



MOGALE CITY LOCAL MUNICIPALITY

REMUNERATION POLICY 2026/2027

APPROVED

DOCUMENT MANAGEMENT

| | |
|----------------|---|
| Document Name | Draft Remuneration Policy |
| Owner | <ol style="list-style-type: none">1. Council;2. Executive Mayor3. Municipal Manager;4. Executive Director CSS;5. Manager: Human Resource Management |
| Custodian | Assistant Manager: Recruitment and Human Capital Administration |
| Version | 3 |
| Effective Date | |
| Approval Date | |

TABLE OF CONTENTS

| | | |
|-----|---|----|
| 1. | EXECUTIVE SUMMARY | 4 |
| 2. | INTRODUCTION..... | 4 |
| 3. | ABBREVIATION AND TERMS | 5 |
| 4. | SCOPE AND APPLICABILITY | 8 |
| 5. | KEY PRINCIPLES..... | 8 |
| 6. | ROLES AND RESPONSIBILITIES | 9 |
| 7. | LINKS TO OTHER POLICIES AND STRATEGIES POLICY CONTENT | 11 |
| 8. | POLICY CONTENT | 11 |
| 9. | QUALIFICATIONS FOR AND EXEMPTIONS FROM PAYMENT | 23 |
| 10. | CALCULATION OF OVERTIME AND REMUNERATION | 24 |
| 11. | GOVERNANCE..... | 25 |
| 12. | IMPLEMENTATION OF THE POLICY..... | 25 |
| 13. | FINANCIAL IMPLICATIONS | 25 |
| 14. | MONITORING AND EVALUATION OF THE POLICY | 25 |
| 15. | POLICY REVIEW..... | 26 |
| 16. | COMMUNICATION | 26 |
| 17. | COMPLIANCE | 26 |
| 18. | PRECEDING POLICIES RESCINDED..... | 26 |
| 19. | APPROVAL..... | 26 |

1. EXECUTIVE SUMMARY

In order to become an employer of choice, MCLM commits to remunerate its employees based upon the dynamics of the market and in the context in which it operates within. Alignment to the strategic drivers of the municipality is critical that MCLM attract, motivate and retain scarce and critical skills and high performing employees.

2. INTRODUCTION

The Remuneration Policy is meant to establish salaries that have a proper relationship to and are competitive with salaries paid in the economic community for similar work of equal value.

2.1 The following factors shall influence pay within MCLM:

- 2.1.1 Performance
- 2.1.2 Skill scarcity
- 2.1.3 Length of service
- 2.1.4 Experience
- 2.1.5 Geographic location
- 2.1.6 Function
- 2.1.7 Industry
- 2.1.8 Situational factors, for example, working under extremely difficult or dangerous conditions
- 2.1.9 Job grade
- 2.1.10 Conditions of Service
- 2.1.11 Wage negotiations
- 2.1.12 Affordability of the Municipality

2.2 Rationale and Objectives of the Remunerations Policy

The rationale and purpose of this Policy is to:

- 2.2.1 Establish salaries that have a proper relationship to and are competitive with salaries paid in the economic community for similar work of equal value.
- 2.2.2 Recognize and reward individuals for the achievement of the Municipality's objectives and motivate high levels of performance.
- 2.2.3 Reward exceptional performance by individuals through the performance management system.
- 2.2.4 Allow the Municipality to compete effectively in the labour market and to recruit and retain high calibre staff
- 2.2.5 Achieve fairness and equity in remuneration and reward.

2.3 Legislative Frameworks

The applicable legislative framework includes, but not limited, to the following:

- 2.3.1 Municipal Systems Act, Act 32 of 2000 (as amended)
- 2.3.2 Basic Conditions of Employment Act 75 of 1997 as Amended
- 2.3.3 Labour Relations Act 66 of 1995 as Amended
- 2.3.4 Employment Equity Act No 55 of 1998 as Amended
- 2.3.5 Code of Good Practice on Equal Work of Equal Value
- 2.3.6 Main Collective Agreement and Gauteng Collective Agreement
- 2.3.7 Municipal Finance Management Act
- 2.3.8 Constitution of the Republic of South Africa

3. ABBREVIATION AND TERMS

3.1 Abbreviations

| ABBREVIATION | DEFINITIONS |
|------------------|--|
| EE | Employment Equity |
| EE & T Committee | Employment Equity & Transformation Committee |
| EEA | Employment Equity Act |
| HCA | Human Capital Administration |
| HCM | Human Capital Management |
| MCLM | Mogale City Local Municipality |
| MM | Municipal Manager |
| ODD | Organisational Development and Design |
| R&HCA | Recruitment and Human Capital Administration |
| SALGA | The South African Local Government Association |
| TASK | Tuned Assessment of Skills and Knowledge |
| WRC | Workplace Restructuring Committee |

3.2 Definitions

For the purpose of this policy, the following definitions apply:

