

PRINCE ALBERT MUNICIPALITY



REMUNERATION POLICY

FINAL POLICY

2025 / 2026

May 2025

TABLE OF CONTENTS

1. DEFINITIONS	5
2. LEGISLATIVE AND POLICY FRAMEWORK	7
3. INTRODUCTION	8
4. LEGISLATIVE AND POLICY FRAMEWORK	9
5. APPLICATION OF THIS POLICY	11
6. INSTITUTIONAL ARRANGEMENTS	12
6.1) Salary scale – Permanent employees, Temporary contract- and Fixed Term contract employees	12
6.2) Upper Limits in terms of the Grade for Prince Albert Municipality's Councillors	12
6.3) Upper Limits in terms of the Grade for Prince Albert Municipality's Municipal Manager and Senior Managers	12
6.4) Salary Payment Date	12
6.5) Overpayment / Repayment	13
6.6) Deductions	13
6.6.1) Statutory deductions	13
6.6.1.1) Garnishee orders	13
6.6.1.2) Debt Counselling / Under Administration	14
6.6.2) Non-Statutory deductions	14
6.6.2.1) Home loans from Pension Funds	14
6.6.2.2) Insurance Premiums (Old Mutual, Sanlam Sky, Metropolitan etc.) ..	15
6.6.2.3) Additional deductions for Funds (Medical Aid/Pension/Retirement) ..	15
6.6.2.4) Bond- & Rental instalments and Municipal services deductions	15
6.6.2.5) Car port fees & Sport club fees	16
6.6.2.6) Political Party Membership Fees & Women's League Fees	16
6.6.2.7) Personal Loans	17
6.6.2.8) Any other deductions	17
6.7) Cession	17
6.8) Job Evaluation System	17
6.9) Payment of last remuneration on Service Exit and in case of Death	18
6.10) Implementation and Amendment of Banking details	18

6.11)	Implementation and Amendment of Income Tax Numbers	19
6.12)	Payroll and E-Filing systems	19
6.12.1)	Payroll system	19
6.12.2)	E-Filing System	19
7.	ALLOWANCES AND BENEFITS	20
7.1)	Thirteenth Cheque (Bonus).....	20
7.2)	Notch increment date	20
7.3)	Long Service Payment	20
7.4)	Housing Allowance.....	21
7.5)	Non-Pensionable Allowance Payments.....	21
7.6)	Essential Users Motor Scheme	21
7.7)	Perk Motor Scheme	21
7.8)	Overtime Payment	21
7.9)	Night-shift work Payment	21
7.10)	Standby Payment.....	22
7.11)	Shift -work Payment	22
7.12)	Acting Allowance	22
7.13)	Additional Responsibilities Allowance	22
7.14)	Retirement fund Contributions & Benefits	22
7.15)	Annuities.....	23
7.16)	Medical Aid Fund Contributions & Benefits	23
7.17)	SARS – Employees' Income Tax : PAYE (Pay-As-You-Earn)	24
7.17)	Bargaining Council Levy	24
7.18)	Unemployment insurance fund (UIF)	24
7.19)	Trade Union Deductions and Contributions.....	25
8.	REMUNERATION	25
8.1)	Commencing remuneration	25
8.2)	Annual Salary and Wage Adjustments	25
8.3)	Remuneration of Permanent Employees	25
8.4)	Remuneration of Temporary, Contract and Fixed Term Contract Employees	26

8.5) Remuneration of Municipal Managers and Managers directly accountable to Municipal Managers	27
8.6) Remuneration of Councillors	27
8.7) Remuneration of non-official members: Commissions & Committees of Inquiry and Audit Committees	28
8.8) Remuneration of Expanded Public Works Programme (EPWP)	29
8.9) Remuneration of Financial Graduate Intern & Volunteers	29
9. INTERIM PAYMENTS	30
10. SHORT TITLE AND COMMENCEMENT	30

1. **DEFINITIONS**

All definitions used in this policy are defined in the Main Collective Agreement of the South African Local Government Bargaining Council (SALGBC), unless stated otherwise with the relevant definition. Words indicating the masculine gender shall include the feminine gender.

Council -" means Prince Albert Municipality"

Day – "means Monday to Friday, excluding public holidays, unless indicated otherwise by the context"

Earnings threshold (as per Collective Agreement on Conditions of Service) – "means the top notch of the salary scale (T-grade) within which the Basic Conditions of Employment Act, 1997 earnings threshold determination falls, as amended from time to time"

Employee – "means any person, excluding an independent contractor who works for another person or for the State and who receives, or is entitled to receive, any remuneration" (as per Employment Equity Act 55 of 1998) – "(b) means any other person who in any manner assists in carrying on or conducting the business of an employer"

Employer -" means Prince Albert Municipality"

Essential job requirement for the purposes of this policy is the skills, knowledge or experience that are necessary to perform a job as defined in the Job Description

Expanded Public Works Programme (EPWP) – "means a programme to provide public or community assets or services through a labour-intensive programme initiated by government and funded from public resources"

Fixed term contract employee for the purposes of this policy is a person who is employed on a contract that includes an agreement detailing the relationship between the employer and employee, which is determined by an objective condition that creates no false expectations of renewal of the contract, and is based on a specific duration or time frame with dates or the completing of a specific task, project or event, other than the normal agreed retirement age.

