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Remuneration Policy

2024/25 FY

Council Resolution: CR164-17/05/2024

Object

The object of this policy to assist municipalities in the recruitment, retention and motivation of a consistently high performing human resource team, thereby contributing to the achievement of the short and long-term objectives of the municipality.

TABLE OF CONTENTS

1. INTRODUCTION

(a) The remuneration policy for Greater Giyani Municipality provides guidelines for managing the remuneration of both bargaining unit and non-bargaining unit employees.

(b) The Bargaining Council dictates the conditions of service and minimum salary levels for employees covered by the Bargaining Council agreements. The Municipality must ensure that their salaries are in line with the requirements of the Bargaining Council as well determination of upper limits for senior managers.

2. GOALS

The goals of this remuneration policy are to ensure a reward system that:

(a) recognizes individual contributions towards the achievement of the municipality's objectives and motivates high levels of performance;

(b) communicates and supports organizational values and strategy and creates focus on key organizational objectives through the performance management system;

(c) allows the municipality to compete effectively in the labour market and to recruit and retain high calibre staff; and

(d) achieves fairness and equity.

3. GUIDING PRINCIPLES OF REWARD

The following guiding principles have been used to develop this remuneration policy for the Municipality:-

(a) The municipality supports a culture of accountability and individual performance excellence through displaying the required competencies, technical skills and experience.

(b) The municipality remuneration approach therefore has, as its focus, to:-

(i) attract and retain key staff; and

(ii) motivate and reward performance excellence.

(c) The municipality remunerates employees in accordance with the "value of their work" in terms of capabilities i.e. competencies, technical skills and experience (input) and performance (output) at the various organizational levels;

4. COMMUNICATION CONSIDERATIONS

(a) The municipality is committed to open communication with all employees about the design of remuneration programs and of ongoing changes to them, with clear statements of what remuneration is designed to achieve.

(b) be that as it may, the municipality encourages discretion and confidentiality regarding the specific and individual details of remuneration.

5. GRADING AND SALARY SCALES

(1) Bargaining Unit Employees.

(a) Salary scales will be developed by SALGA

(b) Length of service is not a factor to be used in placing an employee on the salary scale.

(c) Newly appointed employees should be placed at the minimum salary, or at a salary between the minimum salary and the midpoint.
(d) It is only in exceptional circumstances, which must be authorized by the Municipal Manager that employees will only be /appointed above the salary midpoint.
(e) When an employee is promoted to a higher grade, he/she should receive an increase that moves his/her salary to at least the minimum of the new grade.
(f) The salary increase must not situate the employee higher than the salary midpoint for the grade.
(g) In cases where employees are earning above the salary maximum for their grade, there must not be a sudden reduction in salary, but it must be managed down in the scale by limiting increases in pay.
(h) In cases where employees are earning below the minimum for their grade, their salaries should be revised and brought in line with the applicable salary range over a specified period of time.

(2) **Salary Scales For Non-Bargaining Unit Employees (Municipal Managers And Direct Reports)**

(a) Determination of upper limits will apply in terms of Regulations of appointment and employment conditions of senior managers.
(b) A single salary scale for municipalities will apply.
(c) Where it is found that market premiums exist for certain categories of municipalities and employees, separate salary scales may be developed for these areas.
(d) SALGA will identify these specific scarce skills and will recommend what market premiums they should be paid.
(e) Salaries will be reviewed on 1 July of each year and new salary scales will be applied accordingly.

(3) **Bargaining Unit Employees**

(a) The TASK job evaluation system is used for all bargaining unit employees.
(b) The collective bargaining process determines all salaries.
(c) Salary scales are developed by SALGA as a result of the collective bargaining process and distributed to the municipalities.

6. TOTAL PACKAGE

(1) Non-bargaining council employees

(a) The municipality's remuneration is based on a total package i.e. total cost to employer, from which salary and benefits are funded.
(b) This allows employee flexibility in determining his/her level of contributions to retirement and medical funding within certain broad parameters.
(c) Total remuneration packages are based on total cost to employer and are determined n relation to the employee's job and level.

(2) Packages

(a) Packages may include:-
(i) Basic salary
(ii) Pension fund contributions
(iii)Provident fund contributions
(iv)Medical Aid and Health Insurance contributions (unless an employee is a dependant on a spouse's or partner's scheme)
(v) Travel allowance (if applicable)

(vi)Entertainment allowance (if applicable)
(vii) Housing subsidy

(b) The package may be structured over 12 months or 13 months i.e. the employee can elect whether or not he/she wants to receive a 13th cheque.
(c) It is the responsibility of the employee to ensure that he/she complies with tax legislation by registering as a taxpayer.

7. ANNUAL SALARY REVIEWS

(1) Non-Bargaining Unit Employees

(a) Increases are not guaranteed.
(b) increases are at the sole and absolute discretion of the municipality and are dependent on the economic circumstances of the municipality.
(c) Changes to the salary amount are effective from the 1 July of each year.
(d) Interim increases may be made in exceptional circumstances where there have been consequential changes in the employee's job or position.

(2) Bargaining council Employees

(a) Increases are determined through the collective bargaining process.
(b) SALGA will negotiate with employee representatives on behalf of the Municipality.

8. THIRTEENTH CHEQUE

(1) Non-Bargaining council employees

Since the municipality operates on a total annual cost to company package, an annual guaranteed bonus or 13th cheque is not included as part of the remuneration.

(2) Bargaining council Employees

This is determined and provided for through the collective bargaining process.

9. TOOLS OF THE TRADE

(a) Tools of trade refer to equipment required by the employee to enable him/her to perform his/her job.
(b) Tools of trade could include a laptop computer.
(c) The allocation of tools of trade will be solely at the discretion of the municipality and shall not form part of the employee's total remuneration package.

10. DEDUCTIONS

(a) All deductions will be based on Legislative provisions.
(b) Additional deductions will be in the form of stop orders, court orders, or written request by employee/councilors.
(c) All advices for additional deductions and changes should be done through Human Resource division and must reach Payroll Unit on or before 10th of every month.
(d) Over deductions should be pay back to the employees/Councilor with immediate effect.
(e) Overpayments should be recovered within 12 month from the date it occurred depending on amount owed.

11. LEGAL FRAMEWORK

(a) Labour Relations Act 66 of 1995
(b) Basic Conditions of Employment Act 77 of 1997
(c) Main Collective Agreement – SALGA
(d) Limpopo Divisional Collective Agreement – SALGA
(e) Government Notice no. R.429 dated 01 June 2012, Department of Labour
(f) Municipal Systems ACT
(g) Local government: Regulations on appointment and employment for Senior Managers.

12. IMPLIMENTATION OF THE POLICY

(a) The policy will be applied upon approval by the council; and
(b) It shall be reviewed annually subject to the recommendation of the relevant Portfolio Committee.

Signed by:

The Mayor	________________	_______
CLLR ZITHA T	**SIGNATURE**	**DATE**

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