| TERM | DEFINITIONS |
|--------------------------|--|
| Allowance | Monies paid to an employee in addition to their basic salary and benefit |
| Basic salary | Refers to the fixed guaranteed monthly payment made to an employee, meaning pay excluding any benefits. The basic pay is in the form of notches as per the approved salary scale for a cost |
| Call-out | Considered to be an event when an employee is called out after ordinary hours of work/ scheduled shift by a duly authorized supervisor or manager according to the guidelines that regulate such an event to perform such a duty or repair a fault. |
| Designated Groups | Means black people, women, and people with disabilities as further elaborated in the Employment Equity Act No. 55 of 1998 |
| Earnings | Means gross pay before deductions payable to an employee. These earnings exclude overtime payments, performance or discretionary bonuses, subsistence and travel allowances, long service payments and/or achievement awards |
| Employee | <ul style="list-style-type: none"> a) Any person, excluding an independent contractor, who works for another person or for the State and who receives, or is entitled to receive, any remuneration; and b) Any other person who in any manner assists in carrying on or conducting the business of an employer |
| Employer | Refers to the Mogale City Local Municipality |
| External Parity | Refers to position and its relativity to the market position |
| Gross Salary | It is the total amount of remuneration an employee earns before any deductions are made |
| Hierarchical skill Level | The Basic, Discretionary, Specialized, First-line Level Managers (Assistant Managers), Middle-Level Management (Managers) and Strategic Level (Executive Directors) |
| Internal Parity | Refers to relative grade assigned to different jobs within the group |
| Job | <p>A job is equivalent to job classification levels. The same job group can be found in many departments and can be performed by more than one individual.</p> <p>Jobs are defined, for our purpose, by information types of objects (name), relationships and description</p> |
| Job Evaluation | Is the rating of jobs according to a specifically planned procedure in order to determine the relative worth of each job |
| Job grade/ Job Level | Refers to the level of a post's responsibilities, impact and scope as determined by a job evaluation system. The job evaluation system makes provision for an amount of levels into which posts are categorized (TASK has 26 levels). The job grades are linked to the salary structure |
| Job Profile | A profile of any knowledge, skill, attitudes, behaviour, motive or other personal characteristic that is essential for an individual to perform a job, or more importantly; differentiates "solid" from outstanding performance |

| | |
|---------------------------------|--|
| Job Specification | A specification of the Key Performance Areas, required qualifications, experience, competencies, etc. required for a job/ position |
| Management | Means the Municipal Manager, Executive Directors, Managers, Assistant Managers and Supervisors |
| Municipality | Means (a) The Mogale City Local Municipality; and (b) Includes Municipal Council and any Committee of the Council established in terms of Section 79 or Section 80 of the Local Government: Municipal Structures Act, 1998 Act No. 1 17 of 1998 as amended |
| Net Salary | Money paid to an employee after statutory deduction |
| Night Shift Work | Night shift work refers to work that is performed after 18:00 and before 06:00 the next day |
| Notch | Is a movement/ sliding of salary and benefits employees level from one level to another within a job grade |
| Notch increase/ Notch Increment | Refers to the annual notch progression from the minimum notch of a post's salary scale towards the maximum notch |
| Ordinary hours of work | The hours as delineated in the employment contract read with the Collective Agreement, and the Basic Conditions of Employment |
| Overtime | Means the time that an eligible employee works during a day or a week in excess of the ordinary hours of work |
| Pay Structure | Refers to the pay scales attached to the job grades. |
| Position | Positions are concrete representations of jobs. They are held by individuals in an organization and are specific to your organization. More than one position can be based on the same job. Each position typically represents one employee, but may be partially filled by more than one |
| Public Holiday | Means any day that is a Public Holiday in terms of the Public Holidays Act 36 Of 1994 |
| Recruitment | Covers the enlisting of job applicants through fair, open, and consistent internal/ external advertisements, employee referrals, and utilization of employment agencies, adoption of recruitment campaigns / head - hunting and executives search firms to secure the most suitably qualified candidate for a vacant or new position |
| Remuneration | Means allowances, compensation in money or time off for shifts, standby and overtime worked |
| Retention | Refers to the efforts or mechanisms to ensure that highly skilled staff prefers to stay employed by the Mogale City Local Municipality |
| Salary Scale | Refers to the minimum and a maximum notch coupled to a post and is derived from the official salary structure. The salary scale is determined by the job grade/ '0b level and also includes the notches |
| Scarce Skills | In the local government context, scarce skills refer to occupations or professions for which there is a demonstrated shortage of suitably qualified and experienced people in the labor market, making it difficult for municipalities to recruit and retain employees in those roles. |

| | |
|-----------------------|--|
| Shift | Means ordinary hours of work in which different groups of employees do the same job in relay. |
| Stand by | Means the state of readiness for immediate deployment in cases of emergency |
| Supervisory Level | Employees appointed in positions at job grade 6-5 |
| Trade Union(s) | Means either IMATU or SAMWU or A trade union with organization rights in terms of Labour Relations Act (Act 66 of 1995) |
| Total Cost to Company | Also refers to a Total Package. This is a cash component plus benefits (retirement, disability, death, medical and allowance such as vehicle, etc.) as well as 13 th cheque are inclusive |
| Wage | Means the amount of money paid or payable to an employee in respect of ordinary hours of work |

4. SCOPE AND APPLICABILITY

The Remuneration Policy is applicable to all permanent employees, employees appointed on a fixed term contract, temporary employees who are on MCLM's payroll.

5. KEY PRINCIPLES

In the implementation of the Remunerations Policy, MCLM shall adhere to the following key principles:

- 5.1 Support for Strategic Objectives: Remuneration and reward frameworks and decisions shall be developed in a manner that is consistent with, supports and reinforces the achievement of the Municipality vision and strategy
- 5.2 Fairness and Equity: Remuneration management will be in a fair and equitable manner. The Municipality shall remunerate all staff fairly in terms of the salary grading resulting from a formal job evaluation system and consequently the Municipal Bargaining Council grade on which the remuneration shall be based
- 5.3 Openness and Transparency: The process of remuneration management shall be transparent, conducted in good faith and in accordance with appropriate levels of confidentiality
- 5.4 Market-Related Remuneration: The Municipality shall measure its remuneration practices against both the local and national market through the use of remuneration surveys and through benchmarking with other similar institutions
- 5.5 Legislative Compliance: Remuneration structures shall be compliant to relevant legislation
- 5.6 Performance-Driven Remuneration: The Municipality shall entrench a culture of performance driven remuneration through the implementation of the Performance Management System.
- 5.7 Internal and External Parity: The remuneration will be relative to the grade assigned to different jobs within the group and the position will be relative to the market position
- 5.8 Manage Risk and Liability: Remuneration will be structured to manage risk and liability on both the organization and employee's side