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”

IMATU – means “the Independent Municipal and Allied Trade Union”

Job Description (as defined in the Task Memorandum of Understanding) – “means a job description, as contemplated in section 66 of the MSA, describing the content, duties, reporting lines and other specifications of a position or job”

Municipality – “means Prince Albert Municipality”

Office Bearer – “means the elected president, deputy president, vice-president, chairperson, vice-chairperson, treasurer or secretary of the Trade Unions”

Official – “means a full-time employee of IMATU, SAMWU or SALGA”

Part-time Councillor – “means a councillor other than a full-time councillor”

People with disabilities/special needs (as per Employment Equity Act 55 of 1998) – “means people who have a long-term or recurring physical or mental impairment which substantially limits their prospects of entry into, or advancement in employment”

Position (as defined in the Task Memorandum of Understanding) – “means an individual position on the staff establishment of a Municipality which is occupied by an individual employee”

Remuneration (as per Employment Equity Act 55 of 1998) - “means any payment in money or in kind, or both in money and in kind, made or owing to any person in return for that person working for any other person, including the State”

Representative Trade Union – “means the Trade Unions parties to this Policy, IMATU and SAMWU”

SALGA – “means the South African Local Government Association”

SAMWU – “means the South African Municipal Workers’ Union”

Section 79 Committee – “means a committee of the municipal council established in terms of Section 79 of the Structures Act”

Seasonal Employee – “means an employee who is employed to work a full season, of not less than a continuous period of six months and who should qualify for all benefits in terms of employment conditions, except housing and pension benefits”

Senior Management – “shall be those employees employed as head of department, deputy head of department and director or such post as determined by the relevant Division of the Council; and excludes Section 56 and Section 57 Managers”

TASK – “means shall mean Tuned Assessment of Skills and Knowledge”

Temporary Employee – “means an employee appointed for a specified period of time or to complete a specified task in terms of his contract of employment and which includes a casual employee”

Trade Unions – “means either IMATU and/or SAMWU” - refers to a trade union or employee association recognized by Prince Albert Municipality

Upper Limits – “means the applicable total remuneration package as contained in a Government Notice”

Workplace – “means the employer”

2. LEGISLATIVE AND POLICY FRAMEWORK

- 2.1) Municipal Systems Act, Act 32 of 2000 Municipal Structures Act, 1998 (Act 117 of 1998)
- 2.2) Municipal Finance Management Act (Act 56 of 2003)
- 2.3) Labour Relations Act, 1995
- 2.4) Basic Conditions of Employment Act, 1997 Employment Equity Act, 1998
- 2.5) The Bill of Rights in the Constitution

- 2.6) Promotion of Access to Information Act, act no 2 of 2000 The Protection of Personal Information Act, Act no 4 of 2013
- 2.7) Main Collective Agreement
- 2.8) Collective Agreement on Conditions of Service Salary and Wage Collective Agreement
- 2.9) Leave Policy
- 2.10) Recruitment and Selection Policy
- 2.11) Overtime Policy
- 2.12) Travel and Subsistence Policy
- 2.13) Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998)
- 2.14) Remuneration of Non-official members: Commissions & Committees of Inquiry, and Audit Committees: Treasury Regulations 20.2.2 Ministerial Determination 4: EPWP: Government Gazette No.9745 EPWP Policy
- 2.15) Guidelines for Implementation of Municipal Finance Management Internship Programme (MFMIP)
- 2.16) Regulations on Appointment and Conditions of employment of Senior Managers

3. INTRODUCTION

Remuneration involves financial compensation granted by Prince Albert Municipality to its Permanent-, Contract-, Expanded Public Works Programme employees, Councillors, Commissions & Committees of Inquiry and Audit Committees for execution of designated duties and predetermined performance targets. This includes the basic salary and any bonus or other economic benefits receive during employment. Remuneration plays a critical role in attracting, motivating & retaining high calibre Employees, Councillors, Commissions & Committees of Inquiry and Audit Committees; and strives to reinforce, encourage and promote superior and exceptional performance necessary for the fulfilment of the municipal mandate.

Prince Albert Municipality is committed to ensuring that equitable remuneration is paid to all. In order to attract and retain scarce and critical skills as well as facilitating the development and growth of an engaged workforce, it is the municipality's aim to maintain fair and competitive remuneration consistent with sector practices and all applicable regulations and collective agreements governing compensation of Permanent-, Contract-, Expanded Public

Works Programme employees, Councillors, Commissions & Committees of Inquiry and Audit Committees, Interns and Students in the local government sector.

Prince Albert Municipality apply remuneration in accordance with the intrinsic value of employees' work in terms of capabilities and performance, which reflects the dynamics of the labour market and the context and environment in which our professional workforce operates. It aligns at all times to the strategic direction and specific value drivers of the municipality.

