based on performance measurement, management and reward.
- o Knowledge sharing with other public service institutions to eliminate inequities in remuneration practices across the entire public service.
- o Advise on appropriate remuneration of senior executives in public service institutions, Chapter 9 institutions and other relevant public office- bearers not included under the statutory definition.



8. PROGRESS REPORTS AND MILESTONES

8.1 Extensive communication with stakeholders

The Commission continued its initiative to communicate directly and widely with public office bearer groups and other stakeholders. Apart from the direct interactions with stakeholders, the Commission maintained an open door communication policy through its Secretariat. This led to significant strengthening of relations between the Commission and its stakeholders.

The Commission further deemed it essential to involve public office bearer stakeholders in consultative engagements in the completion of both phases of its major review project, and especially with regard to the fundamental and philosophical principles underlying the remuneration of public office bearers. The Commission, through its Secretariat, further participated in engagements with many different stakeholders for the purpose of research and information sharing on its review projects.

The Commission is utilizing its website to broadcast relevant information to its stakeholders. The Commission is proud of and excited with this enhancement of its ability to share information with different stakeholders and other interested parties, and the mechanism it established for the Commission to operate more transparently.

The Commission's website contains the following relevant information:

- o Composition of Commission and its Secretariat
- o Contact details for the Commission
- o List of all public office bearer positions
- o Annual remuneration tables since 2005
- o Full text versions published in the Government Gazette of:
 - Commission reports
 - Relevant legislation
 - Commission's remuneration recommendations
 - Remuneration Proclamations

- o Links to various other relevant websites
- o Relevant articles and news items
- o A photo gallery

The Commission remains committed to transparency in its activities, and the facilitation of access to relevant information by any stakeholder.

8.2 Major review of the resources which enable public office-bearers to perform their functions effectively

The Commission's Secretariat conducted the required research on tools of trade and consulted with stakeholders in all provinces. The purpose of the consultations was to obtain information on tools of trade currently used and tools of trade required by stakeholders. This information will be collated and presented to the Commission to consider core and peripheral tools of trade for stakeholders. Consultations on tools of trade are still pending in other relevant National Departments which will be completed before the end of 2009. Benchmarking against African and international countries will inform the Commission further on its research. Tools of trade will be the subject matter of the third review report and will complete the major review on public office-bearer remuneration first embarked by the Commission since 2002.

8.3 African and International liaison and Comparative studies

The research on international best remuneration principles and practices relating to different categories of public office bearers during the visits to similar African and international tribunals by Commission in 2006 and 2007 assisted the Commission during its review of public office-bearer remuneration. In this regards the Commission not only continued to seek to determine what could be regarded as international best practice, but to copy and apply such principles and practice into the South African scenario, with the necessary changes.

Besides some desktop research concluded by the Commission, and various submissions made to it by stakeholders and consultants, the Commission undertook numerous visits in 2006 and 2007 as reported in previous annual reports.

8. PROGRESS REPORTS AND MILESTONES

In addition to the valuable information gathered by the Commission during these visits, it established meaningful relations with the tribunals who operate in a similar field as the Commission, which relations will increase the Commission's ability to make future recommendations which are in line with international best practice.

The Commission did not deem it necessary to benchmark against African and international countries regarding the pension and medical aid benefits of public office bearers as these did not have any bearing on the South African context of these benefits therefore no African and/or international visits were conducted in 2008 of this nature.

The Commission may benchmark against African and international comparators for tools of trade in the near future and is currently researching the applicability of certain countries that would be suitable comparators.

The Commission intends liaising with similar remuneration bodies in SADC countries for mutual benefit including sharing of information and is currently identifying as well as adding such countries to its database.

8.4 Annual cost-of-living remuneration adjustment recommendations 2008/2009

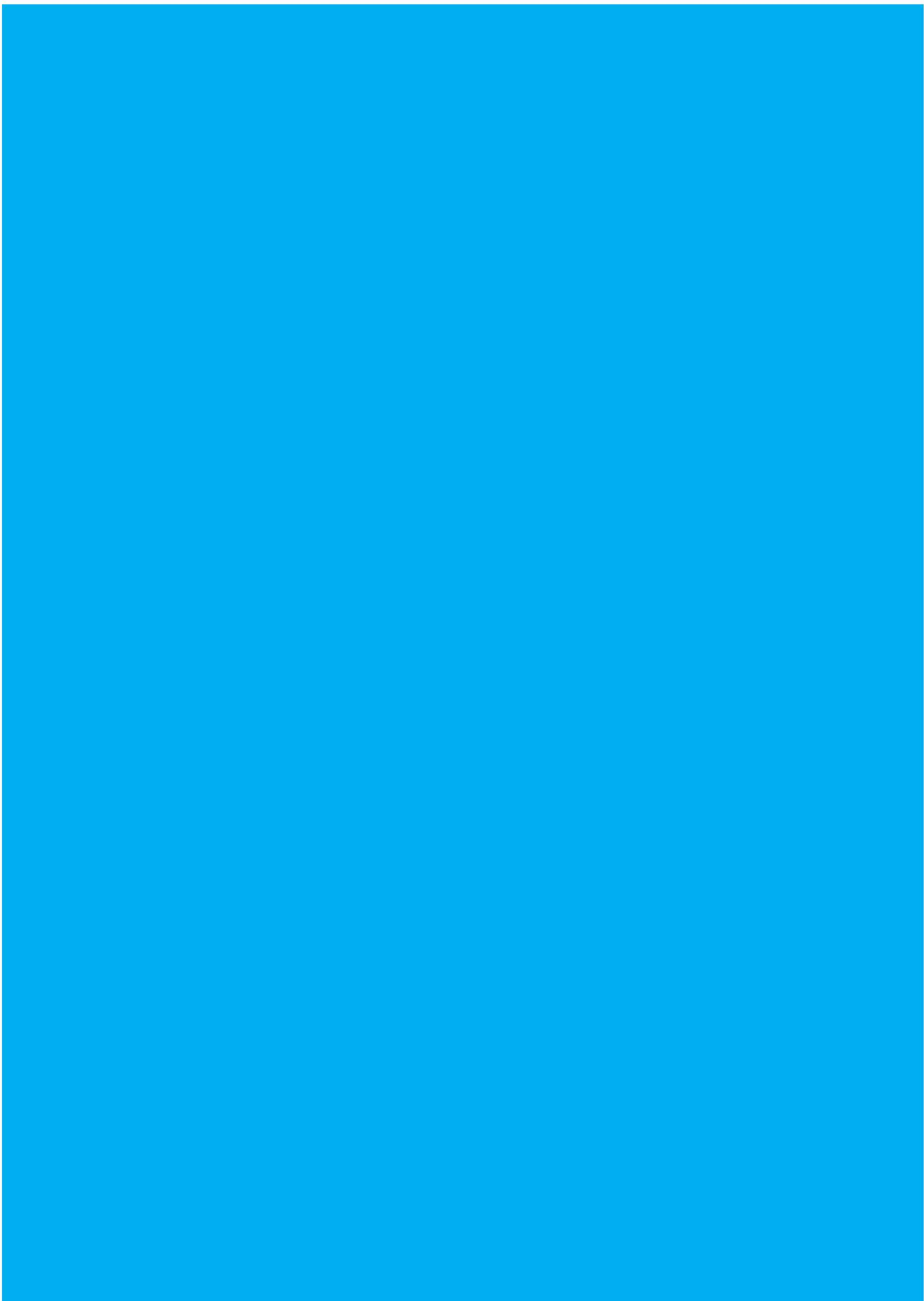
After the publication of its Second Review Report in April 2008, the President was still considering the recommendations in the First Review Report and did not approve the recommendations in either of the reports. During this time the President received submissions from certain stakeholders and referred these submissions to the Commission for clarity and advice.

Certain stakeholders requested in these submissions that the Commission reconsider the 7.5% CPIX related general cost-of-living salary adjustment recommended in the Second Review Report, since the economic climate had since changed and stakeholders like the rest of the consumers in South Africa faced many economic challenges as a result thereof. The Commission considered the submissions made by stakeholders and made additional recommendations in its revised recommendations published on 15 October 2008 (as discussed previously in this document).

The Commission recommended in its revised recommendations, an adjustment of the remuneration levels recommended in the First Review Report by a CPIX of 11% per annum with effect from 1 April 2008 instead of the 7.5% per annum that was used in the calculations in the Second

Review Report published in the Government Gazette of 17 April 2008.

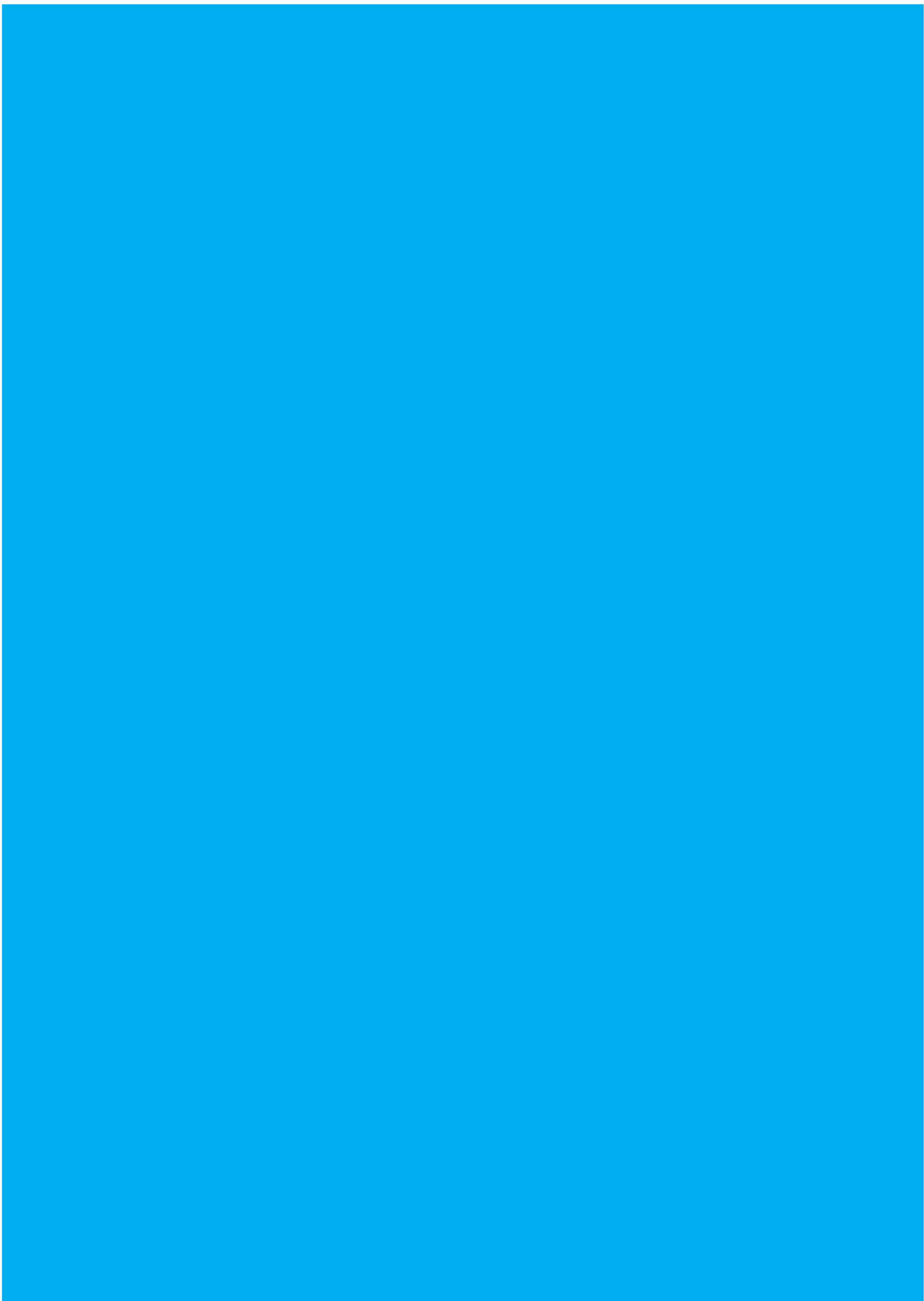
The Commission was pleased to note that the President's acceptance of its revised recommendations (including recommendations of the major review as contained in the First and Second Review Reports) in the Proclamations published in the Government Gazettes as listed below. Copies of these Proclamations are attached hereto as Annexure B.



