



Draft Reviewed Remunerations and Benefits Policy

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1. PREAMBLE

The Dr JS Moroka Local Municipal Remuneration and Benefits Policy is based on the following principles:

- Remuneration must be as per evaluation of specific post as it relates to the Dr JS Moroka Local Municipal category.
- Benefits options must be available to employees who qualify in terms of their positions or the inherent requirements of the position.

Dr JS Moroka Local Municipality is committed to ensuring that equitable remuneration is paid to all its employees.

In order to attract and retain properly qualified staff to fill vacancies at all levels, it is the municipality's aim to maintain fair and competitive remuneration consistent with sector practices and all necessary regulations and collective agreements governing compensation of personnel in the local government sector.

2. APPLICATION OF THIS POLICY

2.1 All permanent and fixed-term-contract employees of Dr JS Moroka Local Municipality are subject to the provisions of this policy and shall be remunerated in line with the SALGBC Collective Agreements.

2.2 The foregoing excludes employees appointed in terms of Section 54 and 56 of the Municipal Systems Act.

2.3 TASK JOB Evaluation System:

2.3.1 The municipality has adopted the TASK JOB Evaluation System which is the remuneration/salary system approved by SALGA.

2.3.2 Task Grade 15 and above officials

- The salaries for TG 15 officials and above (e.g. Deputy Managers and Assistant Managers) must be restructured as salaries and benefits (Car & Cell phone Allowance and etc.)

2.3.3 The Finance Department in conjunction with Corporate Services Department should manage remuneration and benefits costs within budgetary constraints.

3. DEFINITIONS

3.1. Employees

- a) Permanent employees; and
- b) Fixed-term-contract employees of Dr JS Moroka Local Municipality.

3.2. Municipality

Unless otherwise indicated, *municipality* refers to Dr JS Moroka Local Municipality.

3.3. Remuneration

Remuneration means financial compensation granted by Dr JS Moroka Local Municipality to its employees for the execution of designated duties.

This includes the base salary and any bonuses or other economic benefits that an employee receives during employment.

4. PROBLEM STATEMENT

Ill-defined management of remuneration of employees may lead to irregularities and inconsistencies in the manner in which a municipality compensates employees. Such irregularities do not conjure up for a healthy working environment and may impact negatively on employee relations and productivity.

This policy is thus formulated with the aim of addressing problems that may arise due to the absence of formalised remuneration measures.

5. GENERAL POLICY STATEMENT

Dr JS Moroka Local Municipality is committed to attracting, retaining and motivating a competent and professional workforce that will ensure the long-term sustainability of the municipality and create a competitive advantage in the development arena.

The remuneration offering provided to employees is a key component of the municipality's human resources management strategy and will be directed at making Dr JS Moroka Local Municipality an organisation that cares for its people and creating an environment that allows employees to grow.

6. BASIC SALARY PLUS BENEFITS

All permanent employees with the exception of employees appointed in terms of Section 54 and 56 of the Municipal Systems Act 32 of 2000, shall be remunerated on the basis of a basic salary plus benefits.

All bargaining employees' salaries and benefits shall be governed by the provisions of the South African Local Government Bargaining Council Agreements (Mpumalanga Collective Agreement on Conditions of Service and South African Local Government Bargaining Council Main Collective Agreement) and shall be composed of, but not limited:

- 6.1. Basic Salary;
- 6.2. A 13th Cheque;
- 6.3. The Municipality's contribution to an approved Pension or Provident Fund;
- 6.4. The Municipality's contribution to an approved Medical Aid Scheme;
- 6.5. An allowance/benefits approved by the Municipality, provided that qualifying criteria are met – such allowances/benefits are provided below;

7. FUNCTIONAL DIFFERENTIATION FOR SCARCE SKILLS

While it is the objective of Dr JS Moroka Local Municipality to promote internal equity through its remuneration practices, it is recognised that there are specialist skills, critical to the success of the municipality that would demand a premium in the general remuneration market. In order to ensure Dr JS Moroka Local Municipality's external competitiveness, salary Bands based on direct and functional benchmarks will be developed.

8. PRESCRIBED REMUNERATION COMPONENTS

8.1 Pension/Provident Fund

It is a compulsory condition that all employees appointed on a permanent basis or on a fixed-term contract basis be members of and contribute to a pension/provident fund recognised by the municipality, SALGBC and registered in terms of the Pension Fund Act (1956).

Contributions: employer-employee proportions shall be in terms of the rules of SALGBC and pension/retirement Fund as will be determined from time to time.

8.2 Medical Aid

All employees appointed on a permanent basis or on a fixed term contractual basis who opt for medical aid, shall contribute to an accredited Medical Aid Scheme.

Contributions: employer-employee proportions shall be in terms of the rules of the SALGBC as will be reviewed from time to time by the collective bargaining process.

8.3 Vehicle /Car Allowance

Starting from Task Grade 15 and above will receive a maximum of 30% of the benefit salary per month as vehicle/car allowance. As part of the revenue enhancement strategy, any employee who receives a car allowance must own a car and must be registered under Mpumalanga province within 12 months after the appointment or purchase of a new car or approval of this policy.

8.4 Cell Phone allowance

- (i) The allowance is allocated to employees from task grade 15 and above.
- (ii) The allowance shall cover other officials who qualify in terms of the inherent requirements of the position/s. An amount of **R 350.00** will be paid to the below posts, such as:
 - Secretaries;
 - Technicians;
 - Transport officers
 - Artisan foreman
 - Disaster officer
 - Mayoral driver
 - OHS officer
 - SDF and etc

If there is any other official who feels his/her job requires a municipal cell phone allowance, a motivation should be forwarded by his/her Head of Department to the Municipal Manager for approval.

8.5 Clothing allowance

An amount of **R 400.00** per month shall be allocated to official/s who qualify in terms of the inherent requirements of the position.

8.6 Thirteenth Cheque

Permanent and fixed-term contract employees shall be paid their 13th cheque on the month of the date of appointment.

9. PAYMENT DATE

Remuneration shall be transferred electronically to an employee's bank Account on the 25th day of each month or to be available on the day preceding the 25th should it fall on a public holiday.

10. DEDUCTIONS

Dr JS Moroka Local Municipality will make deductions from an employee's monthly remuneration in accordance with legal requirements relating to such a deduction as stipulation in terms of section 34 of BCEA.

10.1. Overpayment/Repayment

Dr JS Moroka Local Municipality reserves the right to recover from the employee any overpayment owed by the employee from his/her remuneration. The recovery will take effect after consultation with the employee including:

- a. fair procedure during which the employee is given reasonable opportunity to show reason why the recovery should not take place;
- b. the total amount of the recovery does not exceed the actual amount overpaid;
- c. No single deduction from the employee's monthly remuneration will exceed one quarter of the cash portion of the employees' monthly remuneration.

11. NO CESSION

The employee does not have the right to cede or to transfer his remuneration or part of it to a third party.

12. AUTHORITY

- 12.1. The authority is vested with the Council.