Specific processes are involved to manage the conditions of service, benefits, employee risk claims and Collective Agreements of the Municipality.

Uniformity is essential for a variety of sector processes such as wage bargaining, comparative understanding of workforce establishment levels and organisational form. The alignment of the organisational structure, Internal Task Job Evaluation processes and implementation of annual salary and wage adjustments is also part of the conditions of service.

4. LEGISLATIVE AND POLICY FRAMEWORK

- 4.1) Ensuring compliance with labour legislation by providing clear guidelines and transparency of remuneration granted to all different types of employees, councillors and audit committee members whom are accountable for good governance, as well as efficient & remarkable service delivery to the broader municipal area.
- 4.2) Ensure imperative financial compensation of all different types of employees, councillors and audit committee members for the fulfilment of their employment obligations.
- 4.3) Maintain a transparent payroll recording system to comply with the requirements of the Auditor General; in order to effectively contribute to the accountable administering of government grants and funds, as well as the prevention of fruitless and wasteful expenses.
- 4.4) Constructive planning & time management to ensure the execution of the basic conditions of service by ensuring timely monthly salary and interim payments to all different types of employees, councillors and audit committee members.

- 4.5) Ensure that the payroll system (PAYDAY) is maintained and continuously updated with latest system formulas as well as formulas and tables to accurately calculate the different benefits and allowances.
- 4.6) Provide authentic remuneration and accounting service to all different types of employees, councillors and audit committee members and ensure the discretion of confidential & sensitive information and documentation relating to individual salaries to maintain a mutual trustworthy and approachable, but professional relationship.
- 4.7) Remuneration policy and practices must support the vision, mission, strategies and objectives of the municipality.
- 4.8) Remuneration is an important factor that influence employee behaviour and must therefore be managed in such a way that it contributes to a motivating work climate.
- 4.9) Ensure accurate balancing and timely monthly payment of third party's deductions; especially PAYE, UIF & Skills contributions as per SARS regulations and legislation in order to create & submit accurate EMP'501 reconciliation statement of council to SARS, as well as create and provide accurate Tax certificates/IRP5's to all different types of employees, councillors and audit committee members at the SARS Tax year-end.
- 4.10) Manage & implement annual salary and wage increase adjustment on the payroll system after the calculation and processing of different salary scales & upper limits. Provide adjusted/latest salary scales to the different sections of Human Resources.
- 4.11) Implement and apply the relevant Collective Agreements, Policies, Government gazette, Treasury regulation and MFMA; pertaining to the conditions of service and benefits of remuneration to all different types of employees, councillors and audit committee members.
- 4.12) Manage and implement the seamless integration of Phoenix and Payday systems in order to comply with mSCOA requirements.

- 4.13) Implementation and compliance with legislation, collective agreements and policies;
- 4.14) Implement and coordinate a reward system aligned with the municipal culture, operating procedures, values and objectives.
- 4.15) Advise management, staff, trade unions and external stake holders on relevant Legislation, Collective Agreements on Conditions of Service and Benefits and Policies.
- 4.16) Advising management, staff, trade unions and external stake holders on Legislation, Collective Agreements and Policy aspects.
- 4.17) Formulate and maintain policies related to Legislation and Collective Agreements in line with Council's goals and objectives.
- 4.18) Ensure the Policies are in compliance with all relevant Legislation, Guidelines, Collective Agreements and framework of Council.
- 4.19) Implement the relevant Collective Agreements and policies pertaining to Conditions of Service and Benefits.
- 4.20) Ensure that these policies are reviewed regularly.
- 4.21) Ensure that the implementation objectives of relevant policies and collective agreements are met through continuous monitoring and evaluation.

5. APPLICATION OF THIS POLICY

This policy applies to:

- 5.1) All Permanent-, Contract-, Expanded Public Works Programme employees,
- 5.2) Councillors
- 5.3) Interns

6. INSTITUTIONAL ARRANGEMENTS

6.1) Salary scale – Permanent employees, Temporary contract- and Fixed Term contract employees

6.2.1) The Category of the municipality, currently a Category 1, is determined by SALGA and is linked to the salary scales.

6.2.2) Annual salary increases are confirmed by SALGA with the Salary and Wage Collective Agreement.

6.2) Upper Limits in terms of the Grade for Prince Albert Municipality's Councillors

6.2.1) Prince Albert Municipality is currently deemed to be a Grade 2 municipality as determined per Government Gazette.

6.2.2) Remuneration levels of Councillors are aligned with this determination.

6.3) Upper Limits in terms of the Grade for Prince Albert Municipality's Municipal Manager and Senior Managers

6.3.1) Prince Albert Municipality is currently deemed to be a Grade 1 municipality as determined per Government Gazette. Remuneration levels of Senior Managers are aligned with this determination.

6.4) Salary Payment Date

6.4.1) Payment will take place the 24th of every month or the preceding Friday, should the 25th falls over a weekend or on a Monday.

6.4.2) In the event of a public holiday occurring on a Monday, but the 25th falls on the following Tuesday, payment will take place on the preceding Friday.

