
GOVERNMENT NOTICE GOEWERMENSKENNISGEWING

DEPARTMENT OF PROVINCIAL AND LOCAL GOVERNMENT DEPARTEMENT VAN PROVINSIALE EN PLAASLIKE REGERING

No. R. 1224

1 December 2006

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

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

Under the powers vested in me by sections 7(1), 8(5)(a) and 9(5)(a) of the Remuneration of Public Office Bearers Act, 1998 (Act No. 20 of 1998), I, Fholisani Sydney Mufamadi, Minister for Provincial and Local Government, hereby-

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

determine the upper limits of the salaries, allowances and benefits of the different members of municipal councils as set out in the Schedule with effect from 1 July 2006 in respect of that municipal council, and repeal Government Notice No. R. 653 of 30 June 2006 with effect from the same date.

F S MUFAMADI
MINISTER FOR PROVINCIAL AND LOCAL GOVERNMENT

SCHEDULE

PREAMBLE

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

Definitions

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

"basic salary" means the component of the salary that excludes a housing allowance as provided in items 6(b) and 9(b), the municipal contribution to a pension fund as provided in item 11(a) and the municipal contribution to a medical aid scheme as provided in item 11(b);

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

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

"total municipal income" means in respect of a metropolitan, local or district municipality the sum total of the revenue income for the 2005 / 2006 financial year of the municipality concerned, including rates on property, fees for services rendered by the municipality, or on its behalf by a municipal entity, together with surcharges, other authorised taxes, levies and duties, income from fines for traffic offences and contravention of municipal by-laws or legislation assigned to the local sphere of government, regional services and regional establishment levies (or its replacement) referred to in section 93(6) of the Structures Act, interest earned on invested funds, rental for the use of municipal movable or immovable property, amounts received as agent for other spheres of government, but excluding transfers and / or grants from the national fiscus;

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

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

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

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

“**total remuneration package**” is the total cost to a municipality of a basic salary component, a travelling allowance as provided in items 6(a) and 9(a), a housing allowance as provided in items 6(b) and 9(b), the municipal contribution to a pension fund as provided in item 11(a) and the municipal contribution to a medical aid scheme as provided in item 11(b) to a councillor in a municipal financial year.

Allocation of number of points for total municipal income

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

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

Allocation of number of points for total population

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

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

Determination of grade of municipal council

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

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

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

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

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

GRADE	MAYOR OR EXECUTIVE MAYOR			SPEAKER, DEPUTY MAYOR OR DEPUTY EXECUTIVE MAYOR			MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE, WHIP OR CHAIRPERSON OF A SUBCOUNCIL		
	SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION PACKAGE	SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION PACKAGE	SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION PACKAGE
6	539,447	179,815	719,262	431,557	143,852	575,409	404,585	134,861	539,446
5	396,513	132,170	528,683	317,210	105,736	422,946	297,384	99,128	396,512
4	338,514	112,838	451,352	270,811	90,270	361,081	253,886	84,628	338,514
3	326,020	108,673	434,693	260,816	86,938	347,754	244,515	81,504	326,019
2	305,269	101,756	407,025	244,215	81,405	325,620	228,951	76,317	305,268
1	296,373	98,791	395,164	237,099	79,032	316,131	222,280	74,093	296,373

"salary" includes a basic salary component, a housing allowance as provided in item 6(b), the municipal contribution to a pension fund as provided in item 11(a) and the municipal contribution to a medical aid scheme as provided in item 11(b).

Upper limits of the allowances of full-time councillors

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

(a) Motor vehicle allowance:

- (i) An allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of item 5, and which allowance includes running and maintenance costs incurred on official business up to 500 kilometres per month;
- (ii) In addition to the allowance referred to in subparagraph (i), and in addition to the annual total remuneration package of a councillor as determined in terms of item 5, official distances travelled in excess of 500 kilometres in a particular month may be claimed in accordance with the applicable tariffs prescribed by the Department of Transport for the use of privately owned vehicles;
- (iii) For the purposes of claiming running and maintenance allowances, a logbook acceptable to the South African Revenue Service reflecting the official and private kilometres travelled per month must be kept;
- (iv) Where a municipal council makes a vehicle available to a councillor, other than an executive mayor or mayor where applicable, for use on official business, the councillor would not be entitled to the motor vehicle allowance as provided for in paragraphs (i) and (ii), and as determined in terms of item 5.
- (v) Nothing herein contained shall prevent a councillor from making use of a council owned vehicle for attendance at a specific function which that councillor has been delegated to attend.

