



**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

2018 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 cost-of-living adjustment of between 5,5 (*categories S to B2*) and 6,0 (*categories C1 to E2*) per cent as indicated in Annexure A with effect from 1 April 2018.
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)*¹. 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. Current VAT law requires non-executive directors (NEDs) of companies to register for and charge VAT in respect of any director's 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.²
5. Funds for inflation-related increases in expenditure and salary adjustments for 2018/19 have been made available in the MTEF and were allocated to departments and public

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

² 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>.

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.*



Goolam Manack

GOOLAM MANACK
(CHIEF DIRECTOR: PUBLIC ENTITIES GOVERNANCE UNIT)
for DIRECTOR-GENERAL: NATIONAL TREASURY
DATE 26/9/2018

CONVERSION KEY: WITH EFFECT FROM 1 APRIL 2018

| Category, sub-category and official designation | 2017/18 remuneration | | | | | 2018/19 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 S | | | | | | | | | | |
| Chairperson | 1 325 472 | 5 260 | 657 | 66 274 | 106 038 | 1 398 373 | 5 549 | 694 | 69 919 | 111 870 |
| Vice-chairperson | 1 124 907 | 4 464 | 558 | 56 245 | 89 993 | 1 186 777 | 4 709 | 589 | 59 339 | 94 942 |
| Member | 1 031 165 | 4 092 | 511 | 51 558 | 82 493 | 1 087 879 | 4 317 | 540 | 54 394 | 87 030 |
| CATEGORY A | | | | | | | | | | |
| Sub-category A1 | | | | | | | | | | |
| Chairperson | 1 249 170 | 4 957 | 620 | 62 458 | 99 934 | 1 317 874 | 5 230 | 654 | 65 894 | 105 430 |
| Vice-chairperson | 1 061 685 | 4 213 | 527 | 53 084 | 84 935 | 1 120 078 | 4 445 | 556 | 56 004 | 89 606 |
| Member | 928 702 | 3 685 | 461 | 46 435 | 74 296 | 979 781 | 3 888 | 486 | 48 989 | 78 382 |
| Sub-category A2 | | | | | | | | | | |
| Chairperson | 1 109 646 | 4 403 | 550 | 55 482 | 88 772 | 1 170 677 | 4 646 | 581 | 58 534 | 93 654 |
| Vice-chairperson | 941 782 | 3 737 | 467 | 47 089 | 75 343 | 993 580 | 3 943 | 493 | 49 679 | 79 486 |
| Member | 876 381 | 3 478 | 435 | 43 819 | 70 110 | 924 582 | 3 669 | 459 | 46 229 | 73 967 |
| CATEGORY B | | | | | | | | | | |
| Sub-category B1 | | | | | | | | | | |
| Chairperson | 1 031 165 | 4 092 | 511 | 51 558 | 82 493 | 1 087 879 | 4 317 | 540 | 54 394 | 87 030 |
| Vice-chairperson | 902 542 | 3 582 | 448 | 45 127 | 72 203 | 952 181 | 3 778 | 472 | 47 609 | 76 175 |
| Member | 625 675 | 2 483 | 310 | 31 284 | 50 054 | 660 087 | 2 619 | 327 | 33 004 | 52 807 |
| Sub-category B2 | | | | | | | | | | |
| Chairperson | 928 702 | 3 685 | 461 | 46 435 | 74 296 | 979 781 | 3 888 | 486 | 48 989 | 78 382 |
| Vice-chairperson | 654 016 | 2 595 | 324 | 32 701 | 52 321 | 689 986 | 2 738 | 342 | 34 499 | 55 199 |
| Member | 568 994 | 2 258 | 282 | 28 450 | 45 519 | 600 288 | 2 382 | 298 | 30 014 | 48 023 |
| CATEGORY C | | | | | | | | | | |
| Sub-category C1 | | | | | | | | | | |
| Chairperson | 876 381 | 3 478 | 435 | 43 819 | 70 110 | 928 964 | 3 686 | 461 | 46 448 | 74 317 |
| Vice-chairperson | 592 974 | 2 353 | 294 | 29 649 | 47 438 | 628 553 | 2 494 | 312 | 31 428 | 50 284 |
| Member | 501 412 | 1 990 | 249 | 25 071 | 40 113 | 531 497 | 2 109 | 264 | 26 575 | 42 520 |
| Sub-category C2 | | | | | | | | | | |
| Chairperson | 625 675 | 2 483 | 310 | 31 284 | 50 054 | 663 215 | 2 632 | 329 | 33 161 | 53 057 |
| Vice-chairperson | 534 113 | 2 119 | 265 | 26 706 | 42 729 | 566 160 | 2 247 | 281 | 28 308 | 45 293 |
| Member | 473 071 | 1 877 | 235 | 23 654 | 37 846 | 501 456 | 1 990 | 249 | 25 073 | 40 116 |

CONVERSION KEY: WITH EFFECT FROM 1 APRIL 2018

| Category, sub-category and official designation | 2017/18 remuneration | | | | | 2018/19 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 | 501 412 | 1 990 | 249 | 25 071 | 40 113 | 531 497 | 2 109 | 264 | 26 575 | 42 520 |
| Vice-chairperson | 455 631 | 1 808 | 226 | 22 782 | 36 450 | 482 969 | 1 917 | 240 | 24 148 | 38 637 |
| Member | 414 210 | 1 644 | 205 | 20 710 | 33 137 | 439 062 | 1 742 | 218 | 21 953 | 35 125 |
| Sub-category D2 | | | | | | | | | | |
| Chairperson | 473 071 | 1 877 | 235 | 23 654 | 37 846 | 501 456 | 1 990 | 249 | 25 073 | 40 116 |
| Vice-chairperson | 425 110 | 1 687 | 211 | 21 256 | 34 009 | 450 617 | 1 788 | 224 | 22 531 | 36 049 |
| Member | 396 769 | 1 574 | 197 | 19 838 | 31 742 | 420 576 | 1 669 | 209 | 21 029 | 33 646 |
| CATEGORY E | | | | | | | | | | |
| Sub-category E1 | | | | | | | | | | |
| Chairperson | 407 670 | 1 618 | 202 | 20 383 | 32 614 | 432 130 | 1 715 | 214 | 21 606 | 34 570 |
| Vice-chairperson | 372 789 | 1 479 | 185 | 18 639 | 29 823 | 395 156 | 1 568 | 196 | 19 758 | 31 612 |
| Member | 340 088 | 1 350 | 169 | 17 004 | 27 207 | 360 493 | 1 431 | 179 | 18 025 | 28 839 |
| Sub-category E2 | | | | | | | | | | |
| Chairperson | 385 869 | 1 531 | 191 | 19 293 | 30 870 | 409 021 | 1 623 | 203 | 20 451 | 32 722 |
| Vice-chairperson | 348 808 | 1 384 | 173 | 17 440 | 27 905 | 369 737 | 1 467 | 183 | 18 487 | 29 579 |
| Member | 309 567 | 1 228 | 154 | 15 478 | 24 765 | 328 141 | 1 302 | 163 | 16 407 | 26 251 |