



**NATIONAL TREASURY  
REPUBLIC OF SOUTH AFRICA**

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TO ALL –

ACCOUNTING OFFICERS OF CONSTITUTIONAL INSTITUTIONS, AND NATIONAL AND PROVINCIAL DEPARTMENTS, HEADS OF PROVINCIAL TREASURIES AND ACCOUNTING AUTHORITIES OF PUBLIC ENTITIES

**2017 ADJUSTMENT OF THE REMUNERATION LEVELS: SERVICE BENEFIT PACKAGES FOR OFFICE-BEARERS OF CERTAIN STATUTORY AND OTHER INSTITUTIONS**


1. The Minister of Finance has approved a 5.5 per cent cost-of-living adjustment to the relevant category levels as indicated in Annexure A with effect from 1 April 2017.
2. The approval provides for an all-inclusive flexible remuneration package (inclusive of service benefits) for all relevant category levels. Full-time members' remuneration packages must be structured in accordance with the principles of the *Senior Management Service (SMS)*<sup>1</sup>. In structuring the packages, office-bearers should make due provision for pension and medical aid and must also ensure that taxation rules governing the structuring of salary packages are complied with. The indicated rates are sitting fees and exclusive of payments in respect of preparation, research and travelling (to and from meeting venues) time. The rate per day is the maximum allowable remuneration in any 24-hour day irrespective of the number of boards/councils and/or committees non-official members serve on.
3. The relevant executive authorities also need to approve an increase in the remuneration of office-bearers. These authorities therefore need to ensure that the increased remuneration is affordable, before granting such approval. The extent to which the authorities wish to apply the adjusted remuneration should be based on the evaluation of work done by the office-bearers of the relevant institution.
4. Due to the recent tax legislation amendments, the South African Revenue Service (SARS) has confirmed the interpretation of the VAT law that requires non-executive directors (NEDs) of companies to register for and charge VAT in respect of any directors fees earned for services rendered as a non-executive director. **Kindly note that the above rates are VAT inclusive.**

The value of the fees must, however, exceed the compulsory VAT registration threshold of R1 million in any 12-month consecutive period but NEDs can voluntarily register for VAT as well. <sup>2</sup>

<sup>1</sup> The SMS handbook is compiled by and available from the Department of Public Service and Administration.

<sup>2</sup> Further details on the remuneration of Non-executive Directors is available on <http://www.sars.gov.za/Media/MediaReleases/Pages/14-February-2017--Non-Executive-Directors-of-Companies-must-register-for-VAT.aspx>.

5. Funds for inflation-related increases in expenditure and salary adjustments for 2017/18 have been made available in the MTEF and were allocated to departments and public entities. Any additional expenditure that could arise by implementing this approval must be defrayed from departments'/public entities'/institutions' existing budget allocations.
6. *Employees of National, Provincial and Local Government or Institutions, Agencies and Entities of Government serving as office-bearers on Public Entities/Institutions are not entitled to additional remuneration.*

 G H MANACK

GOOLAM MANACK  
(CHIEF DIRECTOR: PUBLIC ENTITIES GOVERNANCE UNIT)  
for DIRECTOR-GENERAL: NATIONAL TREASURY  
DATE 27/11/2017