(b) Housing allowance:

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

(c) Out of pocket expenses:

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

Upper limit of remuneration or allowance in respect of appointed councillors

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

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

(b) If the upper limit of the total remuneration package which a councillor is receiving as a member of a local council is equal to or higher than the upper limit of the total remuneration package to which he or she is entitled to as an appointed councillor to the district council, such councillor is entitled to receive, in addition to the total remuneration package, an allowance of not more than R550.00 per sitting of the district council or any committee of that council: Provided that this allowance is limited to R550.00 per day, regardless of the number of meetings of the district council or committees of that council that are attended by such councillor on a specific day.

(c) A district council is responsible for –

- (i) the payment of the remuneration or the allowance referred to in paragraphs (a) and (b) respectively; and
- (ii) the reimbursement of travel expenditure incurred by a councillor during the performance of official functions on behalf of that district municipality, in terms of that district council's policy, and not exceeding the applicable tariffs prescribed by the Department of Transport for the use of privately owned vehicles.

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

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

GRADE	MAYOR / EXECUTIVE MAYOR			SPEAKER, DEPUTY MAYOR OR DEPUTY EXECUTIVE MAYOR			MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE			OTHER PART-TIME MEMBERS		
	SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION PACKAGE	SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION PACKAGE	SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION PACKAGE	SALARY	MOTOR VEHICLE ALLOWANCE	TOTAL REMUNERATION PACKAGE
6	296,696	98,898	395,594	237,357	79,118	316,475	222,522	74,173	296,695	188,806	62,935	251,741
5	218,082	72,693	290,775	174,465	58,155	232,620	163,561	54,520	218,081	118,953	39,651	158,604
4	186,183	62,060	248,243	148,946	49,648	198,594	139,637	46,545	186,182	101,554	33,851	135,405
3	179,311	59,770	239,081	143,448	47,816	191,264	134,483	44,827	179,310	97,806	32,601	130,407
2	167,898	55,965	223,863	134,318	44,772	179,090	125,923	41,974	167,897	91,581	30,526	122,107
1	163,005	54,335	217,340	130,404	43,468	173,872	122,254	40,751	163,005	88,912	29,637	118,549

"salary" includes a basic salary component, a housing allowance as provided in item 9(b), the municipal contribution to a pension fund as provided in item 11(a) and the municipal contribution to a medical aid scheme as provided in item 11(b).

Upper limits of the allowances of part-time councillors

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

(a) Motor vehicle allowance:

- (i) An allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of item 8, and which allowance includes running and maintenance costs incurred on official business up to 500 kilometres per month;
- (ii) In addition to the allowance referred to in subparagraph (i), and in addition to the annual total remuneration package of a councillor as determined in terms of item 8, official distances travelled in excess of 500 kilometres in a particular month may be claimed in accordance with the applicable tariffs prescribed by the Department of Transport for the use of privately owned vehicles;

- (iii) For the purposes of claiming running and maintenance allowances, a logbook acceptable to the South African Revenue Service reflecting the official and private kilometres travelled per month must be kept;
 - (iv) Where a municipal council makes a vehicle available to a councillor, other than an executive mayor or a mayor where applicable, for use on official business, the councillor would not be entitled to the motor vehicle allowance as provided for in subparagraphs (i) and (ii), and as determined in terms of item 8; and
 - (v) Nothing herein contained shall prevent a councillor from making use of a council owned vehicle for attendance at a specific function which that councillor has been delegated to attend.
- (b) Housing allowance:

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

- (c) Out of pocket expenses:

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

Upper limits of cellphone allowances of councillors

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

- (a) R2236.00 per month may be paid to a full-time executive mayor or mayor of a grade 6 municipal council;
- (b) R1117.00 per month may be paid to a full-time councillor, other than an executive mayor or mayor of a grade 6 municipal council; or
- (c) R697.00 per month may be paid to a part-time councillor.

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

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

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a councillor of that council is a member, is $\frac{2}{3}$ of the membership fee to a maximum of R1014.00 per month: Provided that a part-time councillor is not a member of a medical aid scheme by virtue of his or her employment in a capacity other than a councillor.