

---

## DRAFT GOVERNMENT NOTICE

---

### DEPARTMENT OF COOPERATIVE GOVERNANCE

#### LOCAL GOVERNMENT: MUNICIPAL SYSTEMS ACT, 2000 (ACT NO. 32 OF 2000)

#### LOCAL GOVERNMENT: UPPER LIMITS OF TOTAL REMUNERATION PACKAGES PAYABLE TO MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS

Under the powers vested in me by section 72(1)(g) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), I, Dr Nkosazana Dlamini Zuma, Minister for Cooperative Governance and Traditional Affairs, hereby –

- (a) after consultation with the bargaining council established for municipalities, the Minister of Finance, the Minister for Public Service and Administration, the MECs responsible for local government and organised local government; and
- (b) after taking into consideration the matters as set out in 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 of 17 January 2014,

determine –

- (a) a one and a half percent (1.5%) cost of living adjustment of the upper limits of the total remuneration packages payable to municipal managers and managers directly accountable to municipal managers for the 2021/22 municipal financial year as set out in the Schedule;
- (b) a non-pensionable cash gratuity of R1,695,00 payable monthly to municipal managers and managers directly accountable to municipal managers earning a total remuneration package below R1.9 million for the 2021/22 municipal financial year; and

(c) an additional non-pensionable cash gratuity of R1,818,00 payable monthly to municipal managers and managers directly accountable to municipal managers earning a total remuneration package of at least R1.9 million for the 2021/22 municipal financial year.

**DR NKOSAZANA DLAMINI ZUMA, MP**

**MINISTER FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**DATE:**

**DRAFT**

## SCHEDULE

### Preamble

Having regard to the upper limits of salaries of municipal managers and managers directly accountable to municipal managers as set out below, the need to prioritise service delivery to communities and to sustain viable local government and the fiscal capacity of different categories of municipalities, this Notice provides a strategic framework for remuneration of municipal managers and managers directly accountable to municipal managers across all municipalities.

The development of this Notice took into consideration the core reward principles aimed at ensuring an appropriate remuneration mix and sought to ensure that the remuneration of municipal managers and managers directly accountable to municipal managers is cost-effective, consistent, internally balanced (equitable) and externally competitive and aligned to the achievement of the objectives of municipalities while providing a uniform remuneration framework for local government.

The upper limits constitutes an integral part of the human resource value chain in building resilient administrative institutions underpinned by the intent to enable municipalities to attract, appoint and retain appropriately qualified and competent municipal managers and managers directly accountable to municipal managers necessary for effective performance of their functions.

In order to strengthen the capacity of municipalities, this Notice reinforces the statutory obligation binding on municipalities to appoint municipal managers and managers directly accountable to municipal managers who meet the minimum prescribed competencies, higher education qualifications, work experience, knowledge, including attainment of a competent achievement level or higher as measured against the Local Government: Regulations on Appointment and Conditions of Employment for Senior Managers of 2014.

## Definitions

1. In this Schedule, unless the context otherwise indicates, a word or phrase to which a meaning has been assigned in the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (hereafter referred to as "the Act") and the Local Government: Regulations on Appointment and Conditions of Employment for Senior Managers has that meaning, and –

**“categorisation”** means categorisation of a municipality as determined in terms of item 5 of the Notice;

**“competency framework”** means the Local Government Competency Framework for municipal managers and managers directly accountable to municipal managers as provided in the Local Government: Regulations on Appointment and Conditions of Employment for Senior Managers;

**“Non-pensionable cash gratuity”** means the income that is not subject to a compulsory contribution towards a pension or provident fund.