- 5.9 Affordability and Sustainability: National Treasury guidelines recommend that the cost of salaries and benefits should not exceed forty per cent of the Municipality's total operating expenditure budget
- 5.10 Flexibility: Remuneration and reward offerings shall be sufficiently flexible to meet both the needs of individuals and those of the institution whilst complying with relevant tax and other legislation

6. ROLES AND RESPONSIBILITIES

The implementation of the Remuneration policy is the responsibility of the Human Capital Management in conjunction with Executive Directors and Line Managers.

| DIVISION /DESIGNATION | RESPONSIBILITY |
|--|---|
| Council | Approves the Remuneration Policy |
| Employees | All employees are responsible for complying /adhering to the approved Remunerations Policy |
| Executive Directors and Middle-Level Managers (Managers) | <ul style="list-style-type: none"> a) Acquaint themselves with all relevant legislation related to the Remuneration Policy b) Take all the necessary steps to ensure that all employees who report to them are aware of and comply with the Remuneration Policy c) Ensure the remuneration of all employees in the Municipality is done in accordance with the Remuneration Policy d) Ensure the correct implementation of and adherence to the approved Remuneration Policy e) Ensure that the Remuneration and Reward Policy is adhered to and implemented within the departments and divisions f) Report on and manage exceptions to this policy and refer all exceptions to the Manager: HCM g) Account to the MM with regard to the implementation of the Remuneration Policy h) Control overtime within their respective Departments i) Approve of overtime j) Identify necessary means to circumvent and reduce overtime |
| Expenditure Management / Payroll | <ul style="list-style-type: none"> a) Process the payroll in accordance with SARS requirements b) Attend to and resolve payroll queries c) Ensure database integrity d) Forms part of the HR Remunerations Team to resolve remuneration issues |
| First Line Managers (Assistant Managers) | <ul style="list-style-type: none"> i) Implement and ensure compliance with the policy ii) Plan overtime iii) Identify and determine alternatives to overtime iv) Certify overtime claimed |
| Human Capital Management | i) Monitor, evaluate and ensure the correct implementation of the Remuneration Policy |

| | |
|---|---|
| | <ul style="list-style-type: none"> ii) Ensure that the Remuneration Policy comply with the Council resolutions, applicable legislation, conditions of service and relevant bargaining council agreements iii) Ensure that there is fairness and consistency in terms of all relevant legislation, in particular, the Employment Equity Act provisions iv) Ensure that a suitable system to support the Remuneration Policy is in place v) Provide guidance on the management of the exceptions to the policy vi) Inform Management of all the corrections and amendments to the Remuneration Policy vii) Ensure that overtime threshold is reviewed and amended annually as per Ministerial determination |
| Learning and Development Sub-division | <ul style="list-style-type: none"> i) Ensure the identification of scarce and critical skills within the Municipality ii) Update the departments on the revised and updated scarce and critical skills within the Municipality |
| Management staff (1 st line manager to senior Management | <ul style="list-style-type: none"> a) Ensure that their employees are informed of the Remunerations Policy |
| Municipal Manager | <ul style="list-style-type: none"> i) Establish a Remuneration Committee ii) Approves the Remuneration Committee members & the Chairperson thereof iii) Account for the overall Remuneration Policy implementation to the Executive Mayor iv) Ensures good governance and oversight of the remuneration policy v) Establish systems, procedures and processes to ensure efficient and effective operations vi) Considering approving recommendations of the Remuneration Committee |
| Organisational Development and Design (ODD) | <ul style="list-style-type: none"> i) Ensure that each post is accounted for in the approved structure ii) Ensure the allocation of post codes for every post in the structure iii) Update and maintain funded and non-funded positions in the structure iv) Ensure that all posts in the structure are evaluated and graded in line with the approved salary scales v) Provide advice on job levels that are encroaching on other job levels. |
| Recruitment and Human Capital Administration (R&HCA) Sub-division | <ul style="list-style-type: none"> a) Facilitate training and awareness programmes to ensure efficient and effective implementation of the Remuneration Policy b) Ensure that the Policy is reviewed and updated on an ongoing basis c) Ensure accuracy on the content of the policy d) Ensure that the policy is kept current and communicated to all staff e) Ensure that policy is compliant with statutory requirements |

| | |
|-----------------------------------|--|
| | f) Annually review and make the required amendments to the Remuneration Policy |
| Workplace Restructuring Committee | <ul style="list-style-type: none"> a) Approve the pay structure annually, consider and make recommendations to the MM on remuneration policy issues which have a strategic impact on the Municipality b) Monitor the overall performance rating awarded to ensure consistency and fairness across service lines and positions levels c) The Remunerations Committee may request for revision of ratings where they are considered to be out of line with other service lines, either generally or in respect of a particular role d) Approve the identified scares and critical skills e) Approve overtime budget allocation, control and reduction of overtime within the entire Municipality f) Determine the employees that will be applicable to be remunerated on the Total Cost to Company |
| Trade Unions | <ul style="list-style-type: none"> i) Ensure that their members are informed of the Remuneration Policy ii) Protect the interest of the Municipality through their members iii) Protect the wellbeing of the members in the Municipality |

7. LINKS TO OTHER POLICIES AND STRATEGIES POLICY CONTENT

In addition to the legislative frameworks, this policy should read with the following documents:

- 7.1 Travelling Allowance Policy
- 7.2 Performance Management Policy
- 7.3 Acting Policy
- 7.4 Employment Equity Policy
- 7.5 Performance Management and Development Policy
- 7.6 Succession and Career Pathing Policy
- 7.7 Recruitment and Selection Policy
- 7.8 Overtime Policy
- 7.9 Bursary Policy
- 7.10 Job evaluation policy.