6.4.3) December salary payments will be on the date in accordance with Council's decision annually.

6.4.4) All approved documentation and claims must be submitted to the Remuneration office on or before the 15th of each month, to allow proper verification and ensure timely salary payments.

6.5) Overpayment / Repayment

6.5.1) Prince Albert Municipality reserves the right to recover from the employee's or councillor's remuneration any overpayment owed by the employee or councillor. The recovery will take effect after consultation with the employee or councillor including:

- 6.5.1.1) The following of a fair procedure during which the employee or councillor is given reasonable opportunity to show reason why the recovery should take place;
- 6.5.1.2) The total amount of the recovery does not exceed the actual amount overpaid;
- 6.5.1.3) No single deduction from the employee's or councillor's monthly remuneration will exceed one quarter of the cash portion of an employee's or councillor's monthly remuneration, provided that if an employee or councillor has resigned or an employee has retired, then the full amount overpaid will be recovered.

6.6) Deductions**6.6.1) Statutory deductions****6.6.1.1) *Garnishee orders***

- 6.6.1.1.1) Prince Albert Municipality will make garnishee order deductions from an employee's or a councillor's monthly remuneration in compliance with the legal requirements relating to garnishee orders.
- 6.6.1.1.2) The court orders for garnishees will be delivered by a messenger of the court or by registered postage to the Human Resource Practitioner whom will inform the employee or the councillor about such deductions and will submit the court orders to the Controller: Payroll for implementation.
- 6.6.1.1.3) No cancellation of garnishee orders, which are already implemented, will be made without a court order. The court order for the cancellation will be delivered to the

Employee Assistance Programme Practitioner for submission to the Remuneration office for execution.

6.6.1.2) Debt Counselling / Under Administration

- 6.6.1.2.1) Prince Albert Municipality will make deductions for Debt Counselling and Under Administration from an employee's monthly remuneration in compliance with the legal requirements relating to Debt Counselling and Under Administration, but reserves the right not to effect any deductions unless mutually approved as agreed upon between the employee and the Legal Institution.
- 6.6.1.2.2) The written instruction will be delivered by registered mail to the Human Resources Department whom will inform the employees about such deductions and will submit the written instructions to the Payroll Office for implementation.
- 6.6.1.2.3) In the case of the settlement of employee's accounts/financial affairs, written instructions for cancellation from the Legal Institution, is delivered to the Human Resources Practitioner whom will submit the written instructions to the Remuneration office for execution.

6.6.2) Non-Statutory deductions

6.6.2.1) Home loans from Pension Funds

- 6.6.2.1.1) Prince Albert Municipality will make home loan deductions from an employee's monthly remuneration, but reserves the right not to effect any deductions unless approved as mutually agreed upon between the employee and the Pension Fund.
- 6.6.2.1.2) The Human Resource Department processes the applications for the home loans.

6.6.2.1.3) The deductions are implemented by the payroll department in accordance with the listings as received from the applicable Banking Institutions on a monthly basis.

6.6.2.2) Insurance Premiums (Old Mutual, Sanlam Sky, Metropolitan etc.)

6.6.2.2.1) Prince Albert Municipality will make Insurance Premium deductions from an employee's monthly remuneration, but reserves the right not to effect any deductions unless approved as mutually agreed upon between the employee or councillor and the Insurance institution.

6.6.2.2.2) The written instructions for deductions will be delivered to the Payroll Department for implementation.

6.6.2.2.3) In the case of cancellations of insurance contracts, the instructions for cancellation of deductions will be submitted to the Payroll Department for execution.

6.6.2.3) Additional deductions for Funds (Medical Aid / Pension / Retirement)

6.6.2.3.1) Prince Albert Municipality will make additional medical aid-, pension- or retirement fund deductions from an employee's monthly remuneration, but reserves the right not to effect any deductions unless approved as mutually agreed upon between the employee and applicable Fund.

6.6.2.3.2) The Payroll Department co-ordinates the process of additional deductions in accordance with the discrepancy reports as received from the applicable Funds on a monthly basis.

6.6.2.4) Bond- & Rental instalments and Municipal services deductions

6.6.2.4.1) Prince Albert Municipality will make bond- & rental instalment and municipal services deductions from an

employee's monthly remuneration, but reserves the right not to effect any deductions unless approved as mutually agreed upon between the employee or councillor and the bond- or rental institution or the applicable municipality.

6.6.2.4.2) The application for such deductions will be submitted to the Payroll Department for implementation, provided that the banking details of the applicable institution is suitable for electronic payments.

6.6.2.4.3) In the case of cancellations, the application for cancellation will be submitted to the Payroll Department for implementation.

6.6.2.5) Car port fees & Sport club fees

6.6.2.5.1) Prince Albert Municipality will make deductions for Car port-and Sport club fees from an employee's monthly remuneration, but reserves the right not to effect any deductions unless approved as mutually agreed upon between the employee and Registration office and Sport club committee.

6.6.2.5.2) The instruction for the deductions will be submitted to the Registration office and Sport club committee who will submit it to the Payroll Department for implementation.