**“Regulations”** means 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 of 17 January 2014;

**“remote allowance”** means a non-pensionable allowance payable by a municipality to attract and retain suitably qualified and competent municipal managers and managers directly accountable to municipal managers to a geographically remote area where the approved pay scales are not sufficient to attract such municipal managers and managers directly accountable to municipal managers;

**“remoteness index”** means the remoteness directory of all municipalities in the Republic providing a relative weight in terms of the remoteness of each municipality in relation to another as measured in terms of access to a range of public and private services, including livelihood opportunities;

**“total municipal equitable share”** means the equitable share of revenue that is provided to a metropolitan, district or local municipality for the 2020/21 financial year in terms of section 227(1) of the Constitution of the Republic of South Africa, 1996, to enable the municipality to provide basic services and perform the functions allocated to it, but excludes regional services council replacement grant for district municipalities;

**“total municipal income”** means the gross income in respect of a metropolitan, district or local municipality based on actual income as stated in the audited financial statements of that municipality for the 2019/20 financial year.

(a) The gross income for a municipality includes the following:

- (i) rates on property;
  - (ii) fees for services rendered by the municipality or on its behalf by a municipal entity;
  - (iii) surcharges;
  - (iv) other authorised taxes;
  - (v) levies and duties;
  - (vi) income from fines for traffic offences and contravention of municipal by-laws or legislation assigned to the local sphere of government;
  - (vii) regional services council replacement grant for district municipalities;
  - (viii) interest earned on invested funds other than national and provincial conditional grants;
  - (ix) rental for the use of municipal movable or immovable property; and
  - (x) amounts received as agent for other spheres of government.
- (b) The gross income excludes –
- (i) transfers and / or grants from the national fiscus and provincial fiscus, with the exception of regional services council replacement grant for district municipalities; and
  - (ii) all value added tax (VAT) refunds.

“**total population**” means the official statistics of the population residing in the area of jurisdiction of a metropolitan, district or local municipality, as published in the Community Survey 2016: Statistical Release No. P0301, in terms of the *Statistics Act, 1999* (Act No. 6 of 1999);

“**upper limits**” means the applicable total remuneration package values as contained in the Notice.

**Allocation of number of points for total municipal income**

**2.** The number of points allocated for the total municipal income of a municipality is as follows:

<b>TOTAL MUNICIPAL INCOME</b>		
<b>From</b>	<b>To</b>	<b>Number of Points</b>
R 0	R14 548 692	1

<b>TOTAL MUNICIPAL INCOME</b>		
<b>From</b>	<b>To</b>	<b>Number of Points</b>
R 14,548,693	R15 580 645	2
R15,580,646	R17 560 521	3
R 17,560,522	R18 853 826	4
R 18,853,827	R21 732 180	5
R 21,732,181	R23 419 603	6
R 23,419,604	R25 126 187	7
R 25,126,188	R27 322 060	8
R 27,322,061	R29 689 011	9
R 29,689,012	R32 291 016	10
R 32,291,017	R35 128 047	11
R 35,128,048	R38 191 078	12
R 38,191,079	R41 950 829	13
R 41,950,830	R44 383 868	14
R 44,383,869	R47 847 956	15
R 47,847,957	R51 232 682	16
R 51,232,683	R54 616 880	17
R 54,616,881	R59 300 815	18
R 59,300,816	R65 797 168	19
R 65,797,169	R67 188 252	20
R 67,188,253	R70 271 532	21
R 70,271,533	R79 950 129	22
R 79,950,130	R80 887 991	23
R 80,887,992	R89 029 775	24
R 89,029,776	R97 952 096	25
R 97,952,097	R107 037 740	26
R 107,037,741	R113 216 995	27
R 113,216,996	R117 855 240	28
R 117,855,241	R128 538 318	29
R 128,538,319	R139 728 320	30