8. POLICY CONTENT

8.1 COMPOSITION OF REMUNERATION

- 8.1.1 In order to better achieve MCLM's strategic objectives, remuneration consists of two components, being
 - 8.1.1.1 The "Basic salary plus Add on"
 - 8.1.1.2 Approach to Total Cost to Company
- 8.1.2 In order to ensure equitable treatment, all permanent staff below management shall be remunerated on basic salary plus add-on benefit' component and temporary staff shall be remunerated on basic salary without any benefits.

8.1.3 However, any permanent staff who before this policy became operational was remunerated on a different component shall remain under such remuneration approach on a personal to holder basis.

8.1.4 Basic salary plus Add on

8.1.4.1 Basic salary plus Add on provides a basic salary determined as per Municipal Bargaining Council Salary Scales to which the guaranteed contributions and benefits are added.

8.1.4.2 Conditions for remuneration on basic salary plus add-on benefit:

- (a) The remuneration of staff employed on fixed term contracts who get appointed on permanent basis in a similar position shall be remunerated on 'basic salary plus add-on benefit' approach.
- (b) The offer of salary in this instance shall be based on a close match salary grade and notch based on the 60% of the total remuneration package.

8.1 .5 Total Cost to Company

8.1 .51 The Total Cost to Company provides the total cost of employment determined based on basic salary derived from Municipal Bargaining Council Salary Scales which will form 60% of the total package and 40% of flexible portion that can be structured to include the benefits and allowances.

8.1.5.2 Remuneration on Total Cost to Company shall only be applicable to:

- (a) All permanent staff who are in positions at management and Executive Director levels
- (b) All staff employed on fixed term contracts at any level within the staff establishment.

8.1 5.3 Conditions for remuneration on Total Cost to Company:

- (a) Staff members remunerated on a Total Cost to Company component shall be permitted to revise the flexible portion of the total remuneration package once every year in line with this policy.
- (b) Staff members must belong to a retirement or pension fund registered in terms of Pension Funds Acts and as such he/she must annually submit proof of membership of the retirement or pension fund to the Municipality.
- (c) A staff member will be afforded an opportunity to make a once-off choice in respect of a retirement or pensions fund to which he or she wants to become a member, including a retirement or pension fund accredited by the bargaining council for municipalities, provided such fund must be registered in terms of Pensions Fund Act.
- (d) It is advisable for employees to belong to a Medical Aid Scheme registered in terms of the Medical Schemes Act and as such he/she must annually submit proof of membership to the Municipality.
- (e) A staff member will annually be afforded an opportunity to make a once-off choice in respect of a medical aid scheme accredited by the bargaining council designated for municipalities provided that such scheme must be registered in terms of the Medical Schemes Act.

- (f) In the event that the Employee utilizes his private vehicle to carry out official duties within as well as outside the municipal area, he will be compensated for the kilometres travelled in excess of 500 km's per month and this amount will be computed according to the tariffs payable for privately owned vehicles as prescribed by the Department of Transport.
- (g) Staff members may be required to work overtime, when reasonably necessary and he/she may not qualify for overtime remuneration, but for time off in lieu of the overtime worked.
- (h) The Employer may make deductions from the monthly remuneration of the Employee, subject to the provisions of all relevant legislation and/or any court judgement granted against the Employee and such legislation shall include but not limited to the following:
 - i Basic Conditions of Employment Fund
 - ii Income Tax Act; and
 - iii Unemployment Insurance Fund.

8.2 BENCHMARKING AND PAY STRUCTURE

8.2.1 Salary benchmarking shall be done as and when necessary.

8.2.2 Expenditure Management and HCM will ensure that the Pay Structure:

- 8.2.2.1 Is approved annually
- 8.2.2.2 Is consistently applied
- 8.2.2.3 Upholds internal and external equity
- 8.2.2.4 Reflects job grades in line with the organisational structure and work design
- 8.2.2.5 Provide a framework on which to base remuneration decisions and shall be applicable in processes such as retention and attraction of new employees, rewarding and/ awarding performance, strategic needs and the scarcity of skills

8.3 PAY AND FRINGE BENEFITS

8.3.1 Pay and fringe benefits shall be paid:

- 8.3.1.1 To attract people of the right caliber
- 8.3.1.2 To retain employee's services and loyalty; and
- 8.3.1.3 To reward employees fairly.

8.3.2 Fringe benefits shall take account of:

- 8.3.2.1 Job Evaluation — which is one method of establishing the grade of jobs
- 8.3.2.2 Remuneration surveys — which encapsulate labour market trends on pay and fringe benefits
- 8.3.2.3 Individual performance — which indicates how well the individual performs

8.3.3 Benefits and Allowances

The remuneration mix payable in addition to the basic salary is made up of guaranteed (compulsory) benefits and variable (operational) allowances.

8.3.3.1 Guaranteed (Compulsory) Benefits

The guaranteed (compulsory) benefits deemed to be part of "Total Cost of Employee" together with the basic salary applicable to the "Basic salary plus Add on" component and can be used to calculate the flexible portion under the "Total Cost to Company" component are as follows:

- a) Pension or Provident fund contributions
- b) Medical aid contributions
- c) Unemployment Insurance Fund
- d) Homeowner's allowance
- e) Thirteenth cheque or service bonus
- f) Travel allowance (for Managers and Executive Directors)
- g) Long service bonus

8.3.3.1 .2 Pension/ Provident Fund

- (a) Mogale City Local Municipality will make available to ALL employees a retirement plan, that is, Pension or Provident Fund, with overall contributions based on a total percentage of an annual basic salary as agreed upon at the SALGBC.
- (b) The Municipality will subsidize a basic salary as employer contributions to the plan whilst the employees will contribute a percentage as agreed upon at SALGBC.
- (c) Employees may also opt for additional retirement benefits at their own cost. Advice will be made available to all employees regarding retirement planning and providing financial security for dependents.