9. ACKNOWLEDGEMENTS

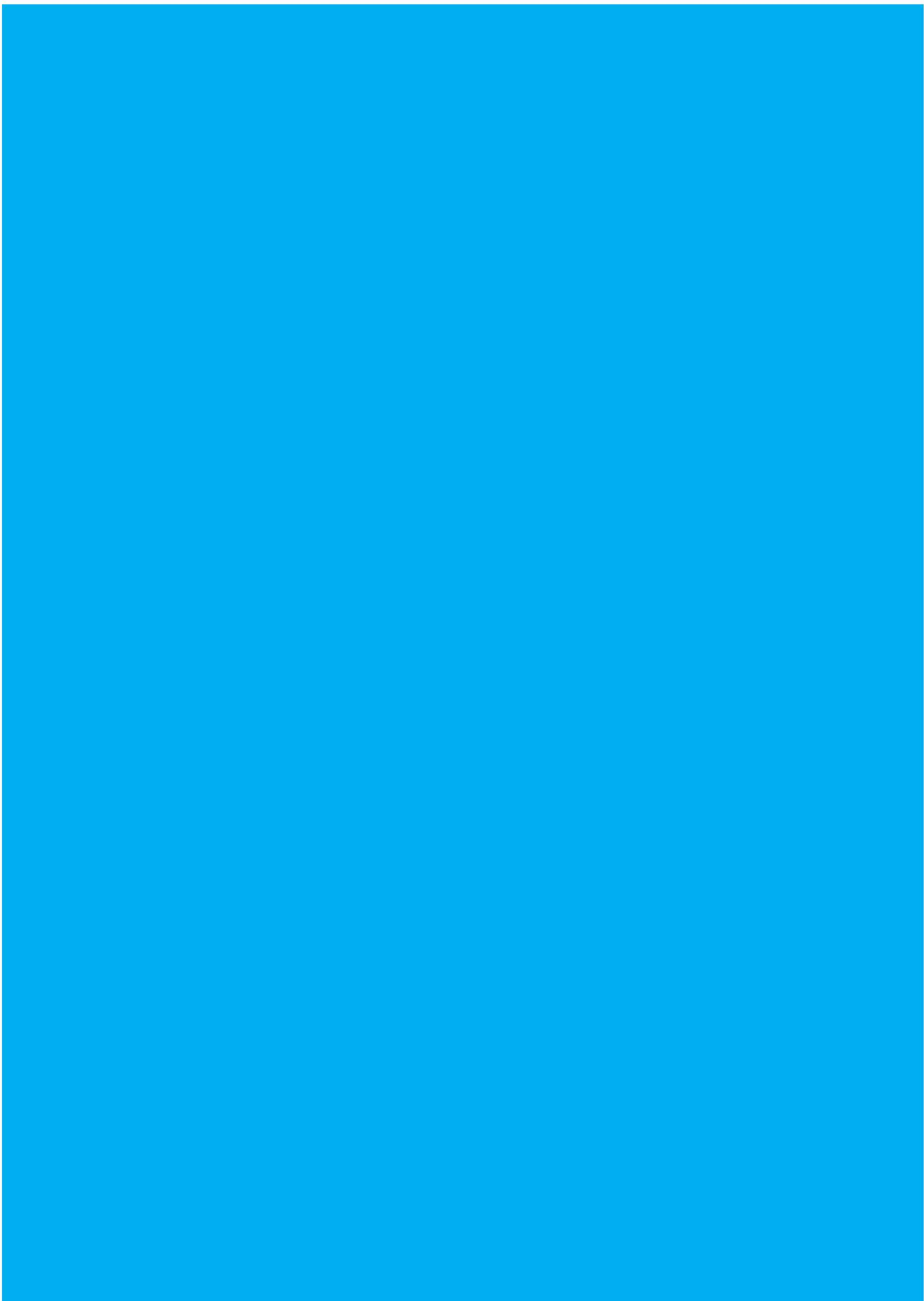
The Commission wishes to acknowledge the following individuals and institutions, and thank them for their contributions towards the functioning of the Commission during 2008, and in generating this Annual Report:

1. The Presidency, for administrative support to the Commission;
2. 4 Images, for the design and publication of this Report;
3. All public office bearers and other stakeholders who actively participated in productive consultation and communication with the Commission in execution of its responsibilities; and
4. The Commission's Secretariat for its commitment to utmost performance and quality.



10. ANNEXURES

- A. Remuneration recommendations for 2008/2009**
- B. 2008 Presidential Proclamations and Parliamentary Motions**



ANNEXURE A: REMUNERATION RECOMMENDATIONS FOR 2008/2009

RECOMMENDATIONS ON SALARIES, ALLOWANCES AND BENEFITS OF PUBLIC OFFICE BEARERS FOR THE FISCAL YEAR COMMENCING 1 APRIL 2008

Introduction and Background

1. The Independent Commission for the Remuneration of Public Office Bearers (Commission) is statutorily obliged by virtue of section 8 (4) and (5) of the Independent Commission for the Remuneration of Public Office Bearers Act, 1997, to make annual recommendations relating to the salaries, benefits and allowances, and resources required by public office bearers to enable them to perform their respective duties effectively.
2. On 30 March 2007, the Commission published a report and recommendations following a major review of public office bearer remuneration (First Review Report). As required by law, the First Review Report was submitted to Parliament and to the President for approval and was published in the Government Gazette. However, the First Review Report did not include a consideration of pension, medical benefits and tools of trade due to public office bearers. After a further and extensive review, the Commission released another set of recommendations (Second Review Report) on pension and medical aid benefits. The Second Review Report was submitted to Parliament and to the President and thereafter it was published in the Government Gazette on 17 April 2008.
3. Neither the First Review Report nor the Second Review Report was adopted or implemented by the President and Parliament. However, in relation to the financial year starting on 1 April 2007 the President and Parliament implemented an alternative recommendation of the Commission premised on an inflation based cost of living increase on existing remuneration. Again, when the Commission made its recommendations in the Second Review Report it also included alternative recommendations informed by an inflation related cost of living increase on existing remuneration with effect from 1 April 2008. It follows from what has been said that the Second Review Report of 2008 should be considered together with the First Review Report of 2007.

4. It is important to keep in mind that the Commission consulted with public office bearer representatives during its processes, communicated its draft recommendations contained in the Second Review Report directly to public office bearer representatives, received and considered submissions and only thereafter published its recommendations in March 2007 and April 2008 respectively. Even so, several waves of fresh representations were made to the President, who in turn, sought the advice of the Commission on the new representations. The Commission furnished the President with the advice sought each time it was asked to do so. Regrettably, this repeated process of receiving new representations and referring them to the Commission has led to considerable delay in finalising the major review recommendations contained in the First and Second Review Reports.
5. Again, as recently as on 19 August 2008, the President requested the Commission to advise him on submissions received from certain public office bearer representatives on the Second Review Report and on an inflation linked percentage increase to all public office bearers for the 2008/2009 financial year, as it would take some time to consider matters raised in the First and Second Review Reports.

Additional Recommendations effective from 1 April 2008

6. On 5 September 2008, the Commission met to consider the fresh representations referred to it by the President and having considered all the relevant circumstances, resolved not to change its recommendations in the First and Second Review Reports, except in the following respects:
 - a) By adjusting the remuneration levels recommended in the First Review Report by a CPIX of 11% per annum with effect from 1 April 2008 instead of the 7,5% per annum that was used in the calculations in the Second Review Report published in the Gazette of 17 April 2008.

b) By recommending a once-off gratuity or terminal benefit in the following terms:

(i) A member of Parliament or of the provincial legislature who has served a period of 5 years or less should not be entitled to a pension but rather to a once-off terminal payment equal to 45% of pensionable salary for every year of service;

(ii) A member of Parliament or of the provincial legislature who has served more than 5 years and whose term of office has ended be entitled to a once-off gratuity equal to 4 months pensionable salary for every 5 years of service or a pro-rata part of the 5 year period; and

c) By recommending that the allowance provided for in section 8(1)(d) of the Income Tax Act, 1962 be increased from R40 000 per annum to R120 000 per annum in relation to every member of Parliament or of a provincial legislature.

7. From paragraph 6(a) it appears that the Commission has revised its recommendations on remuneration of public office bearers to be found in the First Review Report by proposing and inflation based increase from 7.5% (that was recommended in the Second Review Report) to 11%. It is necessary to explain briefly that in arriving at the present recommendations, the Commission considered, amongst other factors, the following:

7.1 A link between labour costs and inflation is regarded as a sound basis for making salary adjustments.

7.2 Relevant annual and month-on-month CPI and CPIX figures as well as the percentage of remuneration increases for executives, mid management and public office bearers for each year

since 2005.

7.3 That when recommending the 7.5% increase on 17 April 2008 considered the inflation targets for the next 12 months during that time which remained slightly higher than the target range of 3% to 6%. Month-on-month CPIX which is believed to be a stable inflationary comparator, for September 2007 was 6.7%. The National Treasury estimated the average inflation (CPIX) for the fiscal year running from 1 April 2007 to 31 March 2008, at 6.5%. Given these factors it was likely that the CPIX for the 2007/2008 fiscal year may be slightly higher than the estimate. The most recent Reserve Bank forecasts at the time indicated a decline in the CPIX, to average at 6.8% for 2008 and 5.3% for 2009.

7.4 Private sector salary increases appeared to be higher than inflation. According to a wage settlement survey of Andrew Levy Employment Publications, the average wage settlement for 2007 was 7.3%. Moreover, the Public Service Coordinating Bargaining Council provided for a basic salary increase for public servants of 7.5% for 2007. The recommendation of a 7.5% increase as at 17 April 2008 was a sound recommendation at the time.

7.5 Circumstances since 17 April 2008 have changed and the soaring of oil prices, shortage of food and the Reserve Bank increases on interest rates impacted on prior estimates calculated.

7.6 The annual and month-on-month CPIX figures from 1998 to 2008. The average inflation target from 1998 to 2007 remains between 3.9% to 9.3%, the average inflation target for 2008 is 10.6%.