<b>TOTAL MUNICIPAL INCOME</b>		
<b>From</b>	<b>To</b>	<b>Number of Points</b>
R 139,728,321	R146 271 042	31
R 146,271,043	R151 871 761	32
R 151,871,762	R164 899 116	33
R 164,899,117	R172 043 051	34
R 172,043,052	R187 007 638	35
R 187,007,639	R192 283 465	36
R 192,283,466	R197 559 290	37
R 197,559,291	R203 273 867	38
R 203,273,868	R213 321 959	39
R 213,321,960	R229 326 830	40
R 229,326,831	R250 301 737	41
R 250,301,738	R283 772 548	42
R 283,772,549	R308 455 547	43
R 308,455,548	R330 455 547	44
R 330,455,548	R364 449 198	45
R 364,449,199	R396 149 588	46
R 396,149,589	R430 607 328	47
R 430,607,329	R468 062 258	48
R 468,062,259	R508 775 080	49
R 508,775,081	R601 132 550	50
R 601,132,551	R710 255 590	51
R 710,255,591	R 772,034,783	52
R 772,034,784	R912 181 545	53
R 912,181,546	R 991 524 590	54
R 991,524,591	R 1, 171, 515, 136	55
R 1, 171, 515, 137	R 1, 589, 034, 100	56
R 1, 589, 034, 101	R 2, 550, 962, 823	57

<b>TOTAL MUNICIPAL INCOME</b>		
<b>From</b>	<b>To</b>	<b>Number of Points</b>
R 2, 550, 962, 824	R 4, 833, 630,902	58
R 4, 833, 630,903	R 9, 206, 505, 898	59
R 9, 206, 505, 899	above	60

### **Allocation of number of points for total population**

3. The number of points allocated for the total population of a municipality is as follows:

<b>TOTAL POPULATION</b>		
<b>From</b>	<b>To</b>	<b>Points</b>
0	65,333	1
65,334	76,863	2
76,864	86,474	3
86,475	98,158	4
98,159	111,011	5
111,012	121,527	6
121,528	133,211	7
133,212	144,895	8
144,896	157,748	9
157,749	175,273	10
175,274	195,137	11
195,138	218,506	12
218,507	246,547	13
246,548	276,926	14
276,927	318,989	15
318,990	368,063	16
368,064	426,484	17
426,485	495,420	18



<b>TOTAL POPULATION</b>		
<b>From</b>	<b>To</b>	<b>Points</b>
495,421	576,041	19
576,042	671,851	20
671,852	782,850	21
782,851	912,545	22
912,546	1,071,450	23
1,071,451	1,254,892	24
1,254,893	1,492,081	25
1,492,082	1,799,374	26
1,799,375	2,172,100	27
2,172,101	2,610,256	28
2,610,257	3,762,500	29
3,762,501	above	30

**Allocation of number of points for total municipal equitable share**

4. The number of points allocated for the total municipal equitable share of a municipality is as follows:

<b>TOTAL MUNICIPAL EQUITABLE SHARE</b>		
<b>From</b>	<b>To</b>	<b>Number of Points</b>
R 0	R 24,086,164	1
R 24,086,165	R 36,255,020	2
R 36, 255, 021	R 47,394, 321	3
R 47,394, 322	R 55, 623, 182	4
R 55, 623, 183	R 68, 187, 312	5
R 68, 187, 313	R 96, 567,445	6
R 96, 567,446	R 152,598,434	7
R 152,598,435	R 335, 287,178	8
R 335, 287,179	R 2,178,855,995	9
R 2,178,855,996	above	10

## Determination of categorisation of municipality

5. The total number of points allocated to a municipality, in terms of items 2, 3, and 4 respectively, determines the categorisation of such municipality, in accordance with the following table:

CATEGORISATION OF MUNICIPALITY		
Categorisation	From	To
1	1	26
2	27	47
3	48	60
4	61	70
CATEGORISATION OF MUNICIPALITY		
Categorisation	From	To
5	71	78
6	79	85
7	86	91
8	92	96
9	97	98
10	99	100

## Change of categorisation of municipality

6. (1) If the categorisation of a municipality determined in terms of this Notice, is higher than the categorisation for the previous financial year, the municipal council, in consultation with the MEC for local government in the province and approval by the Minister, may implement such new categorisation.

(2) Notwithstanding sub-item (1), the Minister must –

- (a) confirm the actual values and points scored by the municipality in relation to the factors in items 2, 3 and 4 of the Notice;
- (b) determine the –
  - (i) sustainability of the driving factors that led to the higher categorisation of the municipality compared to the categorisation of the previous financial year;
  - (ii) affordability of the higher categorisation of the municipality using the following ratios:
    - (aa) municipality's liquidity ratio;

- (bb) creditor's payment period;
- (cc) debtor's collection rate; and

(iii) any other risks as may be identified.

