

# GREAT KEI MUNICIPALITY



## REMUNERATION POLICY

**2019 / 20**

<b>Department Responsible</b>	<b>Corporate Services Department</b>
<b>Unit responsible</b>	<b>Human Resources</b>
<b>Applies to</b>	<b>All Municipal Employees</b>
<b>Key Words</b>	<b>REMUNERATION</b>
<b>Status</b>	<b>Final Draft</b>
<b>Council approval date</b>	<b>28 June 2019 Resolution 9.5 of 28/06/29</b>
<b>Version</b>	<b>1 of 2019/20</b>

## **1 INTRODUCTION**

This document sets out the policy, principles and procedures that must be applied with respect to the remuneration of employees of the municipality.

## **2 PURPOSE**

- 2.1 The purpose of this policy is to advance labour peace and efficient human resources management by fulfilling the primary objects of the Constitution, relevant employment law and local government legislation.
- 2.2 The specific objectives of this policy are to -
- (a) promote effective, efficient and economic use of resources;
  - (b) promote fairness and transparency in decisions regarding remuneration; and
  - (c) provide a framework within which the municipality will develop and administer appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration and matters connected therewith, including linking employee remuneration to performance.

## **3 COLLECTIVE AGREEMENTS**

- 3.1 Every employee, except employees who were appointed in terms of section 56 of the Municipal Systems Act insofar as any collective agreement excludes them, must be remunerated according to the relevant collective agreements.
- 3.2 Employees appointed in terms of Section 56 of the Municipal System Act, their remuneration is guided by Upperlimits subject to Council approval.
- 3.3 The remuneration of an employee consists of:
- (a) a basic salary;
  - (b) a 13th cheque;
  - (c) the municipality's contribution to a retirement fund in respect of the employee;

- (d) the municipality's contribution to a medical aid scheme in respect of the employee;
- (e) provided the qualifying conditions are met, such allowances as set out in this policy;
- (f) payments for approved overtime work as prescribed by relevant legislation; and
- (g) such allowances as may be payable in terms of a collective agreement.

**4 RENOUNCEMENT OF, LAYING CLAIM TO AND CESSION OF SALARY OR OTHER MONEY**

No employee may cede or renounce any right or claim to any salary or other money due to her/him or anything owed to her/him by the municipality.

**5 EMPLOYEES UNDER SECTION 56 OF THE MUNICIPAL SYSTEMS ACT**

- (a) The municipality must annually, together with the consideration of its budget, review the remuneration of every employee appointed in terms of section 56 of the Municipal Systems Act.
- (b) When reviewing the remuneration of an employee contemplated in paragraph (a) the municipality must use as benchmark-
  - (i) any general salary agreement reached in the bargaining council, or
  - (ii) if such an agreement had not been reached, any arbitration award regarding salary increases affecting local government; or
  - (iii) if such an award is not made, an amount equivalent to the official inflation rate for the year immediately preceding the year during which the adjustment becomes effective.

## **6 DATE OF PAYMENT OF SALARY**

Payment of the employee's salary is made, subject to section 32(4) of the Basic Conditions of Employment Act, in twelve equal instalments in arrears on the 25th day of every month, provided that an employee's salary for the months of December and January may be made as per Council Resolution.

## **7 MANNER OF PAYMENT OF SALARY**

- 7.1 The manager responsible for financial management must ensure that the salary of an employee is paid directly into the bank account she/he designated on or before the end of each month.
- 7.2 Employees must be paid in South African currency.

## **8 ANNUAL BONUS**

- 8.1 Every permanent employee is entitled to a 13th cheque payable together with her/his salary in his / her birth month. However employees that have a service which is less than a year their annual bonus is prorated.

Section 56 Managers and Contract employees are not entitled to 13<sup>th</sup> cheque as this is included in their Salary Package, however they are entitled to structure their bonuses as needed.

- 8.2 An employee is entitled to the pro-rata payment of her/his annual bonus:
- (a) on retirement;
  - (b) when his/her service is terminated for poor performance due to illness or injury;
  - (c) when he/she resigns to take up service with another municipality;
  - (d) upon her/his death.

## **9 SALARY ADVICES / PAY SLIPS**

Every employee is entitled to receive a pay slip on or before every pay day, as contemplated in section 33 of the Basic Conditions of Employment Act. When an employee who cannot read so requests, the contents of such a pay slip must be explained to him/her

## **10 DEDUCTIONS FROM SALARY**

10.1 The municipality must deduct from an employee's monthly salary and pay the amounts deducted over to the relevant institution (where applicable), together with the municipality's contribution (where applicable):

- (a) Income tax in terms of relevant legislation
- (b) The employee's contributions to the retirement and medical aid funds
- (c) Any deductions ordered by a court of law
- (d) Any deduction authorised in terms of a law
- (e) Any deductions permitted in terms of a collective agreement
- (f) Any rates and taxes and service charges owed to the municipality
- (g) Any deduction authorized in terms of a stop-order
- (h) Any fines and reimbursements imposed as a penalty for misconduct.

10.2 Any deduction must be clearly shown on the employee's salary advice.

## **12 MONIES OWED UPON TERMINATION OF SERVICE**

Whenever the services of an employee are terminated, any monies that -

- (a) the employee owes to the municipality or
- (b) the municipality owes to the employee,

will be due and payable by electronic fund transfer to his/her last working day, provided that the municipality may deduct any amounts owed to it from an employee's final pay.

### 13 VIOLATION AND ENFORCEMENT

The violation of this policy may lead to disciplinary action being instituted against a person who is deemed to have violated the policy

### 14 POLICY REVIEW AND AMENDMENTS

At the end of each financial year or where the Council deems it necessary, the policy shall be subjected to review and amendment as to ensure its continuing relevance and validity

- 14.1 A process wherein the Municipal Manager or any delegated council official shall make an input to the relevant council structures detailing the proposed amendments and the rationale thereof.

The amendments shall be placed on the council agenda and a vote shall be taken rectifying the policy

- 14.2 A Council resolution shall be recorded accurately reflecting the council decision and its number

Mr. L. N. MAMBILA  
MUNICIPAL MANAGER

Signature of the Municipal Manager.....

Date...1-July-2019.....

Hon. Cllr. N.W. TEKILE  
SPEAKER / MAYOR

Signature of the Speaker/ Mayor.....

Date...1-July-2019.....