6.6.2.5.3) In the case of cancellations, the instruction will be submitted to the Payroll Department for execution.

6.6.2.6) Political Party Membership Fees & Women's League Fees

6.6.2.6.1) Prince Albert Municipality will make Political Party membership fees and Women's League fees deductions from a councillor's monthly remuneration in compliance with the legal requirements relating to Political Party membership fees and Women's League fees, but reserves the right not to effect any deductions

unless approved as mutually agreed upon between the councillor and the Political Party/Institution.

6.6.2.6.2) The Political Party/Institution will submit the instruction for the deductions to the Payroll Department for implementation.

6.6.2.6.3) In the case of cancellations, the instruction will be submitted to the Payroll Department for execution.

6.6.2.7) Personal Loans

6.6.2.7.1) Prince Albert Municipality will make personal loan deductions from an employee/councillor's monthly remuneration in compliance with the legal requirements relating to the loans, but reserves the right not to effect any deductions unless approved as mutually agreed upon between the employee/councillor and financial institution.

6.6.2.7.2) The financial institution will submit the instruction for the deductions to the Payroll Department for implementation.

6.6.2.7.3) In the case of cancellations, the instruction will be submitted to the Payroll Department for execution.

6.6.2.8) Any other deductions

6.6.2.8.1) Any other deductions are not allowed; it is for the employee's or councillor's own account.

6.7) Cession

6.7.1) The employee or councillor does not have the right to cede or to transfer his or her remuneration either in part or in full, to a third party.

6.8) Job Evaluation System

6.8.1) TASK is the recognized Job Evaluation System within the local government sector as approved by the National Executive Committee (NEC) of SALGA from 1 July 2010.

- 6.8.2) The purpose of the TASK Job Evaluation System within the Local Government Sector is to achieve uniform norms and standards in the description of similar jobs and their grading and to underpin job comparison and to provide for the necessary structures, institutional arrangements and procedures for the evaluation of jobs.
 - 6.8.3) The implementation of the TASK Job Evaluation results will be forwarded as a recommendation to the Accounting Officer of the Municipality.
 - 6.8.4) The final decision for implementation rests with the Accounting Officer; taking into account the organisational needs and affordability.
- 6.9) Payment of last remuneration on Service Exit and in case of Death**
- 6.9.1) Service termination is deemed as one calendar month (1st until last day of month) written notice by the employee to Council, in the case of resignation. An employee's service term ends upon reaching the retirement age of 65 years. In the instance of a severance package application, as offered and approved according to the applicable council resolution.
 - 6.9.2) Final remuneration, in the case of retirement, severance package and resignation, will be paid on the 25th of the month via electronic funds transfer (EFT).
 - 6.9.3) Final remuneration, in the case of death/passing of an employee, will be paid on the 25th of the month via EFT, or on another date, as request by the deceased's family / relatives.
 - 6.9.4) Final remuneration, in the case of dismissals, settlement agreements and retrenchments will be paid via EFT, on the date as agreed upon by the concerned parties.
 - 6.9.5) All applicable outstanding earnings, such as leave balance, pro-rata bonus, - long service, -14th cheque and approved severance package, will be paid via EFT; as soon as confirmation is received from the user department on all outstanding matters.
- 6.10) Implementation and Amendment of Banking details**
- 6.10.1) Permanent employees, contract employees, Expanded Public Works Programme employees, Councillors, Commissions & Committees of Inquiry

and Audit Committees must submit their stamped banking details, as well as a letter from the bank confirming that their bank accounts are active, to Human Resources before the 15th of the month for implementation.

6.10.2) The providing and capturing of the correct and authentic banking details is of vital importance to the Remuneration section, in order to ensure accurate payments into the appropriate, active bank accounts.

6.11) Implementation and Amendment of Income Tax Numbers

6.11.1) Permanent- and contract employees, Expanded Public Works Programme employees, Councillors, Commissions & Committees of Inquiry and Audit Committees must submit their verified Income tax numbers from SARS, to Human Resources, before the 10th of the month in order for the Income Tax numbers to be implemented or updated on the payroll system.

6.12) Payroll and E-Filing systems

6.12.1) Payroll system

6.12.1.1) The payroll department is responsible to ensure that the payroll system is maintained and continuously updated with the latest releases as received from PAYDAY Systems from time to time.

6.12.1.2) Generation of financial reports regarding payroll information such as audit trials, statistics as well as other financial reports regarding personnel information, as requested from user departments from time to time, must be kept safe.

6.12.2) E-Filing System

6.12.2.1) The payroll department must always ensure the latest version of SARS E-filing, an online program, for the submission of tax returns and related functions; allows registration, submissions, PAYE-, UIF and SDL payments and other interactions with SARS in a secure online environment.

- 6.12.2.2) Remuneration must be up to date with any amendments and changes on E-filing system in order to ensure accuracy of data as SARS do extensive validations against the electronic employees' tax certificates (IRP5's).