8.3.3.1 .3 Medical Aid Benefits

- (a) Mogale City Local Municipality shall make available to all employees a medical aid benefit at the cost agreed upon at SALGBC.
- (b) The employer will subsidize the difference in line with the agreement on (a) above.
- (c) Medical aid benefits provided is compulsory and not optional. Employees that opt not to utilize the medical aid benefit will forfeit the benefit, except for employees that are earning total cost to company (TCC).
- (d) The Municipality will subsidize the maximum of up to a monthly amount as determined in the latest Municipal Bargaining Council Collective Agreement towards the total the contributions for the principal member and all the dependents.

8.3.3.1 .4 Homeowner's allowance

- (a) Mogale City Local Municipality offers a housing allowance to all permanent staff members.
- (b) Permanent staff members are eligible to a monthly amount as determined in the latest Municipal Bargaining Council Collective Agreement.
- (c) Those employees that opt not to utilize this benefit will forfeit this benefit, except for employees who are earning total cost to company (TCC)

83.3.1.5 Travel Allowance

- (a) This benefit is eligible to staff members who are in positions below supervisory level. It is based on the applicable policy and is meant to facilitate access to motoring needs for management staff.
- (b) The Municipality also recognizes in relation to some positions below the post level prescribed in clause (a) that due to the widely dispersed geographical layout, staff may, from time to time, be required to use their private vehicles to travel within the Municipality on official business.
- (c) The frequency and extent of travel varies considerably from post to post depending on work requirements.
- (d) A threshold shall be set in accordance with MCLM's travelling policy for a maximum level of business travel that warrants a travel allowance.
- (e) All prevailing travel allowances at the effective date of this policy shall be reviewed and may be withdrawn or amended as appropriate in line with the locomotion and/ or travel allowance policy.

8.3.3.2 **Variable (Operational) Allowances**

8.3.3.2.1 The variable (operational) allowances that are excluded from "Total Cost of Employee" (TCOE) and payable based on pre-approval as a results of the operational requirements include the following:

- (a) Overtime
- (b) Mobile phone and data card allowance
- (c) Standby allowance
- (d) Shift allowance
- (e) Uniform allowance
- (f) Night work allowance
- (g) Acting allowance
- (h) Non-pensionable allowance
- (i) Leave gratuities
- (j) Non-recurring (Ex-gratia) payments
- (k) Performance incentive rewards and/ or awards
- (l) Study incentives
- (m) Relocation allowance
- (n) Recruitment/interview allowance.

8.3.3.2.1.1 Overtime

- a) Overtime is additional payment remunerated to qualifying employees for performing work for more than normal official hours.
- b) The allowance will be informed by the approved overtime policy.

8.3.3.2.1 .2 Mobile Phone and Data Card Allowances

- (a) Mobile Phone and Data Card Allowance will be inherent to the job responsibilities and will be approved by the Municipal Manager.
- (b) This allowance will be informed by the approved cellphone policy.

8.3.3.2.1 .3 Standby Allowance

Standby payment is remunerated to employees who by virtue of critical nature of their functions are required from time to time to be ready for urgent and immediate deployment to provide a service under the following conditions:

- (a) Employees to be placed on standby must get prior authority
- (b) An employee placed on standby must first obtain authority from the Management or the Municipality's emergency services before performing any duty
- (c) Employees on standby shall be paid
 - (i) Standby remuneration
 - (ii) In the event that there is a call in for duty, overtime remuneration if such duty is performed outside of the ordinary hours of service.

8.3.3.2.1.4 Shift Allowance

Shift allowance is payment remunerated to employees who work outside official working time and beyond normal hours under the following conditions:

- (a) Employees to be working on the shift shall report for duty as per the duty roster allocated by Management;
- (b) Employees working on shift shall only be given shift remuneration;
- (c) Shift remuneration may not be claimed or paid in advance but will be paid in arrears;
- (d) Line Managers must manage the shift allocation in terms of this policy, the Collective Agreement on Condition of Service, and the Basic Conditions Employment Act; Shift allowance is only applicable to employees who work night shift.

8.3.3.2.1.5 Uniform Allowances

- (a) The implementation of Uniform Allowances will be informed by the approved Personal Protective Equipment.
- (b) This allowance will be also determined by Executive Directors after proper consultation with the affected individuals.

8.3.3.2.1.6 Night Work Allowance

Employees will be compensated for night shift work and the Managers will be able to choose a shift allowance.

8.3.3.2.1.7 Acting Allowances

- (a) Acting Allowance is payment remunerated to employees for performing a role on a temporary basis at a higher grade position than that of their substantive position.
- (b) The allowance will be informed by the approved acting policy.

8.3.3.2.1.8 Performance Incentive Award Scheme

- (a) An incentive scheme shall be implemented linked directly to the Municipality performance management framework.
 - i. The incentive award shall be implemented annually based on the results of the performance review.
 - ii. The incentive in term of monetary value shall only be payable based on Municipality cash flow performance and financial affordability, otherwise the performance award may be on other form as described in the performance management framework.
- (b) Annual assessments of performance shall be based on the result of the preceding calendar year ending 30 June each year and there shall be no pro rata awards for periods of service of less than twelve months as at 30 June of each successive year,
- (c) In the event of termination of service for whatever reason, taking effect before 30 June of any year, no performance award is payable and an employee shall not have any claim to a performance award or part thereof.
- (d) An employee whose termination takes effect after 30 June and who is eligible for an award shall receive the award.
- (e) Performance incentives may not only be in the form of monetary value but can be in the form of non-financial incentives including but not limited to award ceremonies, prizes, etc.