- 7.7 Month-on-month CPIX for 2008 indicates 10.9% for May 2008, 11.6% for June 2008 and 13% for July 2008.
- 7.8 The private sector salary increases which appear to be lower than inflation. However, the Public Service Coordinating Bargaining Council has provided for a basic salary increase for public servants of 10.5% for 2008.
8. In view of the above considerations, the Commission recommends a general percentile increase in salaries, allowances and benefits for all public office bearers, to be increased from 7.5% recommended in the Second Review Report to 11% per annum with effect from 01 April 2008.
9. Accordingly, to this proclamation the Commission attaches tables 37,38,39,40,41,42 reflecting the revised levels of remuneration of public office bearers for approval of the President and of Parliament.
10. It should be added that table 40 reflecting pay levels of local government public office bearers has been recast to include all grades of municipal councils. The Commission recommends that all municipal councils be entitled to the allowance permitted by section 8(1)(d) allowance of the Income Tax Act 1962 and that in their case too the amount of the allowance should be R 120 000.
11. As required by the applicable legislation, the Commission has, consulted with the Minister of Finance, the Minister of Justice and Constitutional Development and the Chief Justice.
12. The Minister of Finance has made it known that he concurs with the recommendations of the Commission on the revised salary scales, on the non-taxable allowance and on the proposal for a terminal payment for members of Parliament and of the Provincial Legislature who have served longer than one term in these legislatures. The Minister of Finance also supports the proposal of the Commission in relation to members of Parliament and of the Provincial Legislature who have served one term or less subject to the reservation that the terminal payment should meet the requirements of the minimal individual reserve provision in the Pension Funds Act, 2001.

The Minister of Justice and Constitutional Development has confirmed that he is satisfied with the recommendations of the Commission contained in this proclamation insofar as they relate to judges and magistrates.

13. The Chief Justice has confirmed with the Commission that he supports the recommendations of the Commission contained in this proclamation insofar as they relate to judges and magistrates.

Signed at Pretoria on 12 October 2008.



**JUSTICE DIKGANG MOSENEKE
CHAIRPERSON:**

**INDEPENDENT COMMISSION FOR THE
REMUNERATION OF PUBLIC OFFICE BEARERS**

TABLE 37				
REVISED REMUNERATION LEVELS PROPOSED IN THE FIRST AND SECOND REVIEW REPORTS AND ADJUSTED BY 11% WITH EFFECT FROM 1 APRIL 2008				
NATIONAL EXECUTIVE AND DEPUTY MINISTERS				
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION RECOMMENDED 1 APRIL 2007	PROPOSED TOTAL REMUNERATION 1 APRIL 2008
EA	1	President	1,898,400	2,107,224
EB	1	Deputy President	1,708,600	1,896,546
EC	1	Minister	1,452,300	1,612,053
ED	1	Deputy Minister	1,196,000	1,327,560

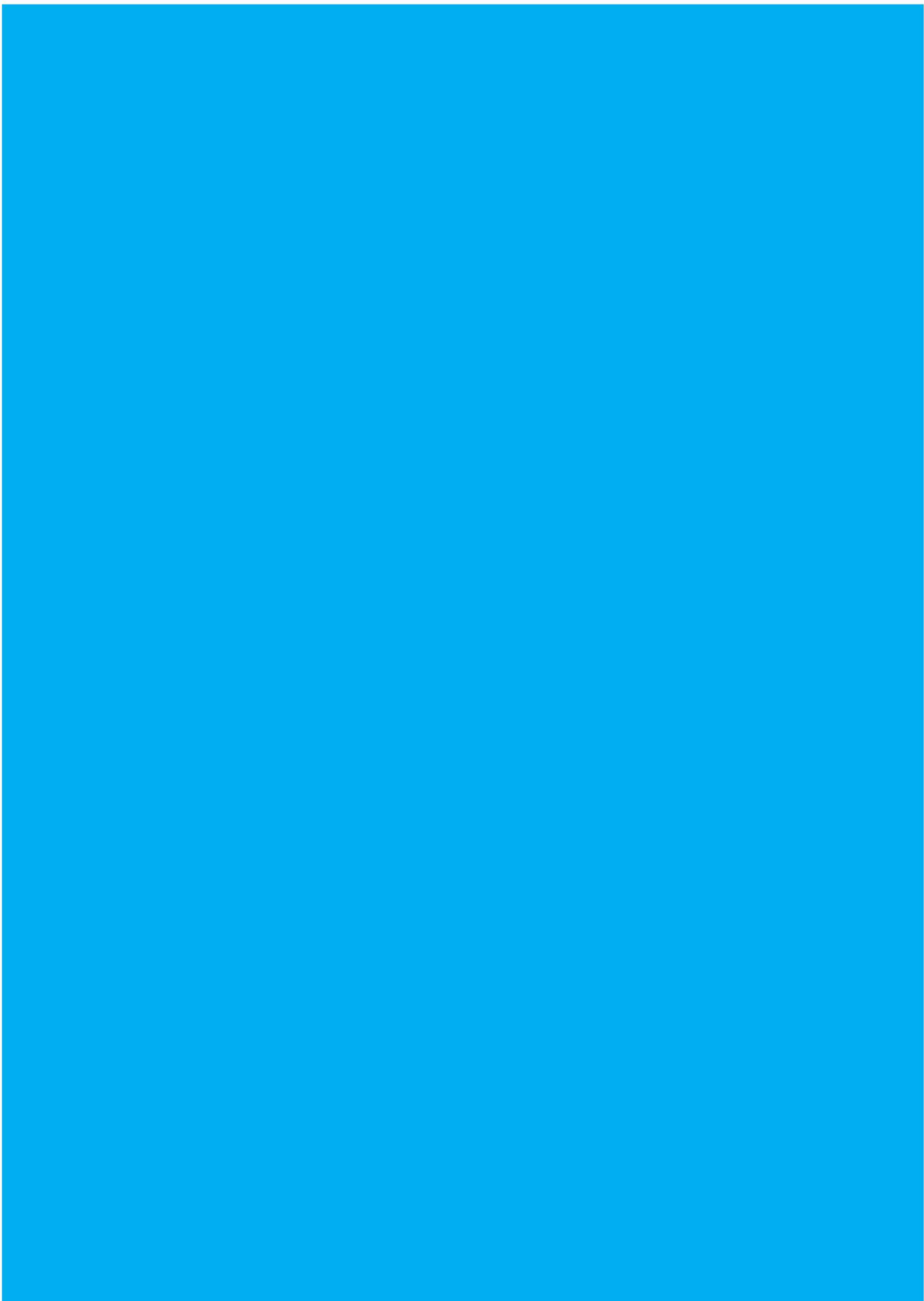
TABLE 38					
REVISED REMUNERATION LEVELS PROPOSED IN THE FIRST AND SECOND REVIEW REPORTS AND ADJUSTED BY 11% WITH EFFECT FROM 1 APRIL 2008					
NATIONAL PARLIAMENT					
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION RECOMMENDED 1 APRIL 2007	PROPOSED TOTAL REMUNERATION 1 APRIL 2008	
PA	1	Speaker: National Assembly	1,708,600	1,896,546	
		Chairperson: NCOP	1,708,600	1,896,546	
PB	1	Deputy Speaker: National Assembly	1,196,000	1,327,560	
		Deputy Chairperson: NCOP	1,196,000	1,327,560	
PC	2	House Chairperson	1,110,600	1,232,766	
		1	Chief Whip: Majority Party	939,700	1,043,067
			Chief Whip: NCOP	939,700	1,043,067
		1	Parliamentary Counsellor: President	939,700	1,043,067
Parliamentary Counsellor: Deputy President	939,700		1,043,067		
PD	2	Leader of Opposition	939,700	1,043,067	
		Chairperson of a Committee	854,300	948,273	
		1	Deputy Chief Whip: Majority Party	768,900	853,479
			Chief Whip: Largest Minority Party	768,900	853,479
PE	2	Leader of a Minority Party	768,900	853,479	
		Whip	713,500	791,985	
		1	Member: National Assembly	643,800	714,618
Permanent Delegate: NCOP	643,800		714,618		

TABLE 39				
REVISED REMUNERATION LEVELS PROPOSED IN THE FIRST AND SECOND REVIEW REPORTS AND ADJUSTED BY 11% WITH EFFECT FROM 1 APRIL 2008				
PROVINCIAL EXECUTIVES AND LEGISLATURES				
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION RECOMMENDED 1 APRIL 2007	PROPOSED TOTAL REMUNERATION 1 APRIL 2008
LA	1	Premier	1,366,900	1,517,259
LB	1	Member of Executive Council	1,196,000	1,327,560
		Speaker	1,196,000	1,327,560
LC	1	Deputy Speaker	939,700	1,043,067
	2	Chairperson of Committees	768,900	853,479
		Chief Whip: Majority Party	768,900	853,479
		Leader of Opposition	768,900	853,479
	3	Deputy Chairperson of Committees	723,400	802,974
		Chairperson of a Committee	723,400	802,974
		Deputy Chief Whip: Majority Party	723,400	802,974
		Chief Whip: Largest Minority Party	723,400	802,974
		Leader of a Minority Party	723,400	802,974
LD	1	Parliamentary Counsellor to a King	643,800	714,618
		Whip	643,800	714,618
	2	Member of Provincial Legislature	623,100	691,641

TABLE 40				
REVISED REMUNERATION LEVELS PROPOSED IN THE FIRST AND SECOND REVIEW REPORTS AND ADJUSTED BY 11% WITH EFFECT FROM 1 APRIL 2008				
LOCAL GOVERNMENT				
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION RECOMMENDED 1 APRIL 2007	PROPOSED TOTAL REMUNERATION 1 APRIL 2008
MA	1	Executive Mayor	756,900	840,159
		Mayor	756,900	840,159
MB	1	Deputy Executive Mayor	613,500	680,985
		Speaker/Chairperson	613,500	680,985
		Deputy Mayor	613,500	680,985
MC	2	Member of Executive Council	577,700	641,247
		Member of Municipal Council	577,700	641,247
		Chairperson of a Sub-council	577,700	641,247
		Whip	577,700	641,247
MD	1	Municipal Councillor	290,900	322,899

TABLE 41				
REVISED REMUNERATION LEVELS PROPOSED IN THE FIRST AND SECOND REVIEW REPORTS AND ADJUSTED BY 11% WITH EFFECT FROM 1 APRIL 2008				
TRADITIONAL LEADERS				
GRADE	PAY LEVEL	FULL TIME POSITIONS	TOTAL REMUNERATION RECOMMENDED 1 APRIL 2007	PROPOSED TOTAL REMUNERATION 1 APRIL 2008
TA	1	King	708,180	786,080
TB	1	Chairperson: NHTL	501,800	556,998
	2	Full time Chairperson: PHTL	413,300	458,763
	3	Deputy Chairperson: NHTL	383,800	426,018
	4	Full time Deputy Chairperson: PHTL	354,200	393,162
TC	1	Full time Member: NHTL	206,600	229,326
	2	Full time Member: PHTL	177,100	196,581
TD	1	Senior Traditional Leader	129,900	144,189
		PART TIME POSITIONS*	SITTING ALLOWANCE 1 APRIL 2007 (Per Day)	PROPOSED TOTAL REMUNERATION 1 APRIL 2008 (Per Day)
		Part time Member: NHTL	744	826
		Part time Chairperson: PHTL	885	982
		Part time Deputy Chairperson: PHTL	796	884
		Part time Member: PHTL	617	685
* In addition to sitting allowances, part time members are entitled to their salaries as Traditional Leaders, as well as subsistence costs (reasonable and actual expenses) and transport costs (Department of Transport tariffs for the use of privately owned vehicles), for their attendance of official meetings, seminars, workshops and conferences of the respective Houses)				

