



KAAP AGULHAS MUNISIPALITEIT  
CAPE AGULHAS MUNICIPALITY  
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## 1. INTRODUCTION

Cape Agulhas Municipality is committed to ensuring that equitable remuneration is paid to all its employees. The Municipality 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.

This policy is subject to the following legislative:

Local Government: Municipal Structures Act, 117/ 1998 as Amended  
Local Government: Municipal System Act, 32/2000 as Amended  
Basic Conditions of Employment Act, 75/1997 as Amended  
South African Local Government Bargaining Council Collective Agreement on Conditions of Service for the Western Cape Division of the SALBC (01 April 2016 to 30 June 2019).  
Main Collective Agreement on the Conditions of services for Local Government.  
Employment Equity Act 55 of 1998 as Amended  
Labour Relations Act 66 of 1995 as Amended

If there are any amendments to these acts for the purpose of this policy it will automatically apply.

## 2. APPLICATION OF THIS POLICY

All permanent and fixed term contract employees of Cape Agulhas Municipality are subject to the provision of this policy and shall be remunerated in the line with the SALBC Collective Agreement. The foregoing excludes employees appointed in terms of Section 57 of the Municipal Systems Act.

## 3. CATEGORIES OF EMPLOYEES PROVIDED FOR BY THIS POLICY

This policy shall provide for employees who are remunerated on a basic salary plus benefits.

## 4. DEFINITIONS

### 4.1 Employees

- (a) Permanent employees; and
- (b) Fixed- term – contract employees of Cape Agulhas Municipality.

### 4.2 Municipality

Council meeting: 7 December 2017 – Resolution 247/2017

Unless otherwise indicated, it refers to Cape Agulhas Municipality.

#### **4.3 Remuneration**

Remuneration means financial compensation granted by Cape Agulhas Municipality to its employees for the execution of designated duties. This includes the basic salary and any bonuses or other economic benefits that an employee receives during employment.

### **5. POLICY STATEMENT**

Cape Agulhas 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 Cape Agulhas Municipality an organization that cares for its people and creating an environment that allows employees to grow.

### **6. REMUNERATION**

The TASK Job Evaluation System will be used by Cape Agulhas Municipality for the purpose of remuneration. Every position as on the approved Organigram will be evaluated by the Job Evaluation Task Team. If an employee was placed in a position by the employer and the job evaluation results are not available at the date of placement the employee will receive back pay until the date of placement when the results are officially available and signed by the Job Evaluation Task Team Chairperson. If an employee is not satisfied with the job evaluation results and the employee appeals, the employee will receive back pay from the date that the appeal results are available and signed by the Job Evaluation Task Team Chairperson. If the employee's remuneration falls between two notches the salary will be closed match to the higher notch. **The employer must ensure that the TASK JOB EVALUATION SYSTEM corresponds to the values assigned to an employee's work by reference to the classification of the relevant job in terms of the EEA9 OCCUPATIONAL LEVELS of the EMPLOYMENT EQUITY ACT NO. 55 of 1998 as Amended**

Cape Agulhas Municipality offers employees the following types of remuneration:

#### **6.1 Basic Plus Benefits Remuneration**

All permanent employees and those on Fixed-term contracts with the exception of employees appointed in terms of Section 57 of the Municipal Systems Act shall be remunerated on the basis of a basic salary plus benefits. Their salaries shall be governed by the provisions of the South African Local Government Bargaining Council Agreements and shall be composed of:

- (a) Basic Salary;
- (b) A 13<sup>th</sup> Cheque;
- (c) The Municipality's contribution to an approved Retirement Fund;
- (d) The Municipality's contribution to an approved Medical Aid Scheme;
- (e) The Municipality's contribution to an approved Group Life Insurance;
- (f) The Municipality's contribution to UIF;
- (g) The Municipality's contribution to Skills Development Levies,
- (h) An allowance approved by the Municipal Manager such as car, cellphone, housing and scarce skills, provided that qualifying criteria are met – such allowances are provided for in relevant policies.

## 6.2 Annual Salary Increases

### 6.2.1 Permanent and Temporary Contract Employees

Remuneration of employees within the Bargaining Unit shall be governed by Collective Agreements negotiated centrally with the South African Local Government Bargaining Council (SALGBC). Over and above the cost of living adjustment which will take into account the CPIX, similar adjustments will be bargained for such additional allowances as employer contributions to retirement funds, employer contributions to medical aid schemes, overtime, acting, night work, standby, etc.