(3) After confirmation of the actual values and points scored by the municipality in relation to the total municipal income, population and municipal equitable share, including the driving factors that led to a higher categorisation as well as affordability (using the ratios: liquidity ratio, creditor's payment period and debtor's collection rate) and approval by the Minister, the municipal council may implement such new categorisation including adjusting the total remuneration package of municipal manager and managers directly accountable to municipal manager to the higher category.

(4) If the categorisation of a municipality determined in terms of this Notice, is lower than the categorisation of the previous financial year, the municipality must retain the categorisation of the previous financial year.

#### **Annual total remuneration packages of municipal managers**

7. The upper limits of the annual total remuneration packages payable to municipal manager are as follows:

<b>MUNICIPAL CATEGORISATION</b>	<b>TOTAL REMUNERATION PACKAGE (MINIMUM)</b>	<b>TOTAL REMUNERATION PACKAGE (MIDPOINT)</b>	<b>TOTAL REMUNERATION PACKAGE (MAXIMUM)</b>
10	R 2,607,286	R 3,300,363	R 3,993,439
9	R 2,237,533	R 2,796,918	R 3,356,303
8	R 1,931,770	R 2,370,269	R 2,808,769
7	R 1,671,343	R 2,025,870	R 2,380,398
6	R 1,486,297	R 1,731,513	R 2,017,213 R 1,987,402
5	R 1,296,395	R 1,534,480	R 1,724,052
4	R 1,178,260	R 1,370,071	R 1,561,862
3	R 1,083,601	R 1,245,520	R 1,407,437
2	R 1,046,220	R 1,158,623	R 1,286,072
1	R 1,007,596	R 1,103,450	R 1,213,795

#### **Annual total remuneration packages of managers directly accountable to municipal managers**

8. The upper limits of the annual total remuneration packages payable to managers directly accountable to municipal managers are as follows:

<b>MUNICIPAL CATEGORISATION</b>	<b>TOTAL REMUNERATION PACKAGE (MINIMUM)</b>	<b>TOTAL REMUNERATION PACKAGE (MIDPOINT)</b>	<b>TOTAL REMUNERATION PACKAGE (MAXIMUM)</b>
10	R 2,085,830	R 2,640,291	R 3,194,751

9	R 1,790,028	R 2,237,533	R 2 685,041
8	R 1,545,416	R 1,896,215	R 2,247,015
7	R 1, 374,513	R 1,620,698	R 1,904,319
6	R 1,206,468	R 1,436,273	R 1,620,698
5	R 1,070,906	R 1, 259,888	R 1,448,871
4	R 987,238	R 1,124,899	R 276,762
3	R 907,864	R 1 037,559	R 1,150,465
2	R 859,002	R 965,171	R 1, 055,932
1	R 827,289	R 919,210	R 1,011,131

### Non-Pensionable Cash Allowance

9. (1) A non-pensionable cash gratuity of R1,695,00 is payable monthly to municipal managers and managers directly accountable to municipal managers earning a total remuneration package below R 1.9 million for the 2021/22 municipal financial year.

(2) An additional non-pensionable cash gratuity of R 1,818,00 is payable monthly to municipal managers and managers directly accountable to municipal managers earning a total remuneration package of at least R1.9 million for the 2021/22 municipal financial year.

(3) The non-pensionable cash gratuity will be backdated from 1 July 2021 and shall remain in force until 30 June 2022.

### Offer of remuneration on appointment

10. (1) The offer of remuneration on appointment to a municipal manager and manager directly accountable to municipal managers will be determined by the competencies, qualifications, experience and knowledge of the candidate considered for appointment.

