
GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**NO. 1271****21 DECEMBER 2015****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, David Douglas Des van Rooyen, 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 the Act,

determine the upper limits of the salaries, allowances and benefits of the different members of municipal councils as set out in the Schedule.



DES VAN ROOYEN, 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 must obtain 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.

1. Definitions

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) (hereinafter referred to as "the Act") and the *Local Government: Municipal Structures Act*, 1998 (Act No. 117 of 1998) (hereinafter referred to as "the Structures Act"), has that meaning and –

"basic salary" means the component of the salary that excludes a travel allowance as provided in items 9(1), a housing allowance as provided in items 9(2), the municipal contribution to a pension fund as provided in item 12(1) and the municipal contribution to a medical aid scheme as provided in item 12(2);

"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;

"governance structures of organised local government" means the National Executive Committee, the Provincial Executive Committee and the National and Provincial Working Groups of organised local government;

“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 provided for in terms of the municipality's policy, in connection with a specific official or ceremonial duty that has been delegated to the councillor in question;

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

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

“SETAs” means the Sector Education and Training Authorities established in terms of section 9 of the *Skills Development Act*, 1998 (Act No. 97 of 1998);

“special risk cover” means an insurance cover to provide for the loss of or damage to a councillor's personal property and assets, life or disability, arising from any riot, civil unrest, strike or public disorder, and excludes any property owned by a councillor for business purposes;

“tools of trade” means the resources provided by a municipal council to a councillor to enable such councillor to discharge his or her duties in the most efficient and 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 based on actual income received as stated in the audited financial statements of that municipality for the 2014/ 2015 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 excludes the following:

- transfers and / or grants from the national fiscus; and
- all value 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” means the total cost to a municipality of a basic salary component, a travelling allowance as provided in items 9(1) a housing allowance as provided in items 9(2) the municipal contribution to a pension fund as provided in item 12(1) and the municipal contribution to a medical aid scheme as provided in item 12(2) to a councillor in a municipal financial year.

2. Allocation of number of points for total municipal income

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 R2,000,000,000			50.00

3. Allocation of number of points for total population

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

4. Determination of grade of municipal council

(1) The sum of the number of points allocated to a municipal council, other than a municipal council referred to in sub-item (2), in terms of items 2 and 3 respectively, determines the grade of such municipal council as follows:

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

(2) A municipal council that does not have any municipal income is a grade 1 municipal council as envisaged in sub-item (1).

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

The upper limits of the annual total remuneration packages of full-time councillors are 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	1 242 409	1 003 393	940 680	877 968
5	921 912	737 529	691 433	645 339
4	787 061	629 647	590 296	550 942
3	758 012	606 410	568 510	530 608
2	709 765	567 812	532 323	496 835
1	689 087	551 266	516 811	482 357

The mayor of a plenary type municipality 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 2014/15 financial year is more than the upper limit of the 2015/16 financial year, as set out in this table, the chairperson will retain the higher amount, until such time that the amount received is less than the upper limit determined in the Notice.

6. Upper limit of remuneration or allowance in respect of appointed councillors

(1) 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, chairperson of a section 79 committee or part-time member of a district council, the upper limit of the remuneration to which such councillor is entitled to, is an amount equal to the difference between the total remuneration package that a councillor receives 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, 7, 8, 9, 10, 11 and 12, as the case may be.
- (b) If the upper limit of the total remuneration package which a councillor receives is equal to or higher than the upper limit of the total remuneration package to which the councillor 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 R962 per sitting of the district council or any

committee of that council: Provided that this allowance is limited to R962 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.

(2) A district council is responsible for –

- (a) the payment of the remuneration or the allowance referred to in paragraphs (a) and (b) respectively;
- (b) the reimbursement of travel expenses incurred by a councillor during the performance of official duties on behalf of that district municipality, in terms of that district council's policy, and not exceeding the applicable tariffs prescribed by the national department responsible for transport for the use of privately-owned vehicles; and
- (c) the reimbursement of cell phone expenses 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 item 10.

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

(1) A councillor who has been elected or appointed to a governance structure of organised local government may be paid the following allowance in addition to the total remuneration package applicable to that councillor:

- (a) An allowance not exceeding R962 per sitting of any governance structure of organised local government: Provided that this allowance is limited to R962 per day, regardless of the number of meetings that are attended by such councillor on a specific day.
- (b) An allowance not exceeding R962 per sitting for the attendance of formal inter-governmental and governance structures where organised local government is

officially represented: Provided that this allowance is limited to R962 per day, regardless of the number of meetings that are attended by such councillor on a specific day.

(2) Organised local government is responsible for –

- (a) the payment of the allowance referred to in paragraphs (a) and (b) respectively; and
- (b) the reimbursement of travel expenses incurred by a councillor during the performance of official duties on behalf of organised local government, in terms of organised local government's travel policy, and not exceeding the applicable tariffs prescribed by the national department responsible for transport for the use of privately-owned vehicles.

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

The upper limits of the annual total remuneration packages of part-time councillors are 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	693 101	586 335	519 826	485 172	441 064
5	509 454	407 564	382 091	356 618	277 883
4	434 935	347 947	326 201	304 454	237 236
3	418 883	335 106	314 168	293 217	228 481
2	392 221	313 776	294 166	274 555	213 939
1	380 791	304 632	285 594	266 553	207 455

The mayor of a plenary type municipality should be remunerated according to the total remuneration package column of mayor/ executive mayor.