## 6.3 Functional Differentiation for Scarce Skills

While it is the objective of Cape Agulhas Municipality to promote internal equity through its remuneration practices, it is recognized that there are specialist skills, critical to the success of the municipality that would demand a premium in the external competitiveness. **Scarce Skills Allowance will be paid according to Council's Scarce Skills Policy and must be in line with National Policy**

## 7. PROCEDURES

### 7.1 Prescribed Remuneration Components

#### a. Retirement / Pension Fund

It is a compulsory condition that all employees appointed on a permanent basis or on a fixed term basis be members of and contribute to a retirement fund recognized by the municipality and registered in terms of the Pension Fund Act (1956). Contributions and employer-employee proportions shall be in terms of the rules of the Retirement Fund as will be determined from time to time (9% Member, 18% **Employer**).

#### b. Group/Life Insurance

Membership of the Group Life Insurance Scheme shall be linked to the membership of the pension/retirement fund. Employer contributions will be made in terms of the rules of the Group / Life Insurance Fund.

**c. Medical Aid**

Employees appointed on a permanent basis or on fixed term basis may apply for membership and contribute to an accredited Medical Aid Scheme. Contributions will be made on the following basis:

40% employee contribution

60% employer contribution

Contributions and employer-employee proportions shall be in terms of the rules of the Medical Aid and as will be reviewed from time to time by the municipality or through the collective bargaining process.

**d. UIF**

It is the compulsory condition that all employees contribute to the UIF. Contributions shall be in terms of the rules of the Fund.

**e. Flexible Remuneration Options**

The following flexible remuneration options are available to employees who qualify in terms of their positions and according to the requirements of the South African Revenue Services:

**i. Vehicle Allowance**

If employees have to use their own private vehicles for official business on a regular basis, at the request of the Municipality, they will be reimbursed for all official kilometers travelled in line with the SARS approved rates which may change from time to time as published by SARS.

The employees who are required by Cape Agulhas Municipality to use the vehicle for municipal business can apply to be on the following schemes:

1. Essential user car scheme – **As prescribed by the Bargaining Council Agreement**
2. Perk user car scheme – Approve as per Council Resolution 306 / 2015

This application is subject to approval by the Municipal Manager. The employees who are required by Cape Agulhas Municipality to use the vehicle for municipal business must be comprehensive insured and only members of the above schemes should apply for this benefit.

**ii. Thirteenth Cheque**

Permanent employees shall be paid their 13<sup>th</sup> Cheque at the end of November each year. Permanent employees who are appointed in new positions and have more than one year of service at the municipality at

the end of November will receive full bonus on his / her salary as it is at the end of November.

A Pro-rata bonus payment shall be paid to employees who are appointed during the year and who did not complete a full year of service at the end of November.

No 13<sup>th</sup>cheque payment will be paid to non-permanent or contract employees unless it states otherwise in the Employee contract.

Employees who resign from the municipality or are dismissed will not receive a pro rata bonus payment.

Retiring employees will receive a prorated bonus payment.

### iii Leave payments

Leave payments will be paid in terms of the Council approved Leave policy.

#### (iv) Acting payments

Acting payments will be paid according to the Council approved Acting policy

#### (v) Notch Increases

All employees shall receive their notch increases annually on their increment date to the applicable notch, subject to the satisfactory performance of the employee.

## 7.2 General Administrative Considerations

### 7.2.1 Payment Date

Remuneration is presently transferred electronically to an employee's bank account to be available to employees on the 25<sup>th</sup> day of each month or to be available on the preceding Friday should the twenty fifth fall on a Saturday or Sunday or Monday.

Remuneration for December month shall be paid on/or before the 22<sup>th</sup> of the month (two working days before 25<sup>th</sup> of the month). If the 25<sup>th</sup> fall on a Saturday, Sunday or Monday it will be available on the preceding Thursday.

### 7.2.2 Month-end Closing and Notification of Change of Personnel Particulars

All amendments pertaining to a service contract or personal particulars for implementation from the first of the month must reach the Payroll Office on or before the 10<sup>th</sup> of the particular month.

In this regard, it is the responsibility of every employee to inform the employer in writing, within fourteen days, if any of the following changes take place:

- a. Residential address
- b. Number of dependents
- c. Marital status
- d. Banking arrangements
- e. Telephone number
- f. Personal status which can influence the Receiver of Revenue, the Retirement Fund or Medical Scheme.

**7.2.3 Wages Registers and Relevant documents**

All wage registers with supporting documents such as overtime, standby, leave encashment, etc. must reach the Payroll Office every Monday and the wage registers every second Monday of the month.

**7.2.4 Deductions**

Cape Agulhas Municipality will make deductions from an employee’s monthly remuneration in accordance with legal requirements relating to such a deduction and/or the stipulation of the agreed benefit funds. However, the municipality reserves the right to refuse to deduct any amount unless mutually agreed upon.

**7.2.5 No Cession**

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

ADOPTED ON THE	
RESOLUTION	
SIGNED	
	MUNICIPAL MANAGER