TABLE 42				
REVISED REMUNERATION LEVELS PROPOSED IN THE FIRST AND SECOND REVIEW REPORTS AND ADJUSTED BY 11% WITH EFFECT FROM 1 APRIL 2008				
JUDICIARY				
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION RECOMMENDED 1 APRIL 2007	PROPOSED TOTAL REMUNERATION 1 APRIL 2008
JA	1	Chief Justice	1,708,600	1,896,546
JB	1	Deputy Chief Justice	1,537,700	1,706,847
		President: Supreme Court of Appeal	1,537,700	1,706,847
JC	1	Deputy President: Supreme Court of Appeal	1,452,300	1,612,053
	2	Judge: Constitutional Court	1,366,900	1,517,259
		Judge: Supreme Court of Appeal	1,366,900	1,517,259
	3	Judge President: High/Labour Court	1,281,500	1,422,465
	4	Deputy Judge President: High/Labour Court	1,196,000	1,327,560
	5	Judge: High/Labour Court	1,110,600	1,232,766
JD	1	Special Grade Chief Magistrate	768,900	853,479
		Regional Court President	768,900	853,479
		President: Divorce Court	768,900	853,479
JE	1	Regional Magistrate	683,400	758,574
		Chief Magistrate	683,400	758,574
		Presiding Officer: Divorce Court	683,400	758,574
JF	1	Senior Magistrate	563,800	625,818
JG	1	Magistrate	512,600	568,986



ANNEXURE B: 2008 PRESIDENTIAL PROCLAMATIONS AND PARLIAMENTARY MOTIONS

Gazette No.	Date	Proclamation No.	Contents
31597	12 November 2008	50	Determination of salaries, benefits and allowances of the Deputy President, Ministers and Deputy Ministers
		51	Determination of salaries, allowances and benefits of Members of the National Assembly and Permanent Delegates of the National Council of Provinces
		52	Determination of upper limit of salaries, allowances and the contribution to be made to the pension fund of which Premiers, Members of Executive Councils and Members of Provincial Legislatures are members
		53	Determination of salaries, allowances and benefits of Traditional Leaders, Members of Provincial Houses of Traditional Leaders and Members of National House of Traditional Leaders
31546	27 October 2008	48	Total remuneration structure of Magistrates
		55	Total remuneration structure of Constitutional Court Judges and Judges
	26 September 2008		Summary of the resolution taken by Parliament on President's retirement, pension and medical aid benefits
	20 November 2008		Summary of the resolution taken by Parliament on President's remuneration

**PROCLAMATION BY THE
PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA
NO 50 OF 2008**

**DETERMINATION OF SALARIES, BENEFITS AND
ALLOWANCES OF THE DEPUTY PRESIDENT,
MINISTERS AND DEPUTY MINISTERS**

1. In terms of section 4(1) of the Remuneration of Public Office Bearers Act, 1998 (Act No 20 of 1998) (hereafter referred to as "the Act"), I hereby determine that the total remuneration packages of the positions of office bearers in Column 3 of Schedule 1 shall be as set out in Column 4 of Schedule 1 with effect from 1 April 2008, subject to the provisions of sections 4(2)-(7) of the Act, and terms and conditions set out herein.
2. The total remuneration packages should include the following elements:
 - 2.1 Basic salary component equal to 60% of the total package, which is pensionable;
 - 2.2 An amount of R120 000 per annum, which is an amount which section 8 (1) (d) of the Income Tax Act, 1962, applies. This amount is included in the basic salary component;
 - 2.3 An employer's pension benefit contribution equal to 22.5% of pensionable salary, and
 - 2.4 Flexible portion.
3. I further determine, as recommended by the Independent Commission for the Remuneration of Public Office Bearers, subject to terms and conditions set out herein, that Deputy President, Ministers and Deputy Ministers (Members of Executive and Deputy Ministers) shall be entitled to the following benefits:

3.1 RETIREMENT BENEFITS

- The current State contribution, including that of the ASB (Additional Service Benefit), amounts to appropriate 34.5% of salaries. The increase is 20% for all current members

on a monthly basis. The Member contributions for all should furthermore cease after 15 years of contribution. These increases should be applied retrospectively for existing members.

- The benefit design should have a maximum benefit equal to 92.5 % of pensionable salary as a pension, and this will be reached at different ages for the members. All members will cease to contribute after 15 years. For the younger members, the contributions must be maintained by the State until the benefits reaches the 92.5%. This benefit is the replacement of the full after tax income of the member. On promotion of a member, the maximum benefit will again build up as the contributions accrue in the Fund.
- If major salary increases are granted, the State would have to contribute again to build the reserves after the contributions have lapsed for those members.
- The contribution is fixed for the State until the benefits reach the maximum scale, and thereafter the liability will again be capped at the contribution level for all active members until the benefit reaches the cap again.
- The Normal Retirement Age should remain at age 50.
- The design retirement benefit is extended to all members who exited the Fund since April 1994.
- Cessation of pensions on re-election should form part of the pension benefit.
- On demotions or promotions of members, a formula whereby the service at various levels is averaged at the highest revalued fifteen years' salaries could be considered, to reduce cost on promotion or protect the member on demotion.

3.2 ONCE-OFF TERMINAL PAYMENT

- Members of Executive or Deputy Ministers who have served a period of 5 years or less should not be entitled to a pension but rather to a once-off terminal payment equal to 45% of pensionable salary for every year of service.

3.3 ONCE-OFF GRATUITY

- Members of Executive or Deputy Ministers who have served more than 5 years and whose term of office has ended should be entitled to a once-off gratuity equal to 4 months pensionable salary for every 5 years of service or a pro-rata part of the 5 year period.

3.4 DEATH BENEFITS

- A maximum death benefit that can be purchased within the applicable risk contributions should apply.

3.5 DISABILITY BENEFITS

- A maximum disability benefit that can be purchased within the applicable risk contributions should apply.

3.6 FUNERAL BENEFITS

- A maximum benefit that can be purchased within the applicable risk contributions should apply.

3.7 SPOUSES' COVER BENEFIT

- A maximum benefit that can be purchased within the applicable risk contributions should apply.

3.8 CONTRIBUTION DESIGN

3.8.1 The pension benefit contribution design should be as follows:

- Member Contribution : 7.5%
- Employer for retirement : 37.0%
- Employer for ASB : 12.0%
- Employer for Risk and Admin : 5.5%
- Total Employer Contribution : 54.5%**


- 22.5% of the total employer's contribution will form part of the total remuneration package.
- The remaining 32% of the recommended employer pension benefit contribution will not form part of the total remuneration package. The state will be liable to inject the cash on annual basis into the pension fund.
- As required by section 8(2) of the Act, the amount of the contribution to be made to the pension fund by the national government, of which a Deputy President, a Minister, a Deputy Minister is a member, shall be determined by the Minister of Finance after taking into consideration the recommendations of the Commission.

3.8.2 The risk costs would then be as follows:

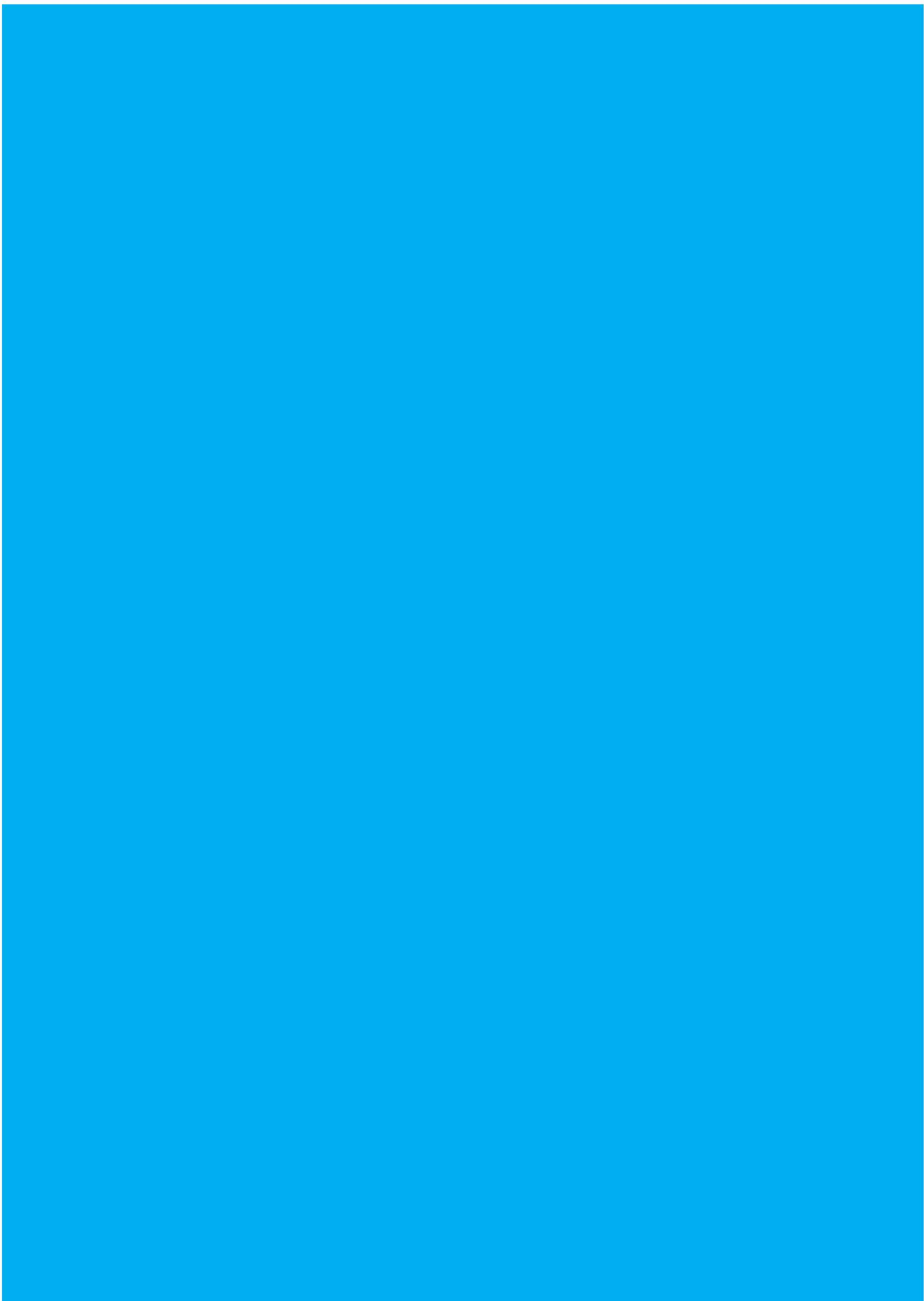
Death Benefits	:	3.6%
Disability Benefits	:	0.8%
Funeral Benefits	:	0.1%
Spouses' Cover	:	0.3%
Total Risk Cost	:	4.8%

4. Proclamation No.44, published in the Government Gazette No. 31546 of 27 October 2008, is revoked.

Given under my Hand at Johannesburg on this 10th day of November, Two thousand and eight.


