



# MAPHUMULO LOCAL MUNICIPALITY

## REMUNERATION POLICY

<b>Date Approved by Council</b>	
<b>Date Implemented</b>	
<b>Date of next review</b>	
<b>Policy owner</b>	

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## **1. INTRODUCTION**

1.1 The policy is informed by the following principles:

- That all employees of the municipality must be compensated in an equitable and fair manner in line with the market especially with the Municipalities on the same grade but also taking into consideration affordability and sustainability of the municipality.
- The payment of remuneration must ensure equitable and fair payment to external and internal candidates and not favoring either internal or external candidates.
- The payment be informed by the formal post level as determined in terms of the job evaluation system and salary structure of the municipality.
- That the attraction and retention of skills be done in terms of a properly adopted policy of the municipality

## **2. SCOPE**

This policy framework applies to all employees of the municipality excluding Senior Managers as defined in Municipal Systems Act.

## **3. LEGAL AND RELATED MATTERS**

3.1 The salaries and benefits of all employees with the exception of Section 57 employees are determined at national level by way of collective agreements between the Union SAMWU and MATU and SALGA.

3.2 Municipality must comply with all collective agreement that regulates the salaries and benefits unless application is made for exemption through the provisions of the relevant collective agreement.

3.3 Job levels of all posts must be determined by means of the TASK Evaluation System and a specific salary scale (remuneration band) which will then apply to a specific position, for all municipalities of the same grading.

3.4 A non-pensionable scarce skills allowance to the value of a specific percentage of the relevant annual salary notch, may however be approved by the Council to address the employment and retention of scarce skills occupational groups.

3.5 Whether the skills are scarce or not will be determined through consultation with South African Local Government Association and Local Government SETA.

#### 4. JOB EVALUATION AND GRADING

- 4.1. The content of all jobs (positions) in the municipality organizational structure will be properly described and evaluated in terms of the nationally agreed system.
- 4.2 Jobs will be linked to the pay structure in accordance with their relative evaluated level and agreed systems.
- 4.3 No jobs will be advertised unless the job has been properly evaluated in terms of the task systems or has been benchmarked with other similar evaluated positions within the Municipality or Municipalities on the similar grade.

#### 5. COMMENCING SALARIES

- 5.1 New external and internal appointments will be offered remuneration in the applicable range on the following basis:

- 5.1.1 The placement of employees shall be at the entry notch level except where the incumbent is already earning higher than the entry yet is still within the applicable task grade. Such placement on a particular notch level shall be based on incumbent current earning, assessed competencies, qualifications and experience determined by the Municipal Manager or his authorized representative.
- 5.1.2 The determination of commencing salary on appointment for new employees, or existing employees appointed to a higher graded post, shall be determined within the applicable pay range as follows:
  - 5.1.2.1 If the appointee's existing basic salary is **below** the minimum notch of the applicable grade scale, the salary on appointment shall be the minimum notch of the grade scale. In the event that this increase is less than 2.4% of the appointee's existing basic salary, the next higher notch will apply.

**OR**

- 5.1.2.2 If the appointee's existing basic salary is **within** the applicable pay range, the salary on appointment shall be equated to the closest higher notch of the grade scale. In the event that this increase is less than 2.4 % of the appointee's existing basic salary, the next higher notch will apply

**OR**

5.1.2.3 If the appointee's existing basic salary is equal to or higher than the maximum notch of the grade scale, the salary on appointment shall be at the maximum notch of the grade scale.

5.2 Should the notch determination in 5.1.2.1 and 5.1.2.2 above, result in the fixed earnings of the appointee being less favourable than the appointee's current fixed earnings, an appropriate adjustment within the limits of the applicable pay scale grade should be made to determine the break-even notch in the first instance. The notch immediately above the break-even notch should then apply. (Fixed earnings include the appointee's basic salary, 13<sup>th</sup> cheque, employer contribution to pension and medical aid schemes, housing allowance, car allowance and any other fixed allowance. Ad hoc allowance, performance and incentive bonuses etc. should not be taken into account.)

## **6. DEVIATION**

6.1 In the event that the commencing salary notch is not sufficient to attract the employee that earns in excess of the salary notch then such to be determined by the Municipal Manager in line with the scarce skills and retention policy of the municipality

## **7. ADDRESSING THE SCARCE SKILLS CHALLENGE**

7.1 This section serves as the municipalities' commitment to addressing the scarce skills challenge.

7.2 The scarce skills issues is addressed on the Staff Retention Policy of the municipality.

## **8. ADMINISTRATIVE UPKEEP**

8.1 The Department Corporate Services through its human resources will be responsible for the Administrative upkeep of this policy.

## **9. IMPLEMENTATION**

9.1 This policy will become effective from date of adoption by the Municipality Council.