Enq: Lance Joel
Tel: (012) 369- 8000
Fax: (012) 369 8001
Cell: 0829083335
E-mail: ljoel@salga.org.za

SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION
SALGA
Inspiring service delivery

CIRCULAR 10 / 2026

FROM	:	**CHIEF EXECUTIVE OFFICER**
TO	:	**SALGA PROVINCIAL CHAIRPERSONS** **EXECUTIVE MAYORS / MAYORS** **SPEAKERS** **CHIEF WHIPS** **MUNICIPAL MANAGERS**
CC	:	**PROVINCIAL DIRECTOR OF OPERATIONS**
DATE	:	**23 FEBRUARY 2026**

DETERMINATION OF UPPER LIMITS OF SALARIES, ALLOWANCES AND BENEFITS OF COUNCILLORS

---

1. PURPOSE OF THE CIRCULAR

The purpose of this circular is to:

a) Notify municipalities on Notice on the Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils for the 2025/26 Financial Year;

b) Advise municipalities on the implementation of the Notice;

c) Highlight the key features of the Notice.

2. BACKGROUND AND CONTEXT

2.1 In terms of Section 219(1) and (5) of the Constitution, read with Section 8(4) of the Independent Commission for the Remuneration of Public Office Bearers (Commission Act), the Independent Commission for the Remuneration of Public Office Bearers ("the Commission") is mandated to make annual recommendations relating to the salaries and/or upper limits of the salaries, allowances, benefits and the resources (tools of trade) required by the Public Office Bearers (POBs) that will enable them to perform their duties effectively.

Further, Section 7 of the Remuneration of Public Office Bearers Act, 1998 empowers the Minister responsible for local government to determine the upper limits of salaries of different members of Municipal Councils by notice in the gazette after consultation with the Member of Executive Council (MECs) responsible for local government in each province and after, inter alia, taking into consideration the recommendations of the Commission.

The Commission is at the final phase of completing its major review of the remuneration of POBs. It is considered that implementation of the entire structural change is not possible in the current economic climate and fiscal constraints. These will require prior consideration by the National Treasury and acceptance of the recommendations by the President.

2.2 KEY FEATURES OF THE NOTICE

Amongst the provisions of the Notice are the following:
1. A sitting allowance of R 1,296.31 per day;
2. Executive Mayors, Mayors, Deputy Executive Mayors, Deputy Mayors, Speakers, and Whips are entitled to two bodyguards per shift of two. Deviation from the norm must only be based on the recommendations of the South African Police Service. All other councillors are subject to a threat risk analysis conducted by the South African Police Service;
3. The retainment of the cellphone allowance not exceeding R3600 per month;
4. The retainment of the mobile data bundles not exceeding R317 per month;
5. **Capacity building programmes** provide for training courses or programmes as provided for in the education, training and development policy of the council, including training conducted by national departments, associated government agencies and SETAs, provincial departments, municipalities and organised local government through institutions of higher learning and Further Education and Training Colleges. Every council must develop and adopt a policy to provide for the education, training and development of councillors. The council must make provision in its budget for the education, training and development of councillors, which must remain valid for the tenure of office of that council. In the provision thereto, municipalities must exercise financial prudence.
6. The total population is based on the official statistics of the population residing in the area of jurisdiction of a metropolitan, district or local municipality as determined by the Statistician-General for the 2022 Census.
7. The **special risk insurance** on residential property is limited to R1,5 million while on vehicles it is limited to R750,000. The life and disability insurance cover is limited to 2 times the total remuneration package of a councillor.

3. IMPLEMENTATION

3.1 Municipal Managers should note that the Upper Limits Notice **MAY NOT BE IMPLEMENTED** before respective municipal councils have considered a report on the upper limits and have resolved the levels of remuneration which will apply in that municipality. This consideration must occur concerning the financial year (in this instance 2025/ 26) within which the payments will have to be made, and the affordability thereof for municipalities. This implies that the budget for the year in question must reflect the liability to pay the level of remuneration determined by the council and this must in turn be cash-funded.

Furthermore, before implementation, it is necessary for a council to consult and **obtain concurrence** from the MEC responsible for Local Government in the Province, motivating the affordability and demonstrating that the liability has been budgeted for. Failure to follow these steps will result in **AN ADVERSE AUDIT OPINION** being expressed by the Auditor General.

3.2 It will be necessary for councils to **apply the formula** contained in paragraphs 2, 3 and 4 of the gazette, **to determine the grade of the Municipality**. It should be noted that this formula applies to Local, District and Metropolitan Municipalities.

3.3 The upper limits of the annual total remuneration package of various categories of full-time and part-time Councillors are contained in paragraphs 5 and 8 respectively of the gazette. It should be noted that the amount contained under *"total remuneration"* requires that **every Councillor who elects to include the motor vehicle allowance in his or her salary structure must specifically provide for it.** If a councillor structures his or her total remuneration package to provide for motor vehicle allowance, the councillor must submit proof of ownership of a private motor vehicle.

In providing for the travelling allowance Councillors attention should be drawn to the reality that this allowance is granted to cover costs incurred on travelling for official business, which excludes travel between the place of residence and ordinary place of work. Although fully taxable on assessment, only 80% of the allowance is subject to the deduction of PAYE. Again, this does not mean that only 80% is taxable. The full allowance remains taxable and any unspent portion will be included in a Councillor's taxable income and a Councillor would be required to account to the South African Revenue Service (SARS) for the use of such an allowance. Councillors who **DO NOT HAVE MOTOR VEHICLES** and/or who are likely to have difficulties accounting to SARS for this allowance are advised **NOT TO INCLUDE THE TRAVEL ALLOWANCE IN THE SALARY STRUCTURE.**

3.4 It should be clarified that the total remuneration package **INCLUDES** the travel allowance, housing allowance, municipal contribution to the pension fund and municipal contribution to the medical aid scheme. The allowances that are provided for in the notice and applicable for councillors form the total remuneration package. **No** additional contribution must be made by the municipality.

3.5 Additionally, over and above the annual total remuneration package provided for in terms of items 5 and 8 respectively, councillors may be paid a cell phone allowance not exceeding R3,600.00 per month mobile and mobile data not exceeding R317.00 per month, in accordance with the applicable municipal council policy.

3.6 Municipalities must take out the special risk insurance, insurance on residential property is limited to R1,5 million while on vehicles it is limited to R750,000. The life and disability insurance cover is limited to 2 times the total remuneration package of a councillor. A councillor is **obliged** to submit to the municipality details of property, assets and beneficiaries to be covered by the special risk insurance upon request. A councillor **who fails to submit** the required details referred to herein **forfeits the benefits** associated with the special risk insurance cover.

3.7 The notice necessitates that municipalities develop the following policies to give effect and assist in the implementation of the provisions of the notice:
- Policy on capacity building;
- Travel policy;
- Policy on out-of-pocket expenses; and
- Tools of trade policy.

3.8 **Overpayment-** it should be taken into account that any remuneration paid to a councillor of a municipality other than in accordance with section 167(1) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 53 of 2003) including any bonus, bursary, loan, advance or other benefit, is an irregular expenditure and a municipality must recover that remuneration from the councillor concerned.

Any questions regarding the the above should be directed to Provincial Executive Officers of SALGA at provincial offices or to **Lance Joel** (ljoel@salga.org.za) [(012) 369- 8000 / 082 908 3335] or **Mr Michael Chauke at** SALGA National Office **(mchauke@salga.org.za) [(012) 369-8000 / 076 061 7598)**

Yours faithfully,

SITHOLE MBANGA
CHIEF EXECUTIVE OFFICER