PRESIDENT

SCHEDULE 1			
NATIONAL EXECUTIVE AND DEPUTY MINISTERS			
Column 1	Column 2	Column 3	Column 4
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION AS FROM 1 APRIL 2008
EB	1	Deputy President	1,896,546
EC	1	Minister	1,612,053
ED	1	Deputy Minister	1,327,560



**PROCLAMATION BY THE
PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA
NO 51 OF 2008**

**DETERMINATION OF SALARIES, ALLOWANCES
AND BENEFITS OF MEMBERS OF THE NATIONAL
ASSEMBLY AND PERMANENT DELEGATES TO THE
NATIONAL COUNCIL OF PROVINCES**

1. In terms of section 3(1) of the Remuneration of Public Office Bearers Act, 1998 (Act No 20 of 1998) (hereafter referred to as "the Act"), I hereby determine that the total remuneration packages of the positions of office bearers in Column 3 of Schedule 1 shall be as set out in Column 4 of Schedule 1 with effect from 1 April 2008, subject to the provisions of sections 3(2)-(7) of the Act, and terms and conditions set out herein.
2. The total remuneration packages should include the following elements:
 - 2.1 Basic salary component equal to 60% of the total package, which is pensionable;
 - 2.2 An amount of R120 000 per annum, which is an amount which section 8(1)(d) of the Income Tax Act, 1962, applies. This amount is included in the basic salary component;
 - 2.3 An employer's pension benefit contribution equal to 22.5% of pensionable salary, and
 - 2.4 Flexible portion.
3. I further determine, as recommended by the Independent Commission for Remuneration of Public Office Bearers, subject to terms and conditions set out herein, that members of the National Assembly and permanent delegates shall be entitled to the following benefits:

3.1 RETIREMENT BENEFITS

- The current State contribution, including that of the ASB (Additional Service Benefit), amounts to

appropriate 34.5% of salaries. The increase is 20% for all current members on monthly basis. The Member contributions for all should furthermore cease after 15 years of contribution. These increases should be applied retrospectively for existing members.

- The benefit design should have a maximum benefit equal to 92.5 % of pensionable salary as a pension, and this will be reached at different ages for the members. All members will cease to contribute after 15 years. For the younger members, the contributions must be maintained by the State until the benefits reaches the 92.5%. This benefit is the replacement of the full after tax income of the member. On promotion of a member, the maximum benefit will again build up as the contributions accrue in the Fund.
- If major salary increases are granted, the State would have to contribute again to build the reserves after the contributions have lapsed for those members.
- The contribution is fixed for the State until the benefits reach the maximum scale, and thereafter the liability will again be capped at the contribution level for all active members until the benefit reaches the cap again.
- The Normal Retirement Age should remain at age 50.
- The design retirement benefit is extended to all members who exited the Fund since April 1994.
- Cessation of pensions on re-election should form part the pension benefit.
- On demotions or promotions of members, a formula whereby the service at various levels is averaged at the highest revalued fifteen years' salaries could be considered, to reduce cost on promotion or protect the member on demotion.

3.2 ONCE-OFF TERMINAL PAYMENT

- Members of National Assembly or permanent delegates who have served a period of 5 years or less should not be entitled to a pension but rather to a once-off terminal payment equal to 45% of pensionable salary for every year of service.

3.3 ONCE-OFF GRATUITY

- Members of National Assembly or permanent delegates who have served more than 5 years and whose term of office has ended should be entitled to a once-off gratuity equal to 4 months pensionable salary for every 5 years of service or a pro-rata part of the 5 year period.

3.4 DEATH BENEFITS

- A maximum death benefit that can be purchased within the applicable risk contributions should apply.

3.5 DISABILITY BENEFITS

- A maximum disability benefit that can be purchased within the applicable risk contributions should apply.

3.6 FUNERAL BENEFITS

- A maximum benefit that can be purchased within the applicable risk contributions should apply.

3.7 SPOUSES' COVER BENEFIT

- A maximum benefit that can be purchased within the applicable risk contributions should apply.

3.8. CONTRIBUTION DESIGN

3.8.1 The pension benefit contribution design should be as follows:

• Member Contribution	:	7.5%
• Employer for retirement	:	37.0 %
• Employer for ASB	:	12.0%
• Employer for Risk and Admin	:	5.5%
• Total Employer Contribution	:	54.5%

- 22.5% of the total employer's contribution will form part of the total remuneration package.

- The remaining 32% of the recommended employer pension benefit contribution will not form part of the total remuneration package. The state will be liable to inject the cash on annual basis into the pension fund.

- As required by section 8(2) of the Act, the amount of the contribution to be made to the pension fund by the national government, of which a member of National Assembly or permanent delegate is a member, shall be determined by the Minister of Finance after taking into consideration the recommendations of the Commission.

3.8.2 The risk costs would then be as follows:

• Death Benefits	:	3.6%
• Disability Benefits	:	0.8%
• Funeral Benefits	:	0.1%
• Spouses' Cover	:	0.3%
• Total Risk Cost	:	4.8%

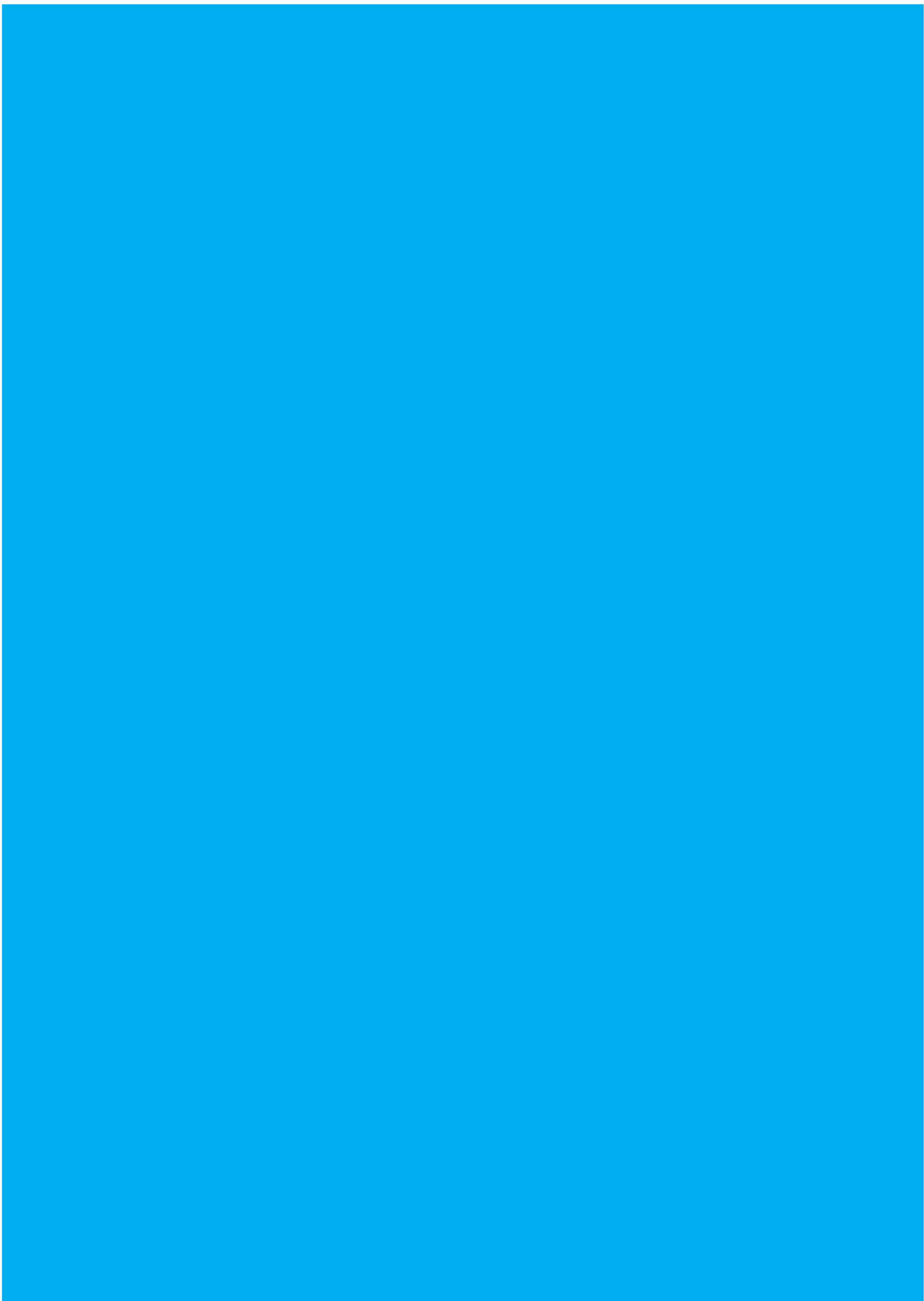
4. Proclamation No.45, published in the Government Gazette No. 31546 of 27 October 2008, is revoked.

Given under my Hand at Johannesburg on this 10th day of

November, Two thousand and eight.


PRESIDENT

SCHEDULE 1			
NATIONAL PARLIAMENT			
Column 1	Column 2	Column 3	Column 4
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION FROM 1 APRIL 2008
PA	1	Speaker: National Assembly	1,896,546
		Chairperson: NCOP	1,896,546
PB	1	Deputy Speaker: National Assembly	1,327,560
		Deputy Chairperson: NCOP	1,327,560
	2	House Chairperson	1,232,766
PC	1	Chief Whip: Majority Party	1,043,067
		Chief Whip: NCOP	1,043,067
		Parliamentary Council: President	1,043,067
		Parliamentary Council: Deputy President	1,043,067
		Leader of Opposition	1,043,067
	2	Chairperson of a Committee	948,273
PD	1	Deputy Chief Whip: Majority Party	853,479
		Chief Whip: Largest Minority Party	853,479
		Leader of a Minority Party	853,479
	2	Whip	791,985
PE	1	Member: National Assembly	714,618
		Permanent Delegate: NCOP	714,618



**PROCLAMATION BY THE
PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA
NO 52 OF 2008**

**DETERMINATION OF UPPER LIMIT OF SALARIES,
ALLOWANCES AND THE CONTRIBUTION TO BE
MADE TO THE PENSION FUND OF WHICH
PREMIERS, MEMBERS OF EXECUTIVE COUNCILS
AND MEMBERS OF PROVINCIAL LEGISLATURES
ARE MEMBERS**

1. In terms of section 6(1) of the Remuneration of Public Office Bearers Act, 1998 (Act No 20 of 1998) (hereafter referred to as "the Act"), I hereby determine that the total remuneration packages of the positions of office bearers in Column 3 of Schedule 1 shall be as set out in Column 4 of Schedule 1 with effect from 1 April 2008, subject to the provisions of sections 6(2)-(7) of the Act, and terms and conditions set out herein.
2. The total remuneration packages should include the following elements:
 - 2.1. Basic salary component equal to 60% of total package, which is pensionable;
 - 2.2. An amount of R120 000 per annum, which is an amount which section 8 (1) (d) of the Income Tax Act, 1962, applies. This amount is included in the basic salary component,
 - 2.3. An employer's pension benefit contribution equal to 22.5% of pensionable salary; and
 - 2.4. Flexible portion.
3. I further determined that, as recommended by the Independent Commission for the Remuneration of Public Office Bearers, subject to terms and conditions set out herein, Premiers, members of Executive Councils and members of Provincial Legislatures shall be entitled to the following benefits:

3.1 RETIREMENT BENEFITS

- The current State contribution, including that of the ASB (Addition

Service Benefit), amounts to appropriate 34.5% of salaries. The increase is 20% for all current members on monthly basis. The Member contributions for all should furthermore cease after 15 years of contribution. These increases should be applied retrospectively for existing members.