7. ALLOWANCES AND BENEFITS

7.1) Thirteenth Cheque (Bonus)

- 7.1.1) A bonus (13th cheque) is due annually to all staff in the service of Council as at 30 November. The bonus is calculated pro rata as from date of appointment.
- 7.1.2) In case of service exit before bonus month, a pro rata bonus shall be due to staff who leave Council's service during the course of the year.
- 7.1.3) All employees will receive their bonus in November month.
- 7.1.4) Section 57 employees are entitled to the option to make provision for bonuses, when executing the structuring of their total cost-to-company packages.

7.2) Notch increment date

- 7.2.1) A notch increase will be granted to permanent employees, on the anniversary of the first year of employment (thus after being in service for twelve [12] consecutive months).
- 7.2.2) A notch increase thereafter will be implemented with the annual salary increase in July.

7.3) Long Service Payment

- 7.3.1) Long Service payment is an encashment for continuous employment of 10 (ten) years and every 5 (five) years thereafter.
- 7.3.2) Long service payment is calculated as follow:

EMPLOYMENT YEARS	PAYMENT
10 years	Monthly non-pensionable salary x 1
15 years	Monthly non-pensionable salary x 1.5
20 years	Monthly non-pensionable salary x 2
25 years	Monthly non-pensionable salary x 2.5

30 years	Monthly non-pensionable salary x 3
35 years	Monthly non-pensionable salary x 3.5
40 years	Monthly non-pensionable salary x 4

7.4) Housing Allowance

7.4.1) Housing allowances are dealt with in accordance with the Main Collective Agreement and the Salary and Wage Collective Agreement.

7.4.2) The following requirements are applicable for housing subsidy:

7.4.2.1) Occupation of the house by employee

7.4.2.2) It being a completed building (no subsidy on vacant stands)

7.4.2.3) The bond must be registered in the employee or employee and spouse's name.

7.4.2.4) Bond must be with a registered financial banking institution

7.4.3) Only one subsidy paid to co-habiting partners/married couples who both work for Council.

7.5) Non-Pensionable Allowance Payments

Dealt with as per the Salary & Wage Collective Agreement.

7.6) Essential Users Motor Scheme

As per Essential Users Motor Scheme Policy.

7.7) Perk Motor Scheme

As per Perk Motor Scheme Policy.

7.8) Overtime Payment

As per Overtime Policy.

7.9) Night-shift work Payment

7.9.1) Night-shift work is applied and calculated for payment in accordance with the Collective Agreement on Conditions of Service.

- 7.9.2) The Head of Department is responsible to ensure the verifying and approval of the authentic and correctly calculated number of Night-shift hours claimed for the preceding month.
- 7.10) Standby Payment**
- 7.10.1) Standby is applied and calculated for payment in accordance with the Collective Agreement on Conditions of Service and per Standby Policy.
- 7.11) Shift -work Payment**
- 7.11.1) Shift-work is applied and calculated for payment in accordance with the Collective Agreement on Conditions of Service.
- 7.11.2) The Head of Department is responsible to ensure the verifying and approval of the authentic and correctly calculated amount of Shift-work hours claimed for the preceding month.
- 7.12) Acting Allowance**
- 7.12.1) Acting Allowance is applied and calculated for payment in accordance with the Collective Agreement on Conditions of Service and the municipal Acting and Additional Responsibilities Allowance Policy.
- 7.12.2) The Payroll Department and Human Resources Department is responsible to ensure the verifying and approval of the authentic and correctly calculated Acting days claimed for the preceding month.
- 7.13) Additional Responsibilities Allowance**
- 7.13.1) Additional Responsibilities Allowance is applied and calculated for payment in accordance with the Collective Agreement on Conditions of Service and the municipal Acting and Additional Responsibilities Allowance Policy.
- 7.13.2) The Payroll Department and Human Resources Department is responsible to ensure the verifying and approval of the authentic and correctly calculated Acting days claimed for the preceding month.
- 7.14) Retirement fund Contributions & Benefits**
- 7.14.1) Membership of The Consolidated Retirement Fund (CRF) membership is compulsory for all permanent employees.

7.14.2) Council's contribution towards the CRF Fund is 18% of an employee's salary and an employee's contribution is 9% of his/her salary, in accordance with the Main Collective Agreement and the Salary and Wage Collective Agreement.

7.15) Annuities

7.15.1) Tax deductible annuities may also be implemented on employees' salaries by Remuneration section, when submitted in writing to the Payroll Department before / on the 15th of the month.

7.16) Medical Aid Fund Contributions & Benefits

7.16.1) Medical Aid membership is optional for all employees.

7.16.2) The employer subsidises the contribution up to the maximum threshold in accordance with the South African Local Government Bargaining Council Collective Agreements towards one of the following accredited medical aid funds:

- BONITAS
- LA HEALTH
- SIZWE HOSMED
- KEYHEALTH
- SAMWUMED

7.16.3) Subsidized continued medical aid membership will be applicable to staff at 30% and Council 70% subsidy in case of retirement (where the employee was in employment for more than 20 years), medically boarded or in the case of death of the staff member.

7.16.4) In the case of death of a staff member who at that stage belonged to a medical aid fund, a registered medical aid dependant becomes the principle member – such as the spouse/life partner or child dependant, should there not be a spouse/life partner and the dependent child is registered as the principle member.