(2) A municipal council must apply the criteria as set out below to determine the offer of remuneration on appointment:

TOTAL REMUNERATION PACKAGE	CRITERIA
MINIMUM	<ul style="list-style-type: none"> <li>Relevant qualification.</li> <li>Applicable to persons who have the relevant 5 years' experience as provided in the Regulations.</li> <li>Applicable to persons who have acquired competent achievement level as measured against the competency framework.</li> </ul>
MIDPOINT	<ul style="list-style-type: none"> <li>Relevant qualification.</li> <li>Applicable to persons who have 5 to 10 years' experience as provided in the Regulations.</li> </ul>

TOTAL REMUNERATION PACKAGE	CRITERIA
	<ul style="list-style-type: none"> <li>• Applicable to persons who have acquired advanced competency achievement level as measured against the competency framework.</li> </ul>
MAXIMUM	<ul style="list-style-type: none"> <li>• Relevant qualification.</li> <li>• Applicable to persons who have more than 10 years' experience as provided in the Regulations.</li> <li>• Applicable to persons who have demonstrated a superior competency as measured against the competency framework.</li> </ul>

(3) Notwithstanding sub-item (1), if a municipal council is unable to offer the relevant total remuneration package or cannot afford to pay the remuneration as determined in this Notice, a lesser offer may be made by such municipality on appointment.

#### Payment of remote allowance

11. (1) A municipal manager or managers directly accountable to municipal manager employed in one of the following municipalities, may be paid a remote allowance not exceeding the percentage of the total annual remuneration package applicable to the relevant municipal manager and managers directly accountable to municipal managers as it appear in the table below:

PROVINCE	DISTRICT CODE	MUNICIPAL CODE	NAME OF MUNICIPALITY	%
Eastern Cape	DC10	EC102	Blue Crane Route	4%
Eastern Cape	DC10	EC106	Sundays River Valley	4%
Eastern Cape	DC10	EC109	Kou-Kamma	4%
Eastern Cape	DC12	EC129	Raymond Mhlaba	4%
Eastern Cape	DC13	EC131	Inxuba Yethemba	4%
Eastern Cape	DC13	EC135	Itsika Yethu	4%
Eastern Cape	DC13	EC137	Engcobo	4%
Eastern Cape	DC13	EC138	Sakhisizwe	4%
Eastern Cape	DC13	EC139	Enoch Mgijima	4%
Eastern Cape	DC14	EC141	Elundini	4%
Eastern Cape	DC15	EC153	Ngquza Hill	4%
Eastern Cape	DC44	EC443	Mbizana	4%
Eastern Cape	DC15	EC154	Port St Johns	4%
Eastern Cape	DC44	EC442	Umzimvubu	4%
Eastern Cape	DC44	EC444	Ntabankulu	4%
Eastern Cape	DC14	DC14	Joe Gqabi	4%
Eastern Cape	DC44	DC44	Alfred Nzo	4%
Free State	DC16	FS161	Letsemeng	4%

