



SOUTH AFRICAN LOCAL GOVERNMENT BARGAINING COUNCIL

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6 March 2020

To All Municipal Managers

The Parties:

SALGA	Mr. X George	(012) 369-8001
SAMWU	Mr. K Ramotlou	Per Email
IMATU	Mr. J Koen	(012) 460-8444

And To:

Regional Secretaries:		
Gauteng/Johannesburg/Tshwane Division	Ms. N Hlangwani	(012) 665 1014
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.: 02/2020

SALARY AND WAGE INCREASE FOR THE PERIOD 1 JULY 2020 TO 30 JUNE 2021

The parties, SALGA, IMATU and SAMWU, at the Executive Committee meeting held on 4 March 2020, agreed that the salary and wage increases for the 2020/2021 financial year as per the Salary and Wage Collective Agreement dated 15 August 2018 shall be, as follows:

1. The salary and wage increase, in terms of clauses 6.6 and 6.8 of the Collective Agreement shall be six comma two five percent (6.25%), with effect from 1 July 2020.
2. Any linked benefits or conditions of service, as per clause 6.9 of the Collective Agreement shall increase by the same rate of six comma two five percent (6.25%), with effect from 1 July 2020.
3. The Minimum Wage as stipulated in clause 7.4 of the Collective Agreement shall increase by the same rate of 6.25%, from R7839.31 to R 8329.27. The new Minimum Wage shall be R8329.27, with effect from 1 July 2020. The new minimum wage is calculated on the minimum wage of R7839.31 as per clause 7.3 of the Collective Agreement.
4. The flat rate Home Owners Allowance, in terms of clause 9.1.1.3 of the Collective Agreement, shall increase by the same rate of 6,25% from R907.77 to R 964.51, with effect from 1 July 2020.
5. The gap market employees / non-pensionable allowance, in terms of clause 9.3.3.2 to be read with clauses 9.3.1 and 9.3.2 of the collective agreement shall increase by the same rate of 6.25%, from R 372.75 to R396.05, with effect from 1 July 2020.

Address correspondence to the General Secretary

6. In respect of medical aid, the maximum employer contribution rate to an employee's accredited medical scheme as set out in clause 10.1.3 of the Collective Agreement shall increase by the same rate of 6.25%, from R4492.35 to R4773,12 with effect from 1 July 2020.
7. The following CPI projected (forecast) figures, from the South African Reserve Bank, are used to calculate the salary and wage related increases:

Summary of selected forecast results										
<i>*Figures below the forecast in parentheses represents the previous MPC forecast</i>										
Selected forecast results (quarterly)										
Percentage change (year-on-year)	Actual				Forecast					
	1	2	3	4	2019	1	2	3	4	2020
Headline CPI	4.2	4.4	4.1	3.8	4.1	4.8	4.4	4.6	4.9	4.7
	(4.2)	(4.4)	(4.1)	(4.1)	(4.2)	(5.3)	(5.0)	(5.2)	(5.1)	(5.1)

It must be noted that the current collective agreement stipulates that CPI be calculated on projected (forecast) figures from the Reserve Bank. The data from Statistics South Africa, the previous method of calculation, is no longer applicable.

The parties accept and agree that the deemed CPI for this period is 5% in terms of clause 6.8 of the Collective Agreement, noting that the forecasted CPI from the Reserve Bank is 4.7% (FINCOM request).

8. The Council requests all municipalities to adhere and implement the above. This circular must be published on all notice boards.

Yours faithfully



MR. S.S. GOVENDER
GENERAL SECRETARY