8.3.32.1.9 Study Incentives

- (a) Incentives intended under this section of the policy apply to staff members studying towards approved qualifications in terms of the Bursary Policy.
- (b) The incentive applies in the form of a bursary payable towards the study fees and related costs for approved study qualification to an accredited learning institution for the duration of the study period.
- (c) The incentives will be applicable to all staff members in line with the approved bursary policy.

8.3.3.3 **Long Service Leave**

- (a) Long service leave is a benefit which entitles an employee to a payment calculated based on number of leave days awarded after he/she has attained a specified period of lengthy continuous uninterrupted service or employment with the municipality

- (b) The long service leave will be implemented according to the long service table below:

| YEARS OF SERVICE | LONG SERVICE LEAVE DAYS RECEIVED ONCE OFF) |
|-------------------------|---|
| 10 Years | 10 Working Days |
| 15 Years | 15 Working Days |
| 20 Years | 20 Working Days |
| 25 Years | 25 Working Days |
| 30 Years | 30 Working Days |
| 35 Years | 30 Working Days |
| 40 Years | 35 Working Days |
| 45 Years | 35 Working Days |

- (c) An employee may choose to either utilize the leave as annual leave or encash such leave
- (d) The long service recognition leave may be wholly or partially converted to payment on the date on which the employee qualifies for it or at any stage thereafter, subject to budget provisions
- (e) When an employee terminates services, long service recognition leave balance does not form part of the overhead maximum of forty-eight (48) days leave that may be paid out as per the Main Collective Agreement.
- (f) The initial date of permanent appointment of an employee shall be maintained for the purposes of determining the actual service period of the employee and for the calculation of the long service bonus

8.3.3.4 Non-Pensionable Allowances

Non-pensionable allowances provide the Municipality with a mechanism to remunerate staff above the prescribed level in certain circumstances. This enables the Municipality to respond to and compete with the market for key staff.

8.3.3.5 Non-payment due to financial constraints

Non-payment on certain aspects will be as a result of financial constraints.

8.4 DETERMINATION OF OFFERS OF EMPLOYMENT

- 8.4.1 In determining the offers of employment due consideration shall be given to the appointees' current earnings and expected earnings whilst striving to ensure parity in remuneration with existing staff at the same grade or level.
- 8.4.2 In order to maintain consistent and stable remuneration system, an applicant for a post at the Municipality shall not be offered a salary, as applicable, at a level that is higher than the maximum salary, as applicable, for the advertised job grade or job level.

8.4.3 In line with the above provisions the appointment of External Candidates shall be on the following conditions:

8.4.4 Candidates who travel for interviews are not eligible for a travel allowance; they will travel at their own cost.

8.4.5 Only 50% of the relocation costs will be paid to a successful external candidate who is moving from another province to Gauteng and/or Mogale City.

8.4.5.1 Salary Scale and Notch

- (a) The new person will be appointed on the minimum notch of the advertised basic salary scale.
- (b) Benefits as applicable in terms of National/ Local Conditions of Service and relevant Human Resources policies will be added to the basic salary.
- (c) Appointment on higher notches of the applicable basic salary scale will only be applicable in the following instances:
 - i. On career scales where specified qualifications/ experience are required for the higher levels of the scale and the applicant qualifies for appointment at such higher levels.
 - ii. If the internal appointment is above the entry-level notch, or if the external appointee's pay slip reflects a salary that is equivalent to, the current salary

8.4.5.2 Incremental Date

The incremental date will annually fall in the same month as the original appointment date.

8.4.5.3 In line with the above provisions the appointment of Internal Candidates shall be under the categories and salary scales as captured below:

- (a) **Categories** applicable for salary administration:
 - i. Category 1 : Overlapping Levels
 - ii. Category 2: Corresponding Level
 - iii. Category 3: Appointment on a Lower Level and;
 - iv. Category 4: Appointment on a Higher Level.
- (b) **Salary scales** per job level overlaps on the approved salary structure of the Municipality.
 - i. The appointment of an employee to the advertised scale where the top notch of the employee's current scale falls within the advertised scale. Thus the top notch of the advertised scale is higher than the top notch of the existing salary scale of the appointee.
 - ii. **Salary Scale and Notch:** If the employee's current notch already falls within the overlapping part of his/her current and new salary scale, the employee is moved to the new scale and immediately receives two notches increase upon appointment.

- iii. No variable pay e.g. acting/overtime/standby/transport etc. received in the existing post will be considered upon appointment in the new post.
- iv. Qualification and experience requirements must at all times be adhered to.
- v. **Incremental Date:** The incremental date is adjusted to reflect the new appointment date.

(c) Category 2 refers to the appointment of an employee on the advertised salary scale where the minimum and maximum notches of the employee's existing salary scale correspond with the minimum and maximum of the advertised salary scale and means that:

- i. Where an employee applies for another post on which is on the same job level as his/her existing post, e.g. T8 to T8
- ii. **Salary Scale and Notch:** The employee transfers to the new post retaining his/her salary scale and current notch.
- iii. No variable pays e.g. acting/overtime/standby/transport etc. received in the existing post will be considered upon appointment in the new post.
- iv. Qualification and experience requirements must at all times be adhered to.
- v. **Incremental Date:** The incremental date remains unchanged.