PROVINCE	DISTRICT CODE	MUNICIPAL CODE	NAME OF MUNICIPALITY	%
Free State	DC16	FS162	Kopanong	4%
Free State	DC18	DC183	Tswelopele	4%
Free State	DC19	FS191	Setsoto	4%
Free State	DC19	FS196	Mantsopa	4%
Free State	DC20	FS205	Mafube	4%
Free State	DC20	FS204	Metsimaholo	4%
Free State	DC16	DC16	Xhariep	4%
Free State	DC20	DC20	Fezile Dabi	4%
KwaZulu Natal	DC21	KZN214	UMuziwabantu	4%
KwaZulu Natal	DC22	KZN224	Impendle	4%
KwaZulu Natal	DC23	KZN235	Okhahlamba	4%
KwaZulu Natal	DC24	KZN245	Umvoti	4%
KwaZulu Natal	DC24	KZN244	Msinga	4%
KwaZulu Natal	DC26	KZN261	eDumbe	4%
KwaZulu Natal	DC26	KZN262	UPhongolo	4%
KwaZulu Natal	DC26	KZN265	Nongoma	4%
KwaZulu Natal	DC26	KZN266	Ulundi	4%
KwaZulu Natal	DC27	KZN276	Big Five Hlabisa	4%
KwaZulu Natal	DC28	KZN285	Mthonjaneni	4%
KwaZulu Natal	DC28	KZN286	Nkandla	4%
KwaZulu Natal	DC43	KZN433	Greater Kokstad	4%
KwaZulu Natal	DC43	KZN434	Ubuhlebezwe	4%
KwaZulu Natal	DC43	KZN435	Umzimkhulu	4%
KwaZulu Natal	DC26	DC26	Zululand	4%
KwaZulu Natal	DC43	DC43	Harry Gwala	4%
Limpopo	DC33	LIM331	Greater Giyani	4%
Limpopo	DC34	LIM341	Musina	4%
Limpopo	DC35	LIM351	Blouberg	4%
Limpopo	DC35	LIM353	Molemole	4%
Limpopo	DC36	LIM361	Thabazimbi	4%
Limpopo	DC47	LIM473	Makhuduthamaga	4%
Limpopo	DC47	LIM476	Greater Tubatse/Fetakgomo	4%
Mpumalanga	DC30	MP301	Albert Luthuli	4%
Mpumalanga	DC30	MP303	Mkhondo	4%
Mpumalanga	DC30	MP304	Dr Pixley Ka Isaka Seme	4%
Mpumalanga	DC32	MP321	Thaba Chweu	4%
Mpumalanga	DC 32	MP324	Nkomazi	4%
North West	DC37	NW375	Moses Kotane	4%
North West	DC38	NW381	Ratlou	4%
North West	DC38	NW382	Tswaing	4%
North West	DC38	NW385	Ramotshere Moiloa	4%
North West	DC39	NW392	Naledi (NW)	4%
North West	DC39	NW393	Mamusa	4%

PROVINCE	DISTRICT CODE	MUNICIPAL CODE	NAME OF MUNICIPALITY	%
North West	DC39	NW394	Greater Taung	4%
North West	DC39	NW396	Lekwa-Teemane	4%
North West	DC40	NW404	Maquassi Hills	4%
North West	DC39	DC39	Dr Ruth Segomotsi Mompati	4%
Northern Cape	DC8	NC084	!Kheis	4%
Northern Cape	DC7	NC078	Siyancuma	4%
Northern Cape	DC7	NC076	Thembelihle	4%
Northern Cape	DC9	NC093	Magareng	4%
Northern Cape	DC9	NC094	Phokwane	4%
Western Cape	DC1	WC013	Bergrivier	4%
Western Cape	DC1	WC015	Swartland	4%
Western Cape	DC3	WC032	Overstrand	4%
Western Cape	DC3	WC034	Swellendam	4%
Western Cape	DC3	WC031	Theewaterskloof	4%
Western Cape	DC4	WC042	Hessequa	4%
Western Cape	DC4	WC041	Kannaland	4%
Western Cape	DC5	WC051	Laingsburg	4%
Western Cape	DC5	WC052	Prince Albert	4%
Western Cape	DC1	DC1	West Coast	4%
Eastern Cape	DC10	EC101	Dr Bayers Naude	7%
Eastern Cape	DC14	EC142	Senqu	7%
Eastern Cape	DC14	EC145	Walter Sisulu	7%
Eastern Cape	DC44	EC441	Matatiele	7%
Free State	DC16	FS163	Mohokare	7%
KwaZulu Natal	DC27	KZN272	Jozini	7%
KwaZulu-Natal	DC27	DC27	Umkhanyakude	7%
KwaZulu-Natal	DC43	KZN436	Dr Nkosasana-Dlamini Zuma	7%
Limpopo	DC36	LIM362	Lephalale	7%
Northern Cape	DC6	NC067	Khai-Ma	7%
Northern Cape	DC7	NC072	Umsobomvu	7%
Northern Cape	DC7	NC075	Renosterberg	7%
Northern Cape	DC8	NC085	Tsantsabane	7%
Northern Cape	DC8	NCO86	Kgatelopele	7%
Northern Cape	DC45	NC453	Gamagara	7%
Northern Cape	DC45	NC452	Ga-Segonyana	7%
Northern Cape	DC45	DC45	John Taolo Gaetsewe	7%
Western Cape	DC1	WC012	Cederberg	7%
Western Cape	DC3	WC033	Cape Agulhas	7%
Western Cape	DC5	WC053	Beaufort West	7%
Western Cape	DC3	DC3	Overberg	7%
Western Cape	DC5	DC5	Central Karoo	7%
KwaZulu Natal	DC27	KZN271	Umhlabuyalingana	10%
North West	DC39	NW397	Kagisano/Molopo	10%

