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GOVERNMENT NOTICE

DEPARTMENT OF COOPERATIVE GOVERNANCE

No. R. 64

29 January 2014

**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, Solomon Lechesa Tsenoli, 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 2013 in respect of that municipal council, and repeal Government Notice No. R. 1032 of 07 December 2012 with effect from the same date.

**LECHESA TSENOLI, 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 before implementing the provisions contained herein, including the tools of trade.

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 travel allowance as provided in items 6(a) and 9(a), a housing allowance as provided in items 6(b) and 10(b), the municipal contribution to a pension fund as provided in item 13(a) and the municipal contribution to a medical aid scheme as provided in item 13(b);

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

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

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

"part-time councillor" means a councillor other than a full-time councillor;

“**special risk cover**” means an insurance cover to provide for the loss of or damage to a councillor’s property, assets, life or disability arising from any riot, civil unrest, strike or public disorder.

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

“**tools of trade**” means the resources or enabling facilities provided by a municipal council to a councillor to enable effective and efficient fulfillment of his/her duties in the most cost effective manner, and at all times remain the assets of the municipality concerned;

“**total municipal income**” means gross income in respect of a metropolitan, local or district municipality as stated in the audited financial statements of that municipality for the 2012 / 2013 financial year. The gross income for the municipality will include the following:

- rates on property;
- fees for services rendered by the municipality, or on its behalf by a municipal entity;
- 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 council replacement grant for district municipalities;
- interest earned on invested funds other than national and provincial conditional grants.
- rental for the use of municipal movable or immovable property; and
- amounts received as agent for other spheres of government.

The gross income will exclude the following:

- transfers and / or grants from the national fiscus;
- allvalue added tax (VAT) refunds.

“**total population**” means the official statistics of the population residing in the area of jurisdiction of a metropolitan, local or district municipality, as determined by the Statistician-General for the 2011 Census, in terms of the *Statistics Act, 1999* (Act No. 6 of 1999); and

“**total remuneration package**” is the total cost to a municipality of a basic salary component, a travelling allowance as provided in items 6(a) and 10 (a), a housing allowance as provided in items 10 (b) and 9(b), the municipal contribution to a pension fund as provided in item 13(a) and the municipal contribution to a medical aid scheme as provided in item 13(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 2,000,000 | | | 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 | CHAIRPERSON OF A SECTION 79 COMMITTEE |
|-------|----------------------------|---|---|---------------------------------------|
| | TOTAL REMUNERATION PACKAGE | TOTAL REMUNERATION PACKAGE | TOTAL REMUNERATION PACKAGE | TOTAL REMUNERATION PACKAGE |
| 6 | 1,121,561 | 897,249 | 841,170 | 785,092 |
| 5 | 824,387 | 659,510 | 618,290 | 577,072 |
| 4 | 703,801 | 563,040 | 527,851 | 492,661 |
| 3 | 677,826 | 542,261 | 508,370 | 474,478 |
| 2 | 634,683 | 507,746 | 476,012 | 444,278 |
| 1 | 616,187 | 492,950 | 462,140 | 431,331 |

“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 10(a), a housing allowance as provided in items 6(b) and 10(b), the municipal contribution to a pension fund as provided in item 13(a), and the municipal contribution to a medical aid scheme as provided in item 13(b) to a councillor in a municipal financial year.

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

If the amount received by a Chairperson of a Section 79 Committee during the 2012 / 2013 financial year is more than the upper limit for the 2013 / 2014 financial year, as set out in this table, the Chairperson will retain the higher amount, until such time as the amount received, is less than the upper limit determined in the Notice.

