

---

## GOVERNMENT NOTICE

---

### DEPARTMENT OF COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

No. 1196

10 December 2010

#### 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 2010 in respect of that municipal council, and repeal Government Notice No. R. 1225 of 21 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 2009 / 2010 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     | 723,191                  | 241,064                 | 964,255                    | 578,552   | 192,851                 | 771,402                    | 542,393   | 108,798                 | 723,191                    |
| 5     | 531,571                  | 177,191                 | 708,762                    | 425,256   | 141,752                 | 540,008                    | 398,678   | 132,893                 | 531,571                    |
| 4     | 453,817                  | 151,272                 | 605,089                    | 363,053   | 121,018                 | 484,071                    | 340,362   | 113,454                 | 453,816                    |
| 3     | 437,069                  | 145,690                 | 582,758                    | 349,653   | 116,551                 | 466,205                    | 327,801   | 109,267                 | 437,068                    |
| 2     | 409,249                  | 136,416                 | 545,665                    | 327,398   | 109,133                 | 436,531                    | 306,936   | 102,312                 | 409,248                    |
| 1     | 397,322                  | 132,529                 | 529,763                    | 317,358   | 105,953                 | 443,810                    | 297,991   | 99,330                  | 397,321                    |

"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). Plenary type municipal mayors should be remunerated according to the total remuneration package column of Mayor/Executive Mayor.

**Upper limits of the allowances of full-time councillors**

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

(a) Motor vehicle allowance:

- (i) An allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of item 5, 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 R737 per sitting of the district council or any committee of that council: Provided that this allowance is limited to R737 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     | 397,754                 | 132,585                 | 530,339                    | 318,203   | 106,068                 | 424,270                    | 298,315  | 99,438                  | 397,754                    | 253,116                 | 84,372                  | 337,488                    |
| 5     | 292,363                 | 97,454                  | 389,818                    | 233,890   | 77,963                  | 311,853                    | 219,272  | 73,091                  | 292,363                    | 159,471                 | 53,157                  | 212,628                    |
| 4     | 249,599                 | 83,200                  | 323,799                    | 199,678   | 66,560                  | 266,238                    | 187,199  | 62,400                  | 249,599                    | 136,144                 | 45,381                  | 181,525                    |
| 3     | 240,388                 | 80,129                  | 320,517                    | 192,310   | 64,103                  | 256,413                    | 180,290  | 60,097                  | 240,387                    | 131,120                 | 43,707                  | 174,826                    |
| 2     | 225,086                 | 75,029                  | 300,115                    | 180,069   | 60,023                  | 240,092                    | 168,814  | 56,271                  | 225,085                    | 122,774                 | 40,925                  | 163,698                    |
| 1     | 218,527                 | 72,842                  | 291,370                    | 174,821   | 58,274                  | 233,095                    | 163,895  | 54,632                  | 218,526                    | 119,196                 | 39,732                  | 158,928                    |

"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).

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

### Upper limits of the allowances of part-time councillors

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

(a) Motor vehicle allowance:

- (i) An allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of item 8, 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) R2997 per month may be paid to a full-time executive mayor or mayor of a grade 6 municipal council;
- (b) R1496 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) R933 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.

**Tax allowance for all municipal councillors as permitted by section 8(1)(d) of the Income tax Act, 1962**

12. An amount of R120, 000 per annum determined as the amount to which section 8 (1)(d) of the Income Tax Act, 1962, applies. This amount is included in the basic salary component.