

MOPANI DISTRICT MUNICIPALITY



REMUNERATION POLICY

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1. PREAMBLE

The Municipality is committed to ensuring that equitable remuneration is paid to all the staff members to advance the strategic objective of attracting, recruiting, motivating, and retaining the best and most suitable staff members. While maintaining fiscal responsibility, the Municipality is committed to remunerating staff in a manner that is fair, consistent, reflecting external market, and providing recognition for attaining individual goals, the Municipality objectives, and professional competency.

2. PURPOSE

The purpose of this policy is to set out standard framework for determining remuneration levels, allowances and service benefits within the Municipality. In addition, the ultimate goal is to achieve internal pay equity, external pay equity, increased performance and productivity, compliance with legislation, administrative efficiency, and to attract, recruit, motivate and retain staff members.

3. SCOPE OF APPLICATION

This policy applies to all managers and staff members of the Municipality

4. LEGISLATIVE AND POLICY FRAMEWORK

- Constitution of the Republic of South Africa Act, 1996 (Act No. 108 of 1996)
- Municipal Systems Act, 2000 (Act No. 32 of 2000)
- Municipal Structures Act, 1998 (Act No. 117 of 1998)
- Municipal Finance Management Act, 2003 (Act No. 56 of 2003)
- Labour Relations Act, 1995 (Act No. 66 of 1995)
- Employment Equity, 1998 (Act No. 55 of 1998)
- Skills Development Act, (Act No. 97 of 1998)
- Basic Conditions of Employment Act, 1997 (Act No. 75 of 1997)
- Occupational Health and Safety Act, 1993 (Act No. 85 of 1993)
- Minimum Wage Act, 2018 (Act No. 9 of 2018)
- South African Local Government Bargaining Council: Collective Agreements

5. DEFINITIONS

All terminology used in this policy shall bear the same meaning as in the Regulations or applicable legislation, or as defined and / or explained in the Glossary of Terminology in the Human Resources Policies Manual.

6. PROBLEM STATEMENT

The Municipality will remunerate its employee's fair and competitive salaries, taking into cognisance prevailing market rates in similar organisations and the ability of the municipality to sustain the salaries budget and The Municipality will reward its employee's equal pay for similar work and will not discriminate based on gender or age.

7. POLICY PROVISIONS

7.1 Guiding principles of the remuneration policy

- 7.1.1 Remuneration policy shall be utilised to inform the remuneration strategy as part of integrated human resource management.
- 7.1.2 Remuneration shall support systems and procedures that ensure fair, efficient, effective and transparent human resources management and administration.
- 7.1.3 Remuneration policy shall advance the strategic objective of attracting, recruiting, motivating, and retaining the best and most suitable staff members, as well as staff members in the occupational categories classified as scarce skills.

7.2 Remuneration scope

The scope of remuneration within the Municipality covers all the rewards earned by staff members in return for their labour, personal career achievements, and work-related expenses. These are categorized as follows:

7.3 Remuneration of senior managers

7.3.1 Determining remuneration of senior managers

In determining remuneration packages of senior managers, the Municipal Council shall consider the following:

- (a) Determine performance contract in line with the performance management policy;
- (b) Determine the impact of the position towards Municipal objectives;
- (c) Ensure there is external pay equity (*through salary surveys*) on remuneration paid to similar positions in similarly graded municipalities;
- (d) Determine the minimum, median and maximum salary packages (salary notches) expressed as total cost to employer;
- (e) Identify the factors that may justify the employment of a senior manager on any of the proposed salary notches of the total salary package;
- (f) Ensure the salary packages conform to the upper limits of salaries of senior managers determined by the Minister; and
- (g) Publish in the media the salary scales and benefits applicable to posts of the Municipal Manager and every senior manager.

7.3.2 Remuneration on a Total Cost of Employment basis

Remuneration of senior managers shall be set out as follows:

- (a) Non-flexible portion not exceeding seventy percent (70%), being the net amount after subtracting employer's portion of pension fund and medical aid contributions.
- (b) Flexible portion of a minimum of thirty percent (30%), covering staff member's portion of pension fund and medical aid contributions, and motor vehicle / travel allowance. In addition:
 - (i) All senior managers shall contribute to their chosen *Retirement Fund*, and are obliged to submit proof of membership annually.
 - (ii) All senior managers shall join and become members of their chosen *Medical Aid Scheme* and be subjected to the rules of the Scheme and are obliged to submit proof of membership annually.
- (c) Performance bonus, paid in terms of the Performance Management Policy, and after an annual performance appraisal that produced the rating score that falls within the categories earmarked for rewarding through performance bonus in that financial year.