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) Travelling allowance:

- (i) An allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of item 5;
- (ii) In addition to the allowance referred to in subparagraph (i), and in addition to the annual total remuneration package of a councillor as determined in terms of item 5, official distances travelled may be claimed in accordance with the councils' applicable policy, and not exceeding the applicable tariffs prescribed by the Department of Transport for the use of privately-owned vehicles;
- (iii) For the purposes of claiming running and maintenance allowances, a logbook acceptable to the South African Revenue Service reflecting the official and private kilometres travelled per month must be kept;
- (iv) In addition to the allowance referred to in subparagraph (i), a municipal council may make a vehicle available to an executive mayor or mayor, deputy executive mayor or deputy mayor, or speaker, where applicable, for use on official business;
- (v) Where a municipal council makes a vehicle available to a councillor, other than an executive mayor or mayor, deputy executive mayor or deputy mayor, or speaker, where applicable, for use on official business, the councillor would not be entitled to the 25% travelling allowance, as determined in terms of item 5; and
- (vi) 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, outside of the ordinary scope of work of such councillor.

(b) Housing allowance:

A councillor may structure his / her salary to include a housing allowance.

(c) Out of pocket expenses:

In addition to the total remuneration package, a councillor may 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, 11 and 12 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 R857 per sitting of the district council or any committee of that council: Provided that this allowance is limited to R857 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.
- (iii) the reimbursement of cell phone expenditure incurred by a part-time appointed councillor during the performance of official functions on behalf of that district municipality, in terms of that district council's policy, and not exceeding 50% of the applicable allowances as prescribed under paragraph 11.

Upper limit of allowance in respect of councillors appointed to governance structures of organised local government

8. The upper limit of the allowance of a councillor who has been elected or appointed to a governance structure of organised local government, is as follows:-

- (a) In addition to the total remuneration package, an allowance of not more than R857 per sitting of the Provincial Executive Committee or National Executive Committee or any committee of organised local government: Provided that this allowance is limited to R857 per day, regardless of the number of meetings that are attended by such councillor on a specific day.
- (b) Organised local government in respect of the elected or appointed Councillor is responsible for –
 - (i) the payment of the allowance referred to in paragraph (a); and
 - (ii) the reimbursement of travel expenditure incurred by a councillor during the performance of official functions on behalf of organised local government, in terms of organised local government's travel 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

9. 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 | CHAIRPERSON OF SECTION 79 COMMITTEE | OTHER PART-TIME MEMBERS |
|-------|----------------------------|---|--|-------------------------------------|----------------------------|
| | TOTAL REMUNERATION PACKAGE | TOTAL REMUNERATION PACKAGE | TOTAL REMUNERATION PACKAGE | TOTAL REMUNERATION PACKAGE | TOTAL REMUNERATION PACKAGE |
| 6 | 616,858 | 521,836 | 462,644 | 431,801 | 392,546 |
| 5 | 453,413 | 362,731 | 340,060 | 317,389 | 247,316 |
| 4 | 387,091 | 309,672 | 290,318 | 270,964 | 211,140 |
| 3 | 372,805 | 298,244 | 279,603 | 260,963 | 203,348 |
| 2 | 349,076 | 279,260 | 261,807 | 244,353 | 190,405 |
| 1 | 338,903 | 271,122 | 254,178 | 237,232 | 184,634 |

“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 10(a), a housing allowance as provided in items 6(b) and 10(b), the municipal contribution to a pension fund as provided in item 13(a), and the municipal contribution to a medical aid scheme as provided in item 13(b) to a councillor in a municipal financial year.

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

Upper limits of the allowances of part-time councillors

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

(a) Travelling allowance:

- (i) An allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of item 8;
- (ii) In addition to the allowance referred to in subparagraph (i), and in addition to the annual total remuneration package of a councillor as determined in terms of item 8, official distances travelled may be claimed in accordance with the councils' applicable policy, and not exceeding the applicable tariffs prescribed by the Department of Transport for the use of privately owned vehicles;

- (iii) For the purposes of claiming running and maintenance allowances, a logbook acceptable to the South African Revenue Service reflecting the official and private kilometres travelled per month must be kept;
- (iv) In addition to the allowance referred to in subparagraph (i), a municipal council may make a vehicle available to a part-time executive mayor or mayor, deputy executive mayor or deputy mayor, or speaker, where applicable, for use on official business;
- (v) Where a municipal council makes a vehicle available to a councillor, other than an executive mayor or a mayor, deputy executive mayor or deputy mayor, or speaker, where applicable, for use on official business, the councillor would not be entitled to the 25% travelling allowance, as determined in terms of item 8; and
- (vi) 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, outside of the ordinary scope of work of such councillor.