9. Upper limits of the allowances of full-time and part-time councillors

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

(1) Travelling allowance

- (a) An allowance of not more than 25% of the annual total remuneration package of a councillor concerned as determined in terms of items 5 and 8 may be included as part of the total package;
- (b) Official distances travelled may, in addition to the annual total remuneration package of a councillor as determined in terms of items 5 and 8 and the allowance referred to in paragraph (a), be reimbursed in accordance with the councils' applicable policy, and not exceeding the applicable tariffs prescribed by the national department responsible for transport for the use of privately owned vehicles;
- (c) 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;
- (d) A municipal council may, in addition to the allowance referred to in paragraph (a), provide a municipal-owned vehicle to a an executive mayor or mayor, deputy executive mayor or deputy mayor, or speaker, where applicable, for official purposes;
- (e) Where a municipal council makes a municipal-owned 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 items 5 and 8; and
- (f) Nothing herein contained shall prevent any other councillor other than a mayor, deputy mayor or speaker from making use of a municipal-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.

(2) Housing allowance

A councillor may structure his or her salary to include housing allowance as part of the total remuneration package.

(3) Out of pocket expenses

A councillor may, in addition to the total remuneration package, be reimbursed for reasonable and actual out of pocket expenses incurred during the execution of official and ceremonial duties, in accordance with a policy as approved by the municipal council.

10. Upper limits of cell phone allowance for councillors

A councillor may, in addition to the annual total remuneration packages provided for in terms of items 5 and 8 respectively, be reimbursed a fixed cell phone allowance not exceeding the following amounts:

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

(2) R1739 per month to a councillor, including executive mayor or mayor, deputy mayors and speakers of grade 1, 2, 3, 4 and 5 municipal councils.

11. Upper limits of mobile data bundles for councillors

A councillor may, in addition to the annual total remuneration packages provided for in terms of items 5 and 8 respectively, be reimbursed for fixed mobile data bundles not exceeding R300 per month.

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

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

(1) The upper limit of the contribution to be made by a municipal council to the pension fund, of which a councillor is a member, is 15% of the basic salary of such councillor. The contributions by the municipal council and the councillor are included in the total remuneration package as a total cost to the municipality.

(2) The upper limit of the contribution to be made by a municipal council to the medical aid scheme of which a councillor 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. The contributions by the municipal council and the councillor are included in the total remuneration package as a total cost to the municipality.

13. Special risk cover

(1) A municipality must, in addition to the annual total remuneration packages provided for in terms of items 5 and 8 respectively, take out risk insurance cover, to provide for the loss of or damage to a councillor's property, assets, life or disability, excluding business property, arising from any riot, civil unrest, strike or public disorder. The special risk insurance on fixed property will be limited to R1,5 million while on vehicles it is limited to R750 000. The life and disability insurance cover is limited to 2 times the total remuneration package of a councillor.

(2) In the event where the residential property of a councillor was damaged or destroyed as a result of riot, civil unrest, strike or public disorder, the municipality may, in addition to the annual total remuneration packages provided for in terms of items 5 and 8 respectively, provide alternative accommodation, affordable to the municipality, to such a councillor for a period of 30 days from the date of such an incident, which may be reviewed by the municipal council after expiry of the 30 days, on good cause shown, for not more than 30 days at a time.

(3) It is the responsibility of a councillor to furnish details of the councillor's property, assets and beneficiaries to be covered by the special risk insurance upon request. Failure by the councillor to furnish the municipality with the required information will forfeit the councillor's benefits from the special risk insurance cover. A councillor who already has their own special risk cover must also declare to the municipality such information.

14. Tools of trade

(1) 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 item 10 and 11), 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)	Business cards; Calculators; Letter-heads; Stationery; and Diaries.	To be provided to part-time councillors and the usage must comply with policy directives of the municipality.
(iv)	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.
(v)	Personal security to Executive Mayors or Mayors.	Subject to a threat and risk analysis conducted by the South African Police Service.
(vi)	Personal security to any other councillor.	Subject to a threat and risk analysis conducted by the South African Police Service.

	TOOL OF TRADE	CONDITIONS
	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.	

(2) Where a municipal council makes available tools of trade in terms of sub-item (1) such a municipal council must take into account accessibility, affordability and cost control, equity, flexibility, simplicity, transparency, accountability and value of tools of trade.

15. Capacity building

(1) A municipality may, in addition to the annual total remuneration packages provided for in terms of items 5 and 8 respectively, contribute towards the payment of costs towards capacity building programmes of councillors.

(2) These capacity building programmes 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.

(3) The training programmes must be informed by capacity building needs of councillors to fulfil their statutory obligations and affordability by a municipality.

16. Overpayment

(1) Any remuneration paid to a councillor of a municipality otherwise than in accordance with section 167(1) of the *Local Government: Municipal Finance Management Act, 2003* (Act No. 53 of 2003) including any bonus, bursary, loan, advanced or other benefit, is an irregular expenditure and the municipality –

(a) must, and has the right to, recover that remuneration from the political office bearer or member; and

(b) may not write-off any expenditure incurred by the municipality in paying or giving that remuneration.

(2) The MEC must report to the Minister –

(a) any transgression of subsection (1); and

(b) any non-compliance with this Notice.

17. Transitional measures

(1) If the total remuneration package of a councillor decreases as a consequence of the determination of the grade of municipal council as set out in item 4 of this Notice, such a councillor retains the total remuneration package as determined in terms of Government Notice No. R. 526 of 17 June 2015 and the councillor is entitled to the applicable cost of living adjustment: Provided that the data used by the municipality for determination of the grading of a municipal council was correct.

(2) If a municipality has not submitted the audited financial statements for 2014/15 financial year by the date of publication of this Notice, the audited financial statements for the 2013/14 financial year will apply.

18. Short title and commencement

This Notice is called the Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils and takes effect from 1 July 2015.