- The benefit design should have a maximum benefit equal to 92.5 % of pensionable salary as a pension, and this will be reached at different ages for the members. All members will cease to contribute after 15 years. For the younger members, the contributions must be maintained by the State until the benefits reaches the 92.5%. This benefit is the replacement of the full after tax income of the member. On promotion of a member, the maximum benefit will again build up as the contributions accrue in the Fund.
- If major salary increases are granted, the State would have to contribute again to build the reserves after the contributions have lapsed for those members.
- The contribution is fixed for the State until the benefits reach the maximum scale, and thereafter the liability will again be capped at the contribution level for all active members until the benefit reaches the cap again.
- The Normal Retirement Age should remain at age 50.
- The design retirement benefit is extended to all members who exited the Fund since April 1994.
- Cessation of pensions on re-election should form part of the pension benefit.
- On demotions or promotions of members, a formula whereby the service at various levels is averaged at the highest revalued fifteen years' salaries could be considered, to reduce cost on promotion or protect

the member on demotion.

3.2 ONCE - OFF TERMINAL PAYMENT

- Premier, member of Executive Council or member of Provincial Legislature who has served a period of 5 years or less should not be entitled to a pension but rather to a once-off terminal payment equal to 45% of pensionable salary for every year of service.

3.3 ONCE-OFF GRATUITY

- Premier, member of Executive Council or member of Provincial Legislature who has served more than 5 years and whose term of office has ended should be entitled to a once-off gratuity equal to 4 months pensionable salary for every 5 years of service or a pro-rata part of the 5 year period.

3.4 DEATH BENEFITS

- A maximum death benefit that can be purchased within the applicable risk contributions should apply.

3.5 DISABILITY BENEFITS

- A maximum disability benefit that can be purchased within the applicable risk contributions should apply.

3.6 FUNERAL BENEFITS

- A maximum benefit that can be purchased within the applicable risk contributions should apply.

3.7 SPOUSES' COVER BENEFIT

- A maximum benefit that can be purchased within the applicable risk contributions should apply.

3.8 CONTRIBUTION DESIGN

- In terms of sections 8(3)(a) and 8(4)(a) of the Act, I further determine, subject to terms and conditions set out hereunder, that the upper limit of the contribution to be made to

the pension fund of which Premiers, members of the Executive Council or members of Provincial Legislature are members shall be as set out hereunder:

3.8.1 The pension benefit contribution design should be as follows:

• Member Contribution	:	7.5%
• Employer for retirement	:	37.0%
• Employer for ASB	:	12.0%
• Employer for Risk and Admin	:	5.5%
• Total Employer Contribution	:	54.5%

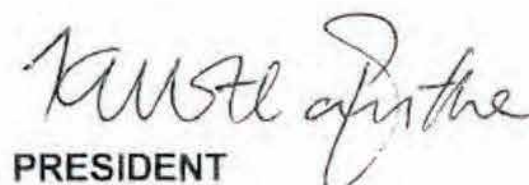
- 22.5% of the total employer's contribution will form part of the total remuneration package.

- The remaining 32% of the recommended employer pension benefit contribution will not form part of the total remuneration package. The state will be liable to inject the cash on annual basis into the pension fund.

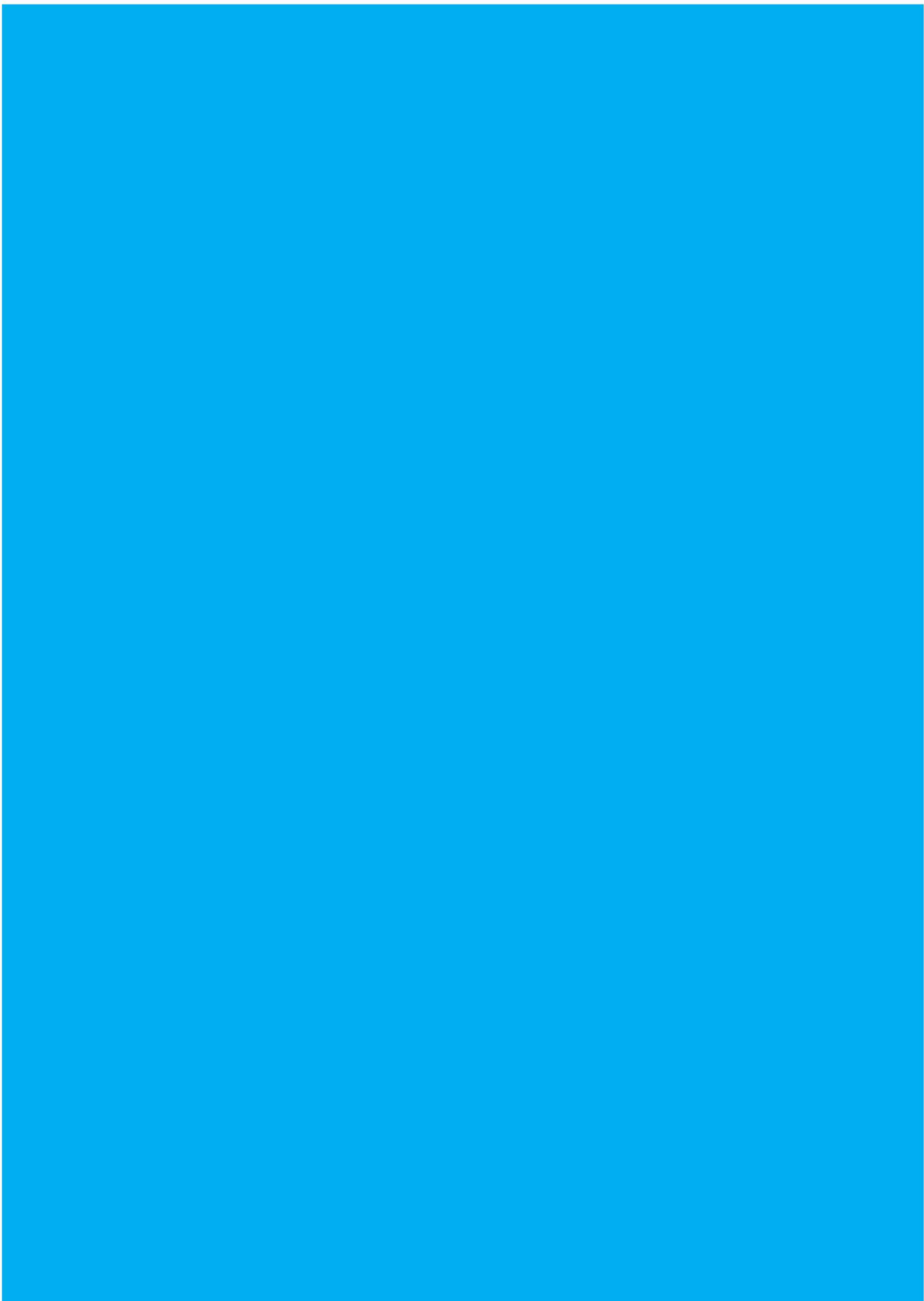
3.8.2 The risk costs would then be as follows:

• Death Benefits	:	3.6%
• Disability Benefits	:	0.8%
• Funeral Benefits	:	0.1%
• Spouses' Cover	:	0.3%
• Total Risk Cost	:	4.8%

4. Proclamation No.49, published in the Government Gazette No. 31559 of 30 October 2008, is revoked.


PRESIDENT

Schedule 1			
PROVINCIAL EXECUTIVE AND LEGISLATURE			
Column 1	Column 2	Column 3	Column 4
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION AS FROM 1 APRIL 2008
LA	1	Premier	1,517,259
LB	1	Member of Executive Council	1,327,560
		Speaker	1,327,560
LC	1	Deputy Speaker	1,043,067
	2	Chairperson of Committees	853,479
		Chief Whip: Majority Party	853,479
		Leader of Opposition	853,479
	3	Deputy Chairperson of Committees	802,974
		Chairperson of a Committee	802,974
		Deputy Chief Whip: Majority Party	802,974
		Chief Whip: Largest Minority Party	802,974
		Leader of a Minority Party	802,974
LD	1	Parliamentary Counsel to a King	714,618
		Whip	714,618
	2	Member of Provincial Legislature	691,641



PROCLAMATION BY THE
PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA
NO 53 OF 2008

DETERMINATION OF SALARIES, ALLOWANCES
AND BENEFITS OF TRADITIONAL LEADERS,
MEMBERS OF PROVINCIAL HOUSES OF
TRADITIONAL LEADERS AND MEMBERS OF
NATIONAL HOUSE OF TRADITIONAL LEADERS

- 1 In terms of section 5(1) of the Remuneration of Public Office Bearers Act, 1998, (Act No 20 of 1998) (hereafter referred to as "the Act"), I hereby determine after consultation with Premiers concerned, that salaries and allowances of office bearers in Column 3 of Schedule 1 shall be set out in Column 4 of Schedule 1 with effect from 1 April 2008.
- 2 In terms of section 5(3)(a) of the Act, I further determine after consultation with the Minister and Premiers concerned, subject to terms and conditions set out herein, that office bearers mentioned herein shall be entitled to the following benefits:

2.1 Risk Benefits

Traditional Leaders who are non members of National House of Traditional Leaders or non members of Provincial Houses of Traditional Leaders who are currently receiving a basic salary are offered additional benefits of:

- Death Benefit with Government contribution of 5%; and
- Funeral Benefit with Government contribution of 5%.

2.2 Pension benefits

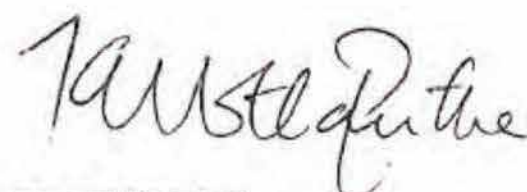
Traditional Leaders who are members of the National House of Traditional Leaders or provincial Houses of Traditional Leaders should be allowed to join the Political Office Bearers Fund.

2.3 Medical Aid

Traditional Leaders in the attached Schedule should be members of a government medical