7.16.5) This subsidy will remain until passing of that continued member, where after the subsidy benefit seize. In the case of a child who becomes the principle member, the subsidy will seize when reaching the age of 21 years.

7.16.6) In accordance with the Main Collective Agreement and the Salary and Wage Collective Agreement.

7.17) SARS – Employees' Income Tax : PAYE (Pay-As-You-Earn)

7.17.1) PAYE deductions are implemented in accordance with the South African Revenue Service Act 34 of 1997, Employment Tax Incentives Act of 2013, Tax Administration Act 28 of 2011 and the Income Tax Act of 1962.

7.17.2) The PAYE deduction is determined in accordance with SARS Tax tables, according to an employee's or a councillor's monthly taxable earnings. Monthly completion and the submission of an EMP201 is executed via E-filing- and Easyfile online system for payments thereof.

7.17.3) The purpose of PAYE is to ensure that an employee's income tax liability calculated on remuneration is settled at the same time that the remuneration is earned. The PAYE deducted from all different employees, councillors and audit committee members must be paid over to SARS within seven (7) days after the end of the month during which such deduction was made. Income Tax (PAYE) on 13th Cheque (bonus) are divided and deducted on a twelve-month basis, which may be exercised by permanent employees by choice, at the beginning of every new tax year at 1st March. These permanent employees will receive the 13th Cheque (Bonus) in full as the Income Tax (PAYE) is already deducted during the preceding 12 (twelve) months.

7.17) Bargaining Council Levy

Dealt with in accordance with the Main Collective Agreement.

7.18) Unemployment insurance fund (UIF)

The UIF deduction is regulated and applied in accordance with Chapter 2 of the Unemployment Insurance Contributions Act, no. 4 of 2002.

7.19) Trade Union Deductions and Contributions

Trade union deduction and contribution is regulated and applied in accordance with the Main Collective Agreement.

8. REMUNERATION**8.1) Commencing remuneration**

- 8.1.1) Newly appointed employees, and employees that have been promoted, will be placed at the entry level of the pay scale/notch for that particular job / task grade.
- 8.1.2) Where there is a justifiable reason for a higher notch, the Head of Department will motivate for approval by the Municipal Manager.

8.2) Annual Salary and Wage Adjustments

- 8.2.1) Salary adjustments are confirmed by SALGA with the Salary and Wage Collective Agreement and implemented by the Remuneration section.
- 8.2.2) The Payroll Department calculate, process and verify the regulated salary scales to integrate with the various companies on the Payday system, manage, implement, reconcile and verify the newly calculated scales.

8.3) Remuneration of Permanent Employees

- 8.3.1) The remuneration of permanent employees within the Bargaining Unit, shall be governed by Collective Agreements negotiated centrally with the South African Local Government Bargaining Council (SALGBC); in accordance with the Grade and the Salary Scales of Prince Albert Municipality as determined by SALGBC.
- 8.3.2) All permanent employees shall be remunerated on the basis of a basic salary plus benefits and shall be composed of:
 - Basic Salary
 - 13th Cheque (Bonus)
 - Long Service Leave Payment
 - Council's Contribution towards an approved Retirement Fund

- Council's Contribution towards an approved Medical Aid Fund
- Council's Contribution towards the Unemployment Insurance Fund
- Council's Contribution towards Skills Levy
- Council's Contribution towards Bargaining Council Levy
- Housing Subsidy, provided that the qualifying criteria are met
- Allowances, such as Perk Motor Scheme, Essential Motor Scheme, Cell phone, provided that the qualifying criteria are met – in accordance with the applicable and approved policies.

8.3.4) Permanent employees are remunerated in accordance with their employment contracts. An approved and audited internal TASK job evaluation's process may result in approved amendments on an employee's remuneration.

8.3.5) Any additional earnings pertaining to approved and verified claims, such as travel logs, subsistence & travel, overtime, standby, nightshift, acting allowance etc, are paid in accordance of the applicable and approved policies.

8.4) Remuneration of Temporary, Contract and Fixed Term Contract Employees

8.4.1) The total cost-to-company package payable to temporary contract- and fixed term contract employees is determined by the Human Resources Department in accordance with requirements of the vacancy, according to Prince Albert Municipality's Salary Scales as confirmed by SALGA.

8.4.2) The regulations and structuring of cost-to-company packages are stipulated in the applicable contracts. An approved and signed temporary- or fixed term contract must be in place before all different contract employees commence with employment.

8.4.3) Temporary contract- and fixed term contract employees are paid for Subsistence and Travel claims in accordance with Prince Albert Municipality's Subsistence & Travel policy.