7.4 Remuneration of staff members below level of senior managers

Remunerated items for staff members below the rank of senior manager shall be as per the applicable negotiated salary and wage agreement entered in the South African Local Government Bargaining Council (SALGBC).

7.5 Remuneration tied to nature of work or essential tools of the trade

7.5.1 Essential tools are tied to the performance of the job in terms of the job description, the physical and psychological nature of work outlined in the job description and / or performance plan, as well as dictated upon by work processes and procedures.

7.5.2 Unless otherwise regulated by a collective agreement entered in the SALGBC, the Municipality shall ensure that accessing or receiving these forms of remuneration or tools shall not be subjected to separate or additional application or approval processes as the appointment in the respective positions entitle incumbents to the tools.

7.5.3 Essential tools shall cover, but not limited to, the following:

- (a) Acquisition and /or maintenance of work tools such as computers and / or computing equipment, not limited to but including laptops / notebooks, tablets, and so on, as would be determined by the Municipal Council from time to time.
- (b) Mobile phone, data and airtime package on contract only, offered to senior managers and other staff members as expected by their job descriptions. The limits shall be the discretion of the relevant head of department, on a case-by-case basis.
- (c) Car or travel allowance, in terms of the applicable transport and travel policy.

7.6 Remuneration classified under staff member recognition and allowances

Allowances shall be paid according to the applicable negotiated agreement entered in the South African Local Government Bargaining Council (SALGBC).

7.7 Remuneration based on professional development

7.7.1 Unless otherwise regulated by a collective agreement entered in the SALGBC, the Municipality shall reimburse a staff member for tuition and / or registration fees paid to a recognised tertiary or professional training institution or association for successful completion, or achievement of a professional or technical qualification, and / or accreditation.

7.7.2 Reimbursement of tuition fees applies in cases where a staff member did not utilise the Municipality's internal bursary or any other form of skills development assistance for the same qualification or training.

7.8 Remuneration based on advances and reimbursable expenses

The Municipality shall remunerate staff members for expenses incurred in carrying out their duties in their official capacity, as per the applicable advances and reimbursable expenses policy.

7.9 Staff loans and salary advances

The Municipality shall not, under any circumstances, offer loans or salary advances to staff members.

7.12 Roles and responsibilities

7.12.1 The Municipal Manager or his / her delegated assignee(s) accept overall responsibility for the implementation and monitoring of the policy. In the week before a staff member's salary pay day, the Municipal Manager or his or her delegate shall provide a staff member with the following information in writing –

- (a) the Municipality's name and address;
- (b) the staff member's name;
- (c) the staff member's job title and occupational category in terms of the systems of occupational stream and remuneration;
- (d) the staff member's salary notch;
- (e) any other form of compensation that the Municipality pays directly to the staff member monthly;

- (f) the period for which payment is made;
- (g) the amount and purpose of any deductions; and
- (h) the actual amount paid to the staff member.

7.12.2 The financial implications related to implementing this policy shall be qualified and quantified by human resource management in consultation with the Chief Financial Officer.

7.12.3 In dealing with remuneration related information, a staff member of the Municipality working with such information shall respect the staff member's right to privacy.

8. POLICY MONITORING AND EVALUATION

- 8.1 This policy shall be implemented and effective once recommended by the Local Labour Forum and approved by Council.
- 8.2 Non-compliance to the stipulations contained in this policy shall be regarded as breach of Code of Conduct, which shall be dealt with in terms of the Code of Conduct.
- 8.3 Head of Corporate Services shall carry out the monitoring and evaluation of the policy's implementation.

9. DEFAULT

- 9.1. Disciplinary measures will be applied to any official who fail to comply with the content of the policy.
- 9.2. Any dispute arising from this policy due to interpretation of wording or phrasing must be referred to the Local Labour Forum for adjudication.

10. INCEPTION DATE


This policy will come into effect on the date of adoption by the council

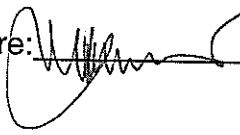
11. REVIEW OF THE POLICY

The policy shall be reviewed after five (5) Years or as and when necessary.

12. POLICY APPROVAL

This policy was developed in consultation with the Local Labour Forum.

Authorised by Municipal Manager: Signature:  Date: 2023/07/01

Approved by Municipal Council: Signature:  Date: 2023/07/01