



SOUTH AFRICAN LOCAL GOVERNMENT BARGAINING COUNCIL

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28 March 2017

To All Municipal Managers

The Parties:

SALGA	Mr. X George	(012) 369-8001
SAMWU	Mr. S Mathe	086 542 7473
IMATU	Mr. J Koen	(012) 460-8444

And To Regional Secretaries:

Gauteng/Johannesburg/Tshwane Division	Ms. M Nduli	(011) 394 6571
Eastern Cape Division	Mr. C Gqeke	(041) 581-3648
KwaZulu-Natal/eThekweni Division	Mr.V.Nzuza	(031) 201 9752
Western Cape/ Cape Metro Division	Mrs. W Brink	(021) 917 1145
Northern Cape/Free State Division	Mr. T Mqobongo	(053) 831-3608
North West/Mpumalanga/Limpopo Division	Ms. N Hlangwani	(012) 342-7015

Dear Sir/Madam

CIRCULAR NO.: 02/2017

SALARY AND WAGE INCREASE FOR THE PERIOD I JULY 2017 TO 30 JUNE 2018

SALGA and the trade unions (IMATU and SAMWU) at the Executive Committee meeting held on 23 March 2017, agreed that the salary and wage increases for the 2017 /2018 financial year as per the Salary and Wage Collective Agreement, dated 25 August 2015 shall be, as follows:

1. The salary increase, in terms of clauses 6.4 and 6.5 of the Collective Agreement shall be seven comma three six percent (7, 36 %), with effect from 1 July 2017.
2. Any benefit or conditions of service as stipulated in clause 6. 6 of the Collective Agreement shall increase by the same rate of seven comma three six percent (7, 36 %).
3. The Minimum Wage as stipulated in clause 7.3 of the Collective Agreement shall increase by the same rate of 7,36%. The new Minimum Wage shall be Six Thousand Eight Hundred and Forty Five Rand and Nine Cents (R6845.09), with effect from 1 July 2017.

Address correspondence to the General Secretary

4. a) With effect from 1 July 2017, the maximum employer contribution rate to an employee's accredited medical scheme as set out in clause 8.1.3 of the Collective Agreement shall be increased by 25% of the salary and wage increase for the 2017/2018 financial year.
- b) The 60 /40 principle regulating employer /employee contributions must be applied by the employer as per clause 9.2 of the Main Collective Agreement, dated 9 September 2016. The employer shall contribute 60% of the monthly membership contribution to the maximum amount while the employee will contribute 40% of the monthly contribution, also applicable to the 2017/2018 financial year.
5. The flat rate Home Owners Allowance, in terms of clause 10.1.1.3 of the Collective Agreement, increases by 7,3 6% to Seven Hundred and Ninety Six Rand and Sixty One Cent (R796.61) with effect from 1 July 2017.
6. The following CPI figures, from STATS S.A, are used to calculate the salary and related increases:

Feb 2016	March 2016	April 2016	May 2016	June 2016	July 2016	Aug 2016	Sept 2016	Oct 2016	Nov 2016	Dec 2016	Jan 2017	Annual total
7.00	6.30	6.20	6.10	6.30	6.00	5.90	6.10	6.40	6.60	6.80	6.60	76.30

Average CPI = 6.36% (76.30 divided by 12 months)

Salary increase = 6.36% + 1%
= 7.36%

7. The Council requests all municipalities to adhere and implement the above.

Yours faithfully



Mr. S S Govender
GENERAL SECRETARY