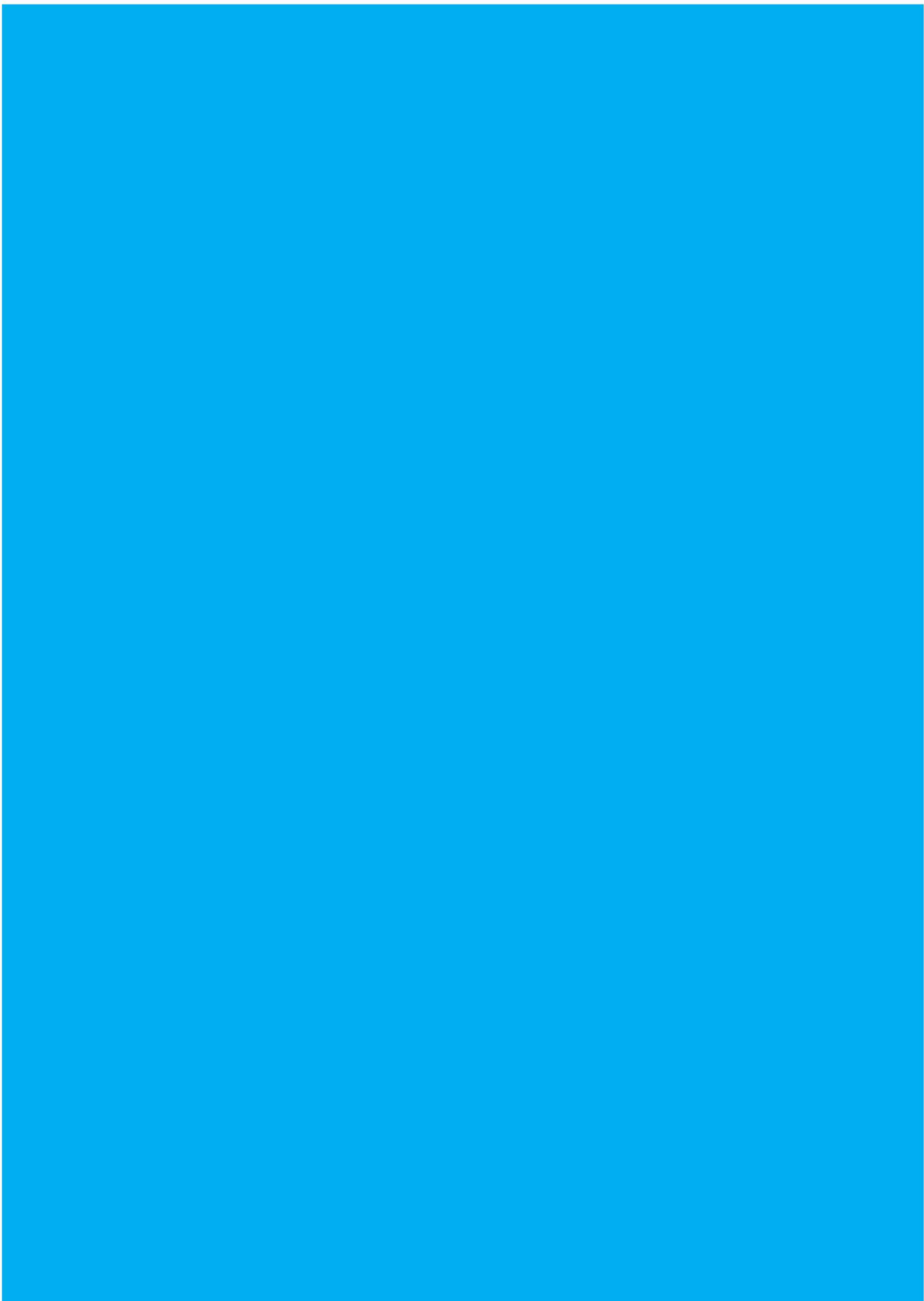
aid fund (GEMS). The guidelines and contribution rates applicable to public servants should be followed in this regard.

Given under my Hand at Pretoria on this 08th day of November, Two thousand and eight.



PRESIDENT

SCHEDULE 1			
TRADITIONAL LEADERS			
Column 1	Column 2	Column 3	Column 4
GRADE	PAY LEVEL	FULL TIME POSITIONS	PROPOSED TOTAL REMUNERATION 1 APRIL 2008
TA	1	King	786,080
TB	1	Chairperson: NHTL	556,998
	2	Full time Chairperson: PHTL	458,763
	3	Deputy Chairperson: NHTL	426,018
	4	Full time Deputy Chairperson: PHTL	393,162
TC	1	Full time Member: NHTL	229,326
	2	Full time Member: PHTL	196,581
TD	1	Senior Traditional Leader	144,189
		PART TIME POSITIONS*	PROPOSED TOTAL REMUNERATION 1 APRIL 2008 (Per Day)
		Part time Member: NHTL	826
		Part time Chairperson: PHTL	982
		Part time Deputy Chairperson: PHTL	884
		Part time Member: PHTL	685
* In addition to sitting allowances, part time members are entitled to their salaries as Traditional Leaders, as well as subsistence costs (reasonable and actual expenses) and transport costs (Department of Transport tariffs for the use of privately owned vehicles), for their attendance of official meetings, seminars, workshops and conferences of the respective Houses)			



**PROCLAMATION BY THE
PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA
NO 48 OF 2008**

**TOTAL REMUNERATION STRUCTURE OF
MAGISTRATES**

1. In terms of section 12 of the Magistrates Act, 1993, (Act No 90 of 1993), I hereby determine that the total remuneration structure of the positions of office bearers in Column 3 of Schedule 1 shall be set out in Column 4 Schedule 1 with effect from 1 April 2008, subject to terms and conditions set out herein.
2. The total remuneration structure should include the following:
 - 2.1. Basic salary component of (60% of total package);
 - 2.2. Pension benefit;
 - 2.3. Flexible portion.
3. The rules relating to structuring of the total remuneration packages should be similar to those in respect of senior management position in the public of the total remuneration packages should be similar to those in respect of senior management position in the public service.
4. Proclamation No. 42, published in the Government Gazette No. 30526 of 27 November 2007 is hereby repealed.

Given under my Hand at Cape Town on the Twenty-first day of October, Two thousand and eight.

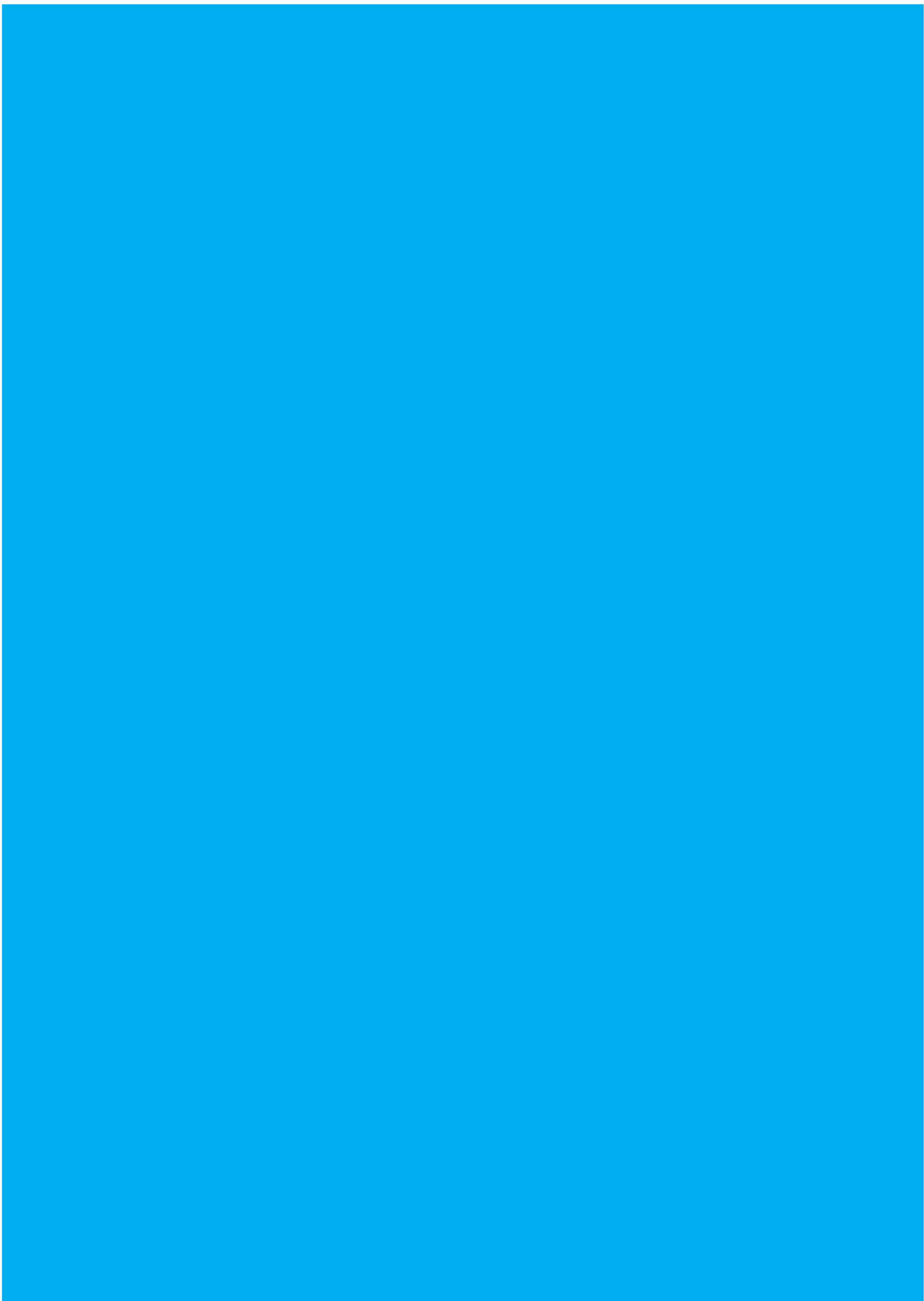


ACTING PRESIDENT

SCHEDULE 1 MAGISTRATES			
Column 1	Column 2	Column 3	Column 4
GRADE	PAY LEVEL	POSITION	PROPOSED TOTAL REMUNERATION 1 APRIL 2008
JD	1	Special Grade Chief Magistrate Regional Court President	853,479 853,479
JE	1	Regional Magistrate Chief Magistrate	758,574 758,574
JF	1	Presiding Officer: Divorce Court Senior Magistrate	758,574 625,818
JG	1	Magistrate	568,986

APPLICATION

Any reference to "magistrates" in the Proclamation, refers to all ranks of magistrates who have been permanently appointed in terms of section 9(1) of the Magistrates Court Act, 1944 (Act No. 32 of 1944), read with section 10 of the Magistrates Act, 1993 (Act No. 90 of 1993), including a magistrate serving his or her probationary period. The total remuneration structure shall therefore not be applicable to any magistrate who is not permanently appointed.