PROVINCE	DISTRICT CODE	MUNICIPAL CODE	NAME OF MUNICIPALITY	%
Northern Cape	DC6	DC6	Namakwa	10%
Northern Cape	DC6	NC061	Richtersveld	10%
Northern Cape	DC6	NC062	Nama Khoi	10%
Northern Cape	DC6	NC064	Kamiesberg	10%
Northern Cape	DC6	NC065	Hantam	10%
Northern Cape	DC6	NC066	Karoo Hoogland	10%
Northern Cape	DC7	DC7	Pixley Ka Seme	10%
Northern Cape	DC7	NC073	Emthanjeni	10%
Northern Cape	DC7	NC071	Ubuntu	10%
Northern Cape	DC7	NC074	Kareeberg	10%
Northern Cape	DC7	NC077	Siyathemba	10%
Northern Cape	DC45	NC451	Joe Morolong	10%
Western Cape	DC1	WC011	Matzikama	10%

(2) A municipal manager or manager directly accountable to municipal manager who receives a market premium allowance, rural or scarce skills allowance in terms of Notice No. 225 as published in Government Gazette No. 37500 of 29 March 2014 or Notice No. 578 as published in Government Gazette No. 38946 of 1 July 2015 is not eligible for remote allowance contemplated in sub-item (1).

(3) A remote allowance referred to in sub-item (1) terminates when –

- (a) the employment contract of the municipal manager or a manager directly accountable to the municipal manager lapses or is terminated; or
- (b) the municipal manager or manager directly accountable to municipal manager vacates office for any reason before the date of expiry of the employment contract, including but not limited to transfer, promotion, dismissal for misconduct, incapacity, operational requirements and retirement.

### **Overpayment and underpayment**

**12.** (1) A municipality must inform all municipal managers and managers directly accountable to municipal managers in writing about the revised cost of living adjustments that any errors will be rectified, overpayments recovered and underpayments adjusted where necessary.

(2) The expenditure emanating from the implementation of this Notice must be defrayed from the 2019/20 budget of municipalities.

### **Information to be submitted to the Minister**

**13** (1) Every municipality must in terms of section 107 of the Act compile and submit an updated report containing the following information in respect of the municipal manager or



managers directly accountable to municipal manager to the MEC responsible for local government as at 1 July 2021:

- (a) Total approved posts;
- (b) Total filled posts;
- (c) Total vacant posts;
- (d) Name of incumbent;
- (e) Designation;
- (f) Gender;
- (g) Nature of contract (i.e. permanent or fixed term contract);
- (h) Date of appointment;
- (i) Date of expiry of contract;
- (j) Total remuneration package for 2021/22 financial year;
- (k) Any allowance(s) payable to the municipal manager or managers directly accountable to municipal manager;
- (l) Total municipal income;
- (m) Total population;
- (n) Total municipal equitable share; and
- (o) Municipal categorisation for 2021/22 financial year.

(2) The report contemplated in sub-item (1) must be submitted to the MEC responsible for local government in the province on or before 31 October 2022 on an official letterhead of the municipality, signed by the executive mayor or mayor manager.

(3) The MEC for local government must submit a consolidated report to the Minister in a format to be determined by the Minister from time to time on or before 15 December 2022.

### **Transitional provisions**

14. (1) This Notice does not affect the existing employment contract of a municipal manager or a manager directly accountable to municipal manager appointed before 1 July 2014.

(2) A municipality that does not have any municipal income is a category 1 municipality.

