
GOVERNMENT NOTICE

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

No. R. 1225

21 December 2009

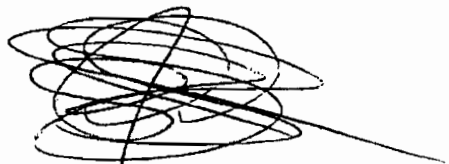
REMUNERATION OF PUBLIC OFFICE BEARERS ACT, 1998 (ACT NO. 20 OF 1998)

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, Sicelo Shiceka, Minister for Cooperative Governance and Traditional Affairs, hereby-

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

determine the upper limits of the salaries, allowances and benefits of the different members of municipal councils as set out in the Schedule with effect from 1 July 2009 in respect of that municipal council, and repeal Government Notice No. R. 1319 of 8 December 2009 with effect from the same date.



MR SICELO SHICEKA, MP

MINISTER FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

SCHEDULE

PREAMBLE

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

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

Definitions

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

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

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

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

"total municipal income" means in respect of a metropolitan, local or district municipality the sum total of the revenue income for the 2008 / 2009 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
R 0	-	R 10,000,000	8.33
R 10,000,001	-	R 50,000,000	16.67
R 50,000,001	-	R 200,000,000	25.00
R 200,000,001	-	R 1,500,000,000	33.33
R 1,500,000,001	-	R 2,000,000,000	41.67
More than R 2,000,000,000			50.00

Allocation of number of points for total population

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

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

Determination of grade of municipal council

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

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

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

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

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

GRADE	MAYOR OR EXECUTIVE MAYOR			SPEAKER, DEPUTY MAYOR OR DEPUTY EXECUTIVE MAYOR			MEMBER OF THE EXECUTIVE COMMITTEE OR MAYORAL COMMITTEE, 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	688,753	229,585	918,338	551,002	183,667	734,669	516,565	172,188	688,753
5	506,258	168,753	675,011	405,006	135,002	540,008	379,894	126,564	506,258
4	432,206	144,069	576,275	345,765	115,255	461,020	324,154	108,052	432,206
3	416,256	138,752	555,008	333,004	111,001	444,005	312,191	104,064	416,255
2	389,761	129,920	519,681	311,808	103,936	415,744	292,320	97,440	389,760
1	378,402	126,134	504,536	302,722	100,907	403,629	283,801	94,600	378,401

"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; and
- (v) Nothing herein contained shall prevent a councillor from making use of a council owned vehicle for attendance at a specific function which that councillor has been delegated to attend.

(b) Housing allowance:

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

(c) Out of pocket expenses:

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

Upper limit of remuneration or allowance in respect of appointed councillors

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

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

(b) If the upper limit of the total remuneration package which a councillor is receiving as a member of a local council is equal to or higher than the upper limit of the total remuneration package to which he or she is entitled to as an appointed councillor to the district council, such councillor is entitled to receive, in addition to the total remuneration package, an allowance of not more than R702 per sitting of the district council or any committee of that council: Provided that this allowance is limited to R702 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	378,814	126,271	505,085	303,050	101,017	404,067	284,110	94,703	378,813	241,063	80,354	321,417
5	278,441	92,814	371,255	222,752	74,251	297,003	208,831	69,610	278,441	151,877	50,626	202,503
4	237,713	79,238	316,951	190,170	63,390	253,560	178,285	59,428	237,713	129,661	43,220	172,881
3	228,941	76,313	305,254	183,152	61,051	244,203	171,705	57,235	228,940	124,876	41,625	166,501
2	214,368	71,456	285,824	171,494	57,165	228,659	160,775	53,592	214,367	116,927	38,976	155,903
1	208,121	69,374	277,495	166,496	55,499	221,995	156,090	52,030	208,120	113,520	37,840	151,360

"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).
Speakers of a Plenary type municipalities who are called Mayors should be remunerated in accordance with the relevant grade of the total remuneration package of a Mayor/Executive Mayor.

Upper limits of the allowances of part-time councillors

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

(a) Motor vehicle allowance:

- (i) An allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of item 8, 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) R2854 per month may be paid to a full-time executive mayor or mayor of a grade 6 municipal council;
- (b) R1425 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) R889 per month may be paid to a part-time councillor.

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

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

(b) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a councillor of that council is a member, is $\frac{2}{3}$ of the membership fee to a maximum of R1440 per month: Provided that a part-time councillor is not a member of a medical aid scheme by virtue of his or her employment in a capacity other than a councillor.