PROCLAMATION BY THE

PRESIDENT OF THE REPUBLIC OF SOUTH AFRICA
NO. 55 3 DECEMBER 2008

TOTAL REMUNERATION STRUCTURE OF
CONSTITUTIONAL COURT JUDGES AND JUDGES

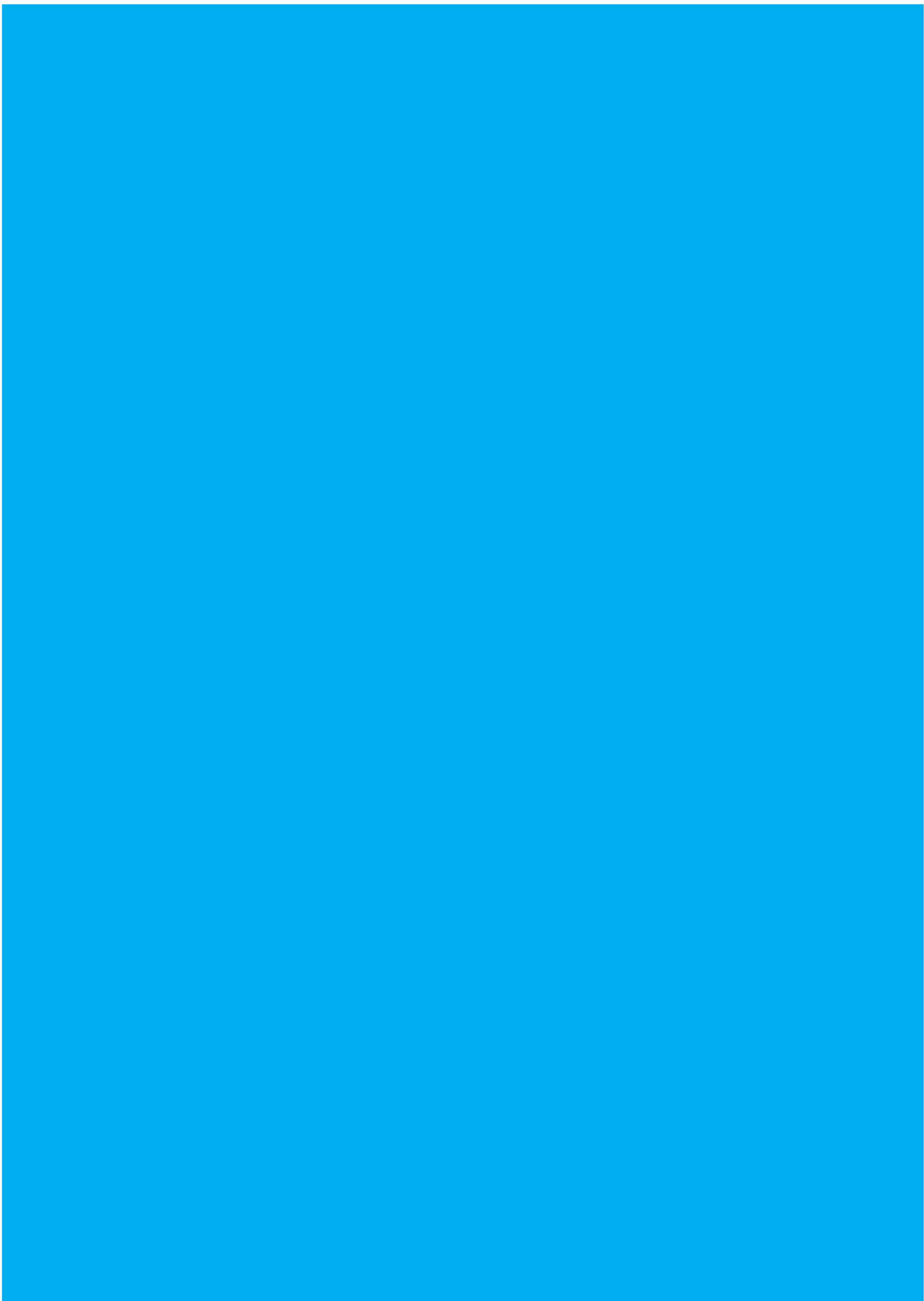
- 1 In terms of section 2 of the Judges' Remuneration and Conditions of Employment Act, 2001 (Act No 47 of 2001), I hereby determine that, the total remuneration structure of the positions of office bearers in Column 3 of Schedule 1 shall be as set out in Column 4 of Schedule 1 with effect from 1 April 2008, subject to terms and conditions set out herein.
- 2 The total remuneration structure should include the following elements:
 - 2.1 A cash annual salary component representing 72.24%; and
 - 2.2 A non-cash component of 27.76% (which includes motor vehicle allowance and employer medical aid contribution).
- 3 The total remuneration structure does not include pension benefits that are separately regulated by the Judges' Remuneration and Conditions of Employment Act, 2001.
- 4 Proclamation No. 47, published in the Government Gazette No. 31546 of 27 October 2008, is revoked.

Given under my Hand at Johannesburg on this 10th day of November, Two thousand and eight.



PRESIDENT

SCHEDULE 1			
CONSTITUTIONAL COURT JUDGES AND JUDGES			
Column 1	Column 2	Column 3	Column 4
GRADE	PAY LEVEL	POSITION	TOTAL REMUNERATION 1 APRIL 2008
JA	1	Chief Justice	1,896,546
JB	1	Deputy Chief Justice	1,706,847
		President: Supreme Court of Appeal	1,706,847
JC	1	Deputy President: Supreme Court of Appeal	1,612,053
	2	Judge: Constitutional Court	1,517,259
		Judge: Supreme Court of Appeal	1,517,259
	3	Judge President: High/Labour Court	1,422,465
	4	Deputy Judge President: High/Labour Court	1,327,560
	5	Judge: High/Labour Court	1,232,766



**SUMMARY OF THE RESOLUTION TAKEN BY
PARLIAMENT ON
PRESIDENT'S RETIREMENT, PENSION AND
MEDICAL AID BENEFITS
26 SEPTEMBER 2008**

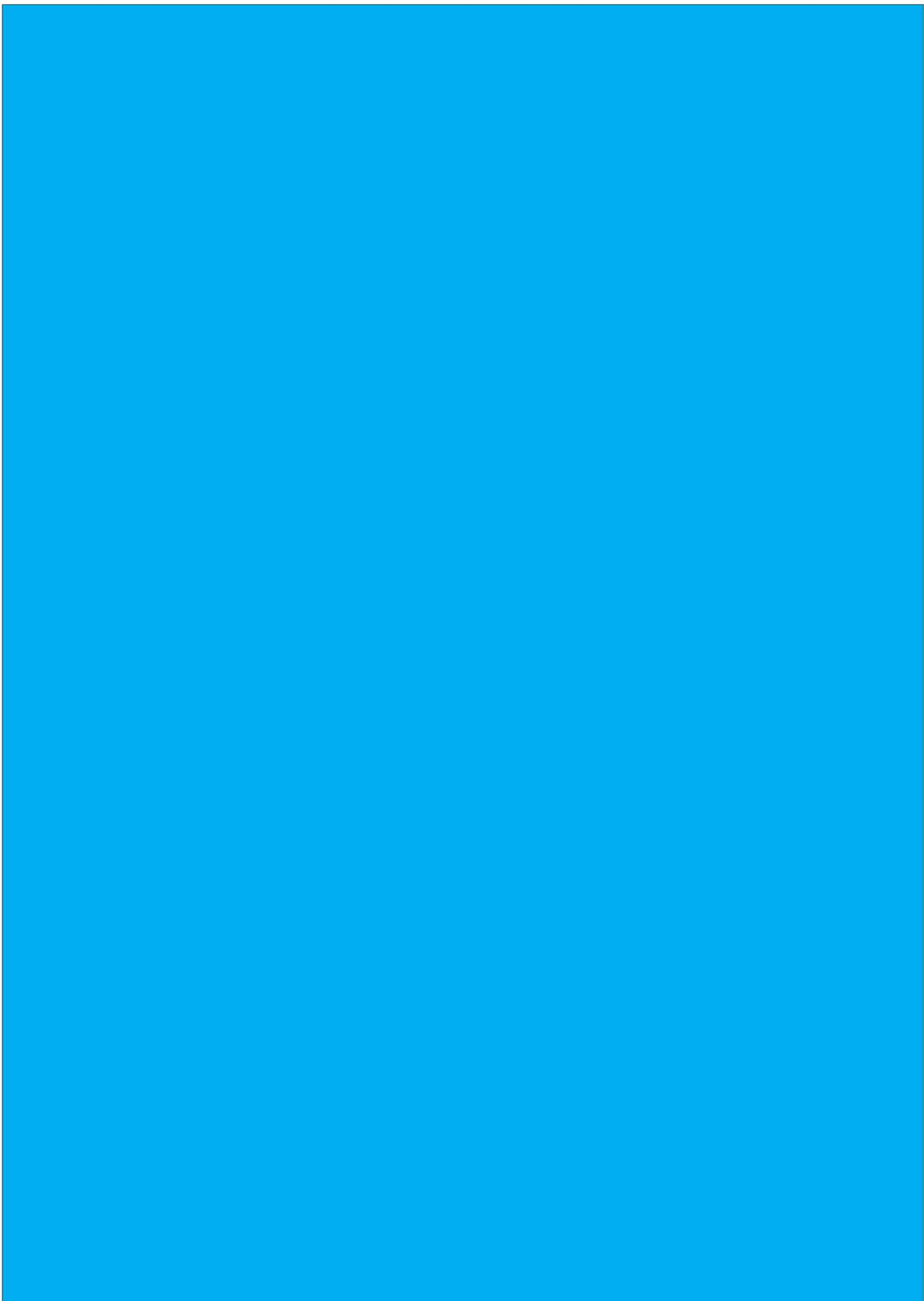
The Deputy Chief Whip of the Majority Party, with leave, moved without notice: That the House resolves that-

1. in terms of section 2(5)(a) of the of the Remuneration of Public Office Bearers Act, 1998 (Act No 20 of 1998), upon the President's retirement from office, with effect from the day following the day that he vacated office, a taxable pension benefit be paid to him equal to 100% of the total annual remuneration (salary and allowance) payable to him the day prior to his retirement, such pension benefit to be increased annually in keeping with the pension increases granted to public office bearers.
2. in terms of section 2(5)(b) of the said Act, upon the death of the President or a former President, with effect from the day of his death, a taxable pension benefit be paid to his widow equal to 50% of the pension benefit payable to the President or former President at the time of his death, such pension benefit to be increased annually in keeping with the pension increases granted to public office bearers;
3. in terms of section 2(6) of the said Act, after the retirement of the President, the State shall contribute the full amount payable to a medical aid scheme in respect of membership of the scheme by the President or his widow or dependant, as the case may be; and
4. the resolution by the National Assembly of 5 November 1998 be amended in accordance with paragraphs 1(1) to 1(3) above, with retrospective effect from 5 November 1998.

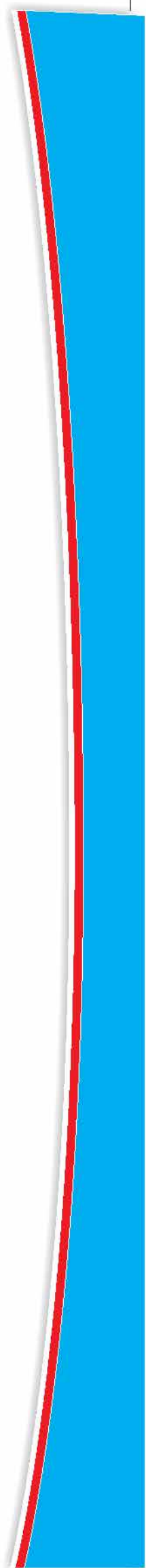
**SUMMARY OF THE RESOLUTION TAKEN BY
PARLIAMENT
THE PRESIDENT REMUNERATION
20 NOVEMBER 2008**

The Chief Whip of the Majority Party moved: That the House-

1. in terms of section 2(1) of the Remuneration of Public Office Bearers Act, 1998 (Act No 20 of 1998) (hereafter referred to as "the Act"), and having due regard to the criteria listed in that subsection, the salary payable to the President of the Republic of South Africa be determined at two million one hundred and seven thousand two hundred and twenty four rand (R2, 107,224.00) per annum, with effect from 1 April 2008.
2. resolves that the structuring of the total remuneration package should include the following elements:
 - (a) A basic salary component (60 per cent of total package);
 - (b) An amount of one hundred and twenty thousand rand (120 000.00) per annum, which is an amount which section 8(1) (d) of the Income Tax Act, 1962, applies; and
 - (c) A flexible portion; and
3. further resolves that the rules relating to the structuring of the total remuneration package should be similar to those in respect of senior management positions in the Public Service.



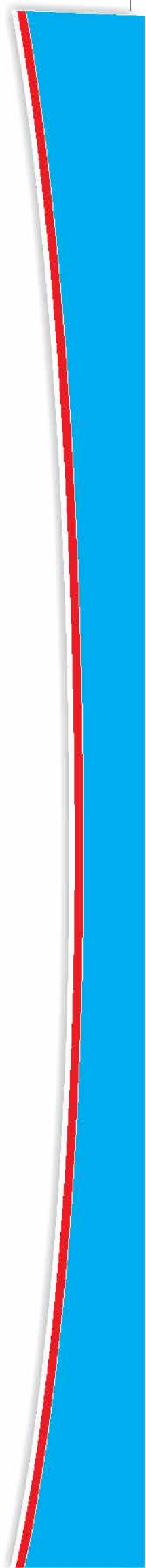
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