8.5) Remuneration of Municipal Managers and Managers directly accountable to Municipal Managers

- 8.5.1) The upper limits of the total cost-to-company packages payable to municipal managers and managers directly accountable to municipal managers is determined by the Minister for Cooperative Governance in terms of Regulation 35 of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers, issued in terms of Government Notice No.21 as published under Government Gazette No. 37245.
- 8.5.2) The categorisation of the Prince Albert Municipality's municipal council is Category 1, which determines the total remuneration package of Senior Managers.
- 8.5.3) Flexible remuneration options are available to Senior Managers who qualify in terms of their positions and according to the requirements of the South African Revenue Services. Senior Managers are paid for Subsistence and Travel claims in accordance with Prince Albert Municipality's Subsistence & Travel policy.
- 8.5.4) It is the responsibility of Senior Managers to ensure that all different claims and documentation be verified for correctness and authenticity, before the approval thereof.

8.6) Remuneration of Councillors

- 8.6.1) The upper limits of the total remuneration packages of councillors are determined by the Minister for Cooperative Governance and Traditional Affairs, under the powers vested in him/her 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).
- 8.6.2) The salary and allowances of a councillor is determined by that municipal council in consultation with the member of the Executive Council responsible for local government in each province, having regard to the upper limits as set out in the published Government Gazette, the financial year and affordability

of the municipality, including the austerity measures as approved by national Cabinet.

8.6.3) The Payroll Department implements and manage the adjustments of upper limits after council has consulted with MEC for Local Government in the Western Cape about its council resolution of a supporting vote of a majority of its members.

8.6.4) Only part-time councillors that does not reside in Prince Albert are reimbursed for kilometres travelled between their home and Prince Albert to attend meetings; in accordance with Prince Albert Municipality's Travelling policy.

8.6.5) Full-time councillors (Executive Mayor and Speaker) cannot be reimbursed for travelling to office on a daily basis.

8.6.6) Councillors are remunerated for Subsistence and Travel claims in accordance with Prince Albert Municipality's Subsistence & Travel policy.

8.7) Remuneration of non-official members: Commissions & Committees of Inquiry and Audit Committees

8.7.1) With reference to Treasury Regulation 3.1.6 the remuneration applicable to Committees of Inquiry is applicable to members of Audit Committees appointed from outside the public service.

8.7.2) The Minister of Finance, in terms of Treasury Regulation 20.2.2, grants annually approval to amend the maximum remuneration payable per day to non-official members of Commissions and Committees of Inquiry.

8.7.3) Employees of Government serving on Commissions or Committees of Inquiry or Audit Committees are not entitled to additional remuneration. The rates are sitting fees and exclusive of payments in respect of preparation, research & travelling (to and from meeting venues) time.

- 8.7.4) Audit Committee members not residing in Prince Albert, are reimbursed for kilometres travelled between their home and Prince Albert, in accordance with Prince Albert Municipality's Travel policy.

8.8) Remuneration of Expanded Public Works Programme (EPWP)

- 8.8.1) EPWP is a key initiative by government to create jobs and alleviate poverty within our societies.
- 8.8.2) Workers on an EPWP are employed on a temporary basis or contract basis. A worker may not be paid less than the minimum EPWP wage rate per day or per task.
- 8.8.3) No money must be deducted from a worker's payment unless the deduction is required in terms of a law or upon request of the employee.
- 8.8.4) A task-rated worker will only be paid for tasks that have been completed. A time-rated worker will be paid at the end of each month. Payment must be made by direct deposit into a bank account designated by the worker. The Human Resources Department and Senior Manager: Corporate and Community Services is responsible to draft the wage determination for EPWP sectors and submit to Municipal Manager for approval.
- 8.8.5) In accordance with the Ministerial Determination 4: EPWP:-Government Gazette No. 9745 of 4 May 2012.

8.9) Remuneration of Financial Graduate Intern & Volunteers

8.9.1) Financial Graduate intern

- 8.9.1.1) The Municipal Finance Management Internship Programme (MFMIP), is enrolled and funded by National Treasury.
- 8.9.1.2) The salary / stipend for a Financial Graduate Intern, an unemployed graduate in Accounting, Economics, Finance, Risk management &

Internal audit, who needs workplace exposure to enhance chances of future employment, is in accordance with the Guidelines for implementation of Municipal Finance Management Internship Programme (MFMIP).

8.9.1.3) Should the municipality wish to pay more than the recommended stipend, then the excess must be sourced from its own MTREF budget.

8.9.1.4) Financial Graduate Interns are paid for Subsistence and Travel claims in accordance with Prince Albert Municipality's Subsistence & Travel policy.

8.9.2) Volunteers

8.9.2.1) Volunteers are not regarded as employees of the municipality and as such may not be remunerated in any way.

9. INTERIM PAYMENTS

9.1) Interim payments for Subsistence & Travel, will be paid out twice a week on Wednesdays and Fridays.

9.2) A travel and subsistence claim form with all supporting documentation must be submitted to the Finance Department (Creditors) by no later than 12h00 on Tuesdays, in order to effect and facilitate payment on the next day (Wednesday), and by no later than 12h00 on Thursdays, in order to effect and facilitate payment the next day (Fridays), and to allow proper verification and to ensure timely payments.

10. SHORT TITLE AND COMMENCEMENT

This policy is called the Prince Albert Municipality's Remuneration Policy, and will commence on 01 July 2025.