(b) Housing allowance:

A councillor may structure his / her salary to include a housing allowance.

(c) Out of pocket expenses:

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

Upper limits of cell phone allowances for councillors

11. In addition to the annual total remuneration packages provided for in items 5 and 9 respectively, a councillor may, obtain a fixed allowance of not more than the following amounts in respect of cellphones:

- (a) R3485 per month may be paid to a full-time executive mayor or mayor, deputy mayors and speakers of a grade 6 municipal council;

- (b) R1739 per month may be paid to a councillor, other than an executive mayor or mayor; deputy mayors and speakers of a grade 6 municipal council.

Upper limits of mobile data card for councillors

12. In addition to the annual total remuneration packages provided for in items 5 and 9 respectively, a councillor may obtain a fixed allowance of not more than R300 per month for use of mobile data cards.

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

13. The following are also included in the total remuneration package of a councillor:

(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: 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.

Special risks insurance

14. (a) In addition to the total remuneration package provided for in items 5 and 9 respectively, a municipality must take out a risk insurance cover, to provide for the loss of or damage to a councillor's property, assets, life or disability arising from any riot, civil unrest, strike or public disorder, or ensure that councillors have such cover for their property.

(b) It is the responsibility of the councillor to provide all necessary details to the municipality, upon request, regarding the councillor's property or assets to be covered by the special risks insurance. Failure by the councillor to comply with the municipality's request, will lead to the exclusion of that councillor's property or assets from the special risk insurance cover.

Tools of trade

15. (a) A municipal council may extend the following tools of trade to a councillor as follows:

| | TOOL OF TRADE | CONDITIONS |
|--|---|---|
| (i) | Braille reader | To be provided to all visually impaired councillors. |
| (ii) | Office space and furniture; Parking bay; Business cards; Calculators; Letter-heads; Stationery; Toner cartridges; Diaries; Postage costs; Office telephone; and Appropriate mobile technology and multi-digital office(excluding cell phones and mobile data card as per paragraph 11 and 12 above), including laptop and or desktop computer, facsimile, printer, photocopier and scanner. | To be provided to full-time councillors, part-time Executive Mayors or Mayor, part-time Deputy Executive Mayors or Deputy Mayors, part-time Speakers, part-time Members of Mayoral Committee or Members of Executive Committee and part-time Chairpersons of Section 79 Committees. |
| (iii) | Postage costs; Office telephone; and Multi-digital office , facsimile, printer, photocopier and scanner. | Part-time councillors to have access to these tools of trade at the municipal offices. |
| (iv) | Personal security to Executive Mayors or Mayors. | Subject to a threat and risk analysis conducted by the South African Police Service. |
| (v) | Personal security to any other councillor. | Subject to a threat and risk analysis conducted by the South African Police Service. |
| (vi) | Official accommodation and furniture. | To be provided to full-time Executive Mayors or Mayors. |
| The extension and implementation of the above tools of trade must be done in consultation with the member of the Executive Council responsible for local government in the province concerned. | | |

(b) Where a municipal council makes available tools of trade in terms of clause (a) above, such a municipal council must take into account accessibility; affordability and cost control; equity; flexibility; simplicity; transparency and accountability and value of tools of trade.

16. Capacity Building

- (a) In addition to the total remuneration package provided for in items 5 and 9 respectively, a municipality may contribute towards the payment of costs towards capacity building initiatives directed at councilors.

 - (b) These capacity building initiatives may include specific training conducted by National Departments, associated government agencies and SETAs, Provincial Departments, municipalities and organised local government through institutions of higher learning and Further Education and Training colleges.
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