## CONVERSION KEY: WITH EFFECT FROM 1 APRIL 2017

Category, sub-category and official designation	2016/17 remuneration					2017/18 remuneration				
	Comparative full-time p.a.	Part-time				Comparative full-time p.a.	Part-time			
		Meeting fee per:		Board fee per annum			Meeting fee per:		Board fee per annum	
		day	hour	5%	8%		day	hour	5%	8%
<b>CATEGORY S</b>										
Chairperson	1 256 371	4 986	623	62 819	100 510	1 325 472	5 260	657	66 274	106 038
Vice-chairperson	1 066 262	4 231	529	53 313	85 301	1 124 907	4 464	558	56 245	89 993
Member	977 407	3 879	485	48 870	78 193	1 031 165	4 092	511	51 558	82 493
<b>CATEGORY A</b>										
<b>Sub-category A1</b>										
Chairperson	1 184 047	4 699	587	59 202	94 724	1 249 170	4 957	620	62 458	99 934
Vice-chairperson	1 006 337	3 993	499	50 317	80 507	1 061 685	4 213	527	53 084	84 935
Member	880 286	3 493	437	44 014	70 423	928 702	3 685	461	46 435	74 296
<b>Sub-category A2</b>										
Chairperson	1 051 798	4 174	522	52 590	84 144	1 109 646	4 403	550	55 482	88 772
Vice-chairperson	892 685	3 542	443	44 634	71 415	941 782	3 737	467	47 089	75 343
Member	830 693	3 296	412	41 535	66 455	876 381	3 478	435	43 819	70 110
<b>CATEGORY B</b>										
<b>Sub-category B1</b>										
Chairperson	977 407	3 879	485	48 870	78 193	1 031 165	4 092	511	51 558	82 493
Vice-chairperson	855 490	3 395	424	42 774	68 439	902 542	3 582	448	45 127	72 203
Member	593 057	2 353	294	29 653	47 445	625 675	2 483	310	31 284	50 054
<b>Sub-category B2</b>										
Chairperson	880 286	3 493	437	44 014	70 423	928 702	3 685	461	46 435	74 296
Vice-chairperson	619 920	2 460	308	30 996	49 594	654 016	2 595	324	32 701	52 321
Member	539 330	2 140	268	26 967	43 146	568 994	2 258	282	28 450	45 519
<b>CATEGORY C</b>										
<b>Sub-category C1</b>										
Chairperson	830 693	3 296	412	41 535	66 455	876 381	3 478	435	43 819	70 110
Vice-chairperson	562 061	2 230	279	28 103	44 965	592 974	2 353	294	29 649	47 438
Member	475 272	1 886	236	23 764	38 022	501 412	1 990	249	25 071	40 113
<b>Sub-category C2</b>										
Chairperson	593 057	2 353	294	29 653	47 445	625 675	2 483	310	31 284	50 054
Vice-chairperson	506 268	2 009	251	25 313	40 501	534 113	2 119	265	26 706	42 729
Member	448 409	1 779	222	22 420	35 873	473 071	1 877	235	23 654	37 846

## CONVERSION KEY: WITH EFFECT FROM 1 APRIL 2017

Category, sub-category and official designation	2016/17 remuneration					2017/18 remuneration				
	Comparative full-time p.a.	Part-time				Comparative full-time p.a.	Part-time			
		Meeting fee per:		Board fee per annum			Meeting fee per:		Board fee per annum	
		day	hour	5%	8%		day	hour	5%	8%

### CATEGORY D

#### Sub-category D1

Chairperson	<b>475 272</b>	1 886	236	23 764	38 022	<b>501 412</b>	1 990	249	25 071	40 113
Vice-chairperson	<b>431 878</b>	1 714	214	21 594	34 550	<b>455 631</b>	1 808	226	22 782	36 450
Member	<b>392 616</b>	1 558	195	19 631	31 409	<b>414 210</b>	1 644	205	20 710	33 137

#### Sub-category D2

Chairperson	<b>448 409</b>	1 779	222	22 420	35 873	<b>473 071</b>	1 877	235	23 654	37 846
Vice-chairperson	<b>402 948</b>	1 599	200	20 147	32 236	<b>425 110</b>	1 687	211	21 256	34 009
Member	<b>376 085</b>	1 492	187	18 804	30 087	<b>396 769</b>	1 574	197	19 838	31 742

### CATEGORY E

#### Sub-category E1

Chairperson	<b>386 417</b>	1 533	192	19 321	30 913	<b>407 670</b>	1 618	202	20 383	32 614
Vice-chairperson	<b>353 354</b>	1 402	175	17 668	28 268	<b>372 789</b>	1 479	185	18 639	29 823
Member	<b>322 358</b>	1 279	160	16 118	25 789	<b>340 088</b>	1 350	169	17 004	27 207

#### Sub-category E2

Chairperson	<b>365 753</b>	1 451	181	18 288	29 260	<b>385 869</b>	1 531	191	19 293	30 870
Vice-chairperson	<b>330 624</b>	1 312	164	16 531	26 450	<b>348 808</b>	1 384	173	17 440	27 905
Member	<b>293 429</b>	1 164	146	14 671	23 474	<b>309 567</b>	1 228	154	15 478	24 765