(d) Category 3: Appointment on a Lower Level does not commonly occur, an employee may **(for whatever reasons)** decide to apply for a lower level post, and means that:

- i. The appointment of the appointee on the advertised salary scale where the top notch of the advertised salary scale is lower than the top notch of the existing salary scale of the appointee.
- ii. **Salary Scale and Notch:** If the employee's current notch is already higher than that of the lower post (also taking overlapping into account), the employee moves downwards to the maximum notch of the lower-level post.
- iii. If the employee's notch is (due to overlapping) still lower than the maximum notch of the new post, the employee will be allowed to progress only to the maximum of the new lower-level post.
- iv. No variable pay acting/overtime/ (e.g. standby/transport etc. received in the existing post will be considered upon appointment in the new post.
- v. Qualification and experience requirements must at all times be adhered to.
- vi. **Incremental Date:** If an incremental date is still applicable, it will remain the same as that of the previous higher-level post.

(e) Category 4: Appointment on a Higher Level means that:

- i. The appointment of the person on the advertised salary scale where both the minimum and maximum notches of the advertised scale are higher than that of the existing salary scale of the employee. In practice it means where a person is appointed in a post of which the job level does not overlap with that of the employee's existing post.
- ii. **Salary Scale and Notch:** The employee is appointed on the minimum notch of the said scale if the said minimum notch is higher than the existing top notch of the employee,
- iii. No variable pay e.g. acting/overtime/standby/ transport etc. received in the existing post will be considered upon appointment in the new post.
- iv. Qualification and experience requirements must at all times be adhered to.
- v. **Incremental Date:** The incremental date is adjusted to reflect the new appointment date.

8.5 JOB EVALUATION

- 8.5.1 In order to establish the relative worth of each job and ensure equity in remuneration, an adopted job evaluation system shall be implemented and consistently applied across all jobs.
- 8.5.2 Job evaluation examines the contents and requirements of jobs and measures these according to a standard procedure, which results in job grades, scores levels or ratings.
- 8.5.3 Pay and fringe benefits are then structured to take account of the evaluated worth of jobs, and to reward job holders fairly.

8.6 REMUNERATION ADJUSTMENTS &REVIEWS

8.6.1 Annual Cost of Living Remuneration Adjustments

- (a) Annual salary increases, including the relevant benefits shall be subject to the Municipal Bargaining Collective Agreement.
- (b) Except for the benefits which their adjustments will be individually specified in the Collective Agreement, the increase shall be applied to basic salary for all staff members which this policy is applicable to and allowances linked to the basic salary shall be adjusted accordingly.

8.6.2 Adjustment of salaries due to job evaluation

- 8.6.2.1 Where a job has been upgraded, the salary of the incumbent in the upgraded position shall be matched to the salary scale of the new job grade.
- 8.6.2.2 Where a job has been down-graded, the incumbent in the down-graded position shall retain his/ salary scale and shall be personal to holder until he/ she vacates the position.
- 8.6.2.3 Any grievance lodged relating to salary shall not be resolved by moving staff to salary outside the job grade unless post in question is re-graded using the applicable job evaluation system.

8.6.3 Evaluation or re-evaluation of jobs shall be based on the following pillars only:

- 8.6.3.1 Newly created positions
- 8.6.3.2 Significant change in roles and responsibilities
- 8.6.3.3 Jobs with appeals or grievances
- 8.6.3.4 Restructuring of Municipality or Department or Division or Sub-division

8.6.4 Hierarchical Levels

Jobs evaluated shall be aligned to specific post levels listed in the Municipal Bargaining Council Salary Scales/ Structure and shall be delineated hierarchically in the skill levels as follows:

- 8.6.4.1 **Basic Level:** Refers to unskilled jobs which require, for its proper execution, hardly any formal education and/or training and/or experience. These jobs have limited discretion as tasks are directed. Employees at this skill level are expected to have:
 - (a) Learning period guideline - days or weeks
 - (b) Knowledge of operation(s)
- 8.6.4.2 **Discretionary level:** Refers to semi-skilled and discretionary decision-making jobs. Employees in these positions have discretion in using prescribed alternative routines and are expected to have:
 - (a) Learning period guideline - months
 - (b) Knowledge of routine(s)
- 8.6.4.3 **Specialized level:** Refers to skilled technical and academically qualified employees. While most (if not all) jobs require some level of skill, "skilled workers" bring some degree of expertise to the performance of a given job. Employees at this level determine which routines to use and/or devising new routines where the routines are not prescribed. They are expected to have:
 - (a) Learning period guideline - years
 - (b) Knowledge of system(s)
- 8.6.4.4 **First-line Managers level:** Assistant managers are employees in the levels below middle-level managers and are responsible for managing sub-divisions within divisions. The managerial functions of first-line managers are centered on the daily activities of their subdivisions, short-term planning and implementing the plans of middle management, their primary concern is to apply rules and procedures to achieve a high level of productivity, to provide technical assistance, to motivate subordinates and to accomplish day-to-day objectives. Managers at this level are expected to have:
 - (a) Knowledge of discipline(s)
 - (b) Understanding of the operational and technical objectives of the organization
- 8.6.4.5 **Middle-level managers** (Managers) are functional heads in the levels below senior managers and are responsible for managing divisions within the department. Middle management is concerned with the near future and is therefore responsible for medium-term and short-term planning. Managers at this level are expected to have:
 - (a) Knowledge of discipline(s)/function(s)
 - (b) Understanding of the strategic objectives of the organization

8.6.4.6 **Strategic Level:** This level includes the Municipal Manager and Executive Directors directly accountable to the MM as appointed in terms of section 54A and section 56 respectively of Municipal Systems Act as amended. These managers are within or across major function(s)/discipline(s): setting or executing objectives/policy and/or advising on corporate policy. They are expected to have:

- (a) Knowledge of one or more major functions/disciplines
- (b) Understanding of the organization and the interactions between the major functions/disciplines
- (c) Requirements as per the Senior Management Conditions of Service as determined by COGTA

8.6.5 Linking Job Grades to Positions

MCLM shall use a job evaluation system to ascertain the recommended job grades for every job/ role within the Municipality.