(3) If a municipality has no audited financial statements for 2019/20 financial year by the date of publication of this Notice, the audited financial statements for 2018/19 financial year will *mutatis mutandis* apply.

(4) A municipal council may, in exceptional circumstances and good cause shown, and after consultation with the MEC for local government, apply in writing to the Minister to waive any of the prescribed requirements as set out in this Notice. The Minister will consider each application on merit, based on circumstances and motivation provided by municipalities.

(5) For purposes of the total remuneration packages adjustment for serving municipal managers and managers directly accountable to municipal managers, the following translation key will apply –

(a) Municipal managers:

TRANSLATION KEY						
MUNICIPAL CATEGORISATION	2020/2021			2021/2022		
	TOTAL REMUNERATION PACKAGE (MINIMUM)	TOTAL REMUNERATION PACKAGE (MIDPOINT)	TOTAL REMUNERATION PACKAGE (MAXIMUM)	TOTAL REMUNERATION PACKAGE (MINIMUM)	TOTAL REMUNERATION PACKAGE (MIDPOINT)	TOTAL REMUNERATION PACKAGE (MAXIMUM)
10	R2 568 755	R3 251 589	R3 934 423	R2 607 286	R3 300 363	R3 993 439
9	R2 204 466	R2 755 584	R3 306 702	R2 237 533	R2 796 918	R3 356 303
8	R1 903 222	R2 335 240	R2 767 260	R1 931 770	R2 370 269	R2 808 769
7	R1 646 643	R1 995 931	R2 345 220	R1 671 343	R2 025 870	R2 380 398
6	R1 464 332	R1 705 924	R1 987 402	R1 486 297	R1 731 513	R2 017 213
5	R1 277 236	R1 511 803	R1 698 573	R1 296 395	R1 534 480	R1 724 052
4	R1 160 847	R1 349 824	R1 538 780	R1 178 260	R1 370 071	R1 561 862
3	R1 067 587	R1 227 113	R1 386 637	R1 083 601	R1 245 520	R1 407 437
2	R1 030 759	R1 141 500	R1 267 066	R1 046 220	R1 158 623	R1 286 072
1	R992 705	R1 087 143	R1 195 857	R1 007 596	R1 103 450	R1 213 795

(b) Managers directly accountable to municipal managers:

MUNICIPAL CATEGORISATION	2020/2021			2021/2022		
	TOTAL REMUNERATION PACKAGE (MINIMUM)	TOTAL REMUNERATION PACKAGE (MIDPOINT)	TOTAL REMUNERATION PACKAGE (MAXIMUM)	TOTAL REMUNERATION PACKAGE (MINIMUM)	TOTAL REMUNERATION PACKAGE (MIDPOINT)	TOTAL REMUNERATION PACKAGE (MAXIMUM)
10	R2 055 005	R2 601 272	R3 147 538	R2 085 830	R2 640 291	R3 194 751
9	R1 763 574	R2 204 466	R2 645 361	R1 790 028	R2 237 533	R2 685 041
8	R1 522 577	R1 868 192	R2 213 808	R1 545 416	R1 896 215	R2 247 015
7	R1 354 200	R1 596 747	R1 876 176	R1 374 513	R1 620 698	R1 904 319
6	R1 188 638	R1 415 047	R1 596 747	R1 206 468	R1 436 273	R1 620 698
5	R1 055 080	R1 241 269	R1 427 459	R1 070 906	R1 259 888	R1 448 871
4	R972 648	R1 108 275	R1 257 894	R987 238	R1 124 899	R1 276 762
3	R894 447	R1 022 226	R1 133 463	R907 864	R1 037 559	R1 150 465
2	R846 307	R950 907	R1 040 327	R859 002	R965 171	R1 055 932
1	R815 063	R905 626	R996 188	R827 289	R919 210	R1 011 131

**Short title and commencement**

15. This Notice is called the upper limits of total remuneration packages payable to municipal managers and managers directly accountable to municipal managers and takes effect from 1 July 2021. The Notice replaces Government Gazette No. 46062 of 18 March 2022.