8.6.5.1 Job grades are provided to appropriate positions within the Municipality:

- 8.6.5.1 .1 To ensure that individual employees are positioned correctly within the job grades, compared with others in the same role and in accordance with the strategic importance of the Municipality
- 8.6.5.1 .2 To ensure that people who are performing similar work within and across service lines and offices are remunerated consistently, regardless of their age, race and gender

8.6.6 Linking Job Grades to Hierarchical Levels

Job Grades ranges per hierarchical level will have different job grades which are based on the size of tasks, responsibilities and skills requirements but that are within the ranges of job grade allocated in each hierarchical level as detailed below:

| Hierarchical Level |
|-------------------------------|
| Strategic Level (2-1) |
| Middle-Level Managers (3) |
| First-Level Managers (4 – 4b) |
| Specialised Level (6-5; 8-6.) |
| Discretionary Level (12-10,) |
| Basic Level (15-13) |

9. QUALIFICATIONS FOR AND EXEMPTIONS FROM PAYMENT

9.1 Qualification for payment of shift, standby and overtime

- 9.1.1 Employees eligible for remuneration in monetary value shall be employees who are within the salary threshold as determined in the Basic Conditions of Employment Act.
- 9.1.2 Overtime threshold shall be reviewed and amended annually as per the Department of Labour’s Ministerial determination.

9.2 Exemptions from payment of shift, standby and overtime

The following categories of employees are exempt from receiving payment for shift, standby and overtime remuneration:

- (a) The Municipal Manager
- (b) All Section 57 Employees
- (c) Managers
- (d) Employees whose salaries are on Cost to Company.
- (e) Employees who assumed duty without authorization.

10. CALCULATION OF OVERTIME AND REMUNERATION

- 10.1 The calculation of the overtime rate is restricted to a basic salary not exceeding an overtime rate indicated in Chapter 2 of the Basic Conditions of Employment Act, Act 75 of 1997 as amended, and per the Conditions of Service Agreement.
- 10.2 A summary of the calculations is set out below:
 - 10.2.1 Overtime worked on a Sunday by employees not ordinarily working on a Sunday — Double the employee's basic salary/ wage for each hour worked.
 - 10.2.2 Overtime worked on a Sunday by employees ordinarily working on a Sunday — One and one-half times the employee's basic salary/ wage for each hour worked.
 - 10.2.3 Overtime worked on a Public Holiday by employees not ordinarily working on a Public Holiday—Double the employee's basic salary/ wage for each hour worked.
 - 10.2.4 Overtime worked on a Public Holiday where the Public Holiday falls on a day on which the employee would ordinarily work — Double the employee's basic salary/ wage for each hour worked.
 - 10.2.5 Overtime worked on any day other than a Sunday or public holiday - One and one-half times the employee's basic salary/ wage for each hour worked.
 - 10.2.6 Despite the conditions of clause 10.2 above, Management/ Supervisor may: -
 - 10.2.6.1 Enable payment to an employee for overtime worked on any day other than a Sunday or public holiday not less than the employee's ordinary basic salary/ wage for overtime worked
 - 10.2.6.2 The agreement should be in place before the overtime is actually worked to avoid any misunderstanding, regarding payment of overtime versus the granting of time off.
 - 10.2.6.3 Payment of overtime worked will be made on the employees' normal pay day.

11. GOVERNANCE

- 11.1 MCLM's remunerations policy shall be underwritten by the WR Committee.
- 11.2 The composition of the WR Committee shall be, unless the alternative is decided upon by the Accounting Officer, as follows:
- 11.3 The WR Committee shall comprise the following members:
 - 11.3.1 Chief Financial Officer (or nominee)
 - 11.3.2 Executive Manager: Corporate Support Services (Chairperson)
 - 11.3.3 Manager: Internal Audit
 - 11.3.4 Manager: Human Capital Management
 - 11.3.5 Manager: Expenditure
 - 11.3.6 Manager: Budget and Treasury
 - 11.3.7 Manager: Legal Services
 - 11.3.8 Assistant Manager: Human Capital Administration
 - 11.3.9 Assistant Manager: Organisational Development
 - 11.3.10 Assistant Manager: Employee Relations
 - 11.3.11 Labour Representatives (One IMATU and One SAMWU)

Where the current formation of the WRC does not include the above-mentioned members, they can always be co-opted when discussing remuneration related issues.

12. IMPLEMENTATION OF THE POLICY

- 12.1 The execution of the remuneration policy shall be based on sound corporate governance principles.
- 12.2 The implementation of Remuneration Policy shall be effected a day after approval by Council or immediately after signed by the Municipal Manager.

13. FINANCIAL IMPLICATIONS

- 13.1 The implementation of the Remuneration Policy has financial implications for the Municipality
- 13.2 Implementation of some of the provisions of Remuneration Policy shall be subject to the financial viability of the Municipality

14. MONITORING AND EVALUATION OF THE POLICY

- 14.1 Corporate Support Services Department (R&HCA Sub-division) shall monitor and evaluate the implementation and compliance with the Remuneration Policy.
- 14.2 No deviation to the Remuneration Policy and procedure requirements is permitted. Any possible breaches of the Remuneration Policy would be monitored by the R&HCA Section.

15. POLICY REVIEW

The Remuneration Policy will be reviewed on annual basis and revised as necessary.

16. COMMUNICATION

The Remuneration Policy will be communicated to all Municipal employees using the full range of communication methods available to the municipality.

17. COMPLIANCE

Any contravention to this policy shall be construed as misconduct.

18. PRECEDING POLICIES RESCINDED

The previous policies in respect of this subject are RESCINDED and REPLACED with this new policy.

19. APPROVAL

| | |
|--------------------|--|
| Municipal Manager: | |
| Signature: | |
| Date Approved: | |
| Effective Date: | |

APPROVED