



**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

2019 REMUNERATION LEVELS: SERVICE BENEFIT PACKAGES FOR OFFICE-BEARERS OF CERTAIN STATUTORY AND OTHER INSTITUTIONS


1. The Minister of Finance has declined an amendment to the service benefit packages for office-bearers of certain statutory and other institutions. The rates as indicated in Annexure A remain valid with effect from 1 April 2018.
2. The relevant category levels provide for all-inclusive flexible remuneration packages (inclusive of service benefits). 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 need to ensure that the remuneration is affordable within the current MTEF budget framework. The extent to which the authorities wish to apply the remuneration should be based on the evaluation of work done by the office-bearers of the relevant institution. All expenditure must be defrayed from institutions'/ departments'/ public entities' existing budget allocations.
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

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>.

5. *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 30/8/2019

RATES EFFECTIVE FROM 1 APRIL 2019

Category, sub-category and official designation	2019/20 remuneration				
	Comparative full-time p.a.	Part-time			
		Meeting fee per:		Board fee per annum	
		day	hour	5%	8%
CATEGORY S					
Chairperson	1 398 373	5 549	694	69 919	111 870
Vice-chairperson	1 186 777	4 709	589	59 339	94 942
Member	1 087 879	4 317	540	54 394	87 030

CATEGORY A					
Sub-category A1					
Chairperson	1 317 874	5 230	654	65 894	105 430
Vice-chairperson	1 120 078	4 445	556	56 004	89 606
Member	979 781	3 888	486	48 989	78 382
Sub-category A2					
Chairperson	1 170 677	4 646	581	58 534	93 654
Vice-chairperson	993 580	3 943	493	49 679	79 486
Member	924 582	3 669	459	46 229	73 967

CATEGORY B					
Sub-category B1					
Chairperson	1 087 879	4 317	540	54 394	87 030
Vice-chairperson	952 181	3 778	472	47 609	76 175
Member	660 087	2 619	327	33 004	52 807
Sub-category B2					
Chairperson	979 781	3 888	486	48 989	78 382
Vice-chairperson	689 986	2 738	342	34 499	55 199
Member	600 288	2 382	298	30 014	48 023

CATEGORY C					
Sub-category C1					
Chairperson	928 964	3 686	461	46 448	74 317
Vice-chairperson	628 553	2 494	312	31 428	50 284
Member	531 497	2 109	264	26 575	42 520
Sub-category C2					
Chairperson	663 215	2 632	329	33 161	53 057
Vice-chairperson	566 160	2 247	281	28 308	45 293
Member	501 456	1 990	249	25 073	40 116

RATES EFFECTIVE FROM 1 APRIL 2019

<u>Category, sub-category and official designation</u>	<u>2019/20 remuneration</u>				
	Comparative full-time p.a.	Part-time			
		Meeting fee per:		Board fee per annum	
		day	hour	5%	8%
CATEGORY D					
Sub-category D1					
Chairperson	531 497	2 109	264	26 575	42 520
Vice-chairperson	482 969	1 917	240	24 148	38 637
Member	439 062	1 742	218	21 953	35 125
Sub-category D2					
Chairperson	501 456	1 990	249	25 073	40 116
Vice-chairperson	450 617	1 788	224	22 531	36 049
Member	420 576	1 669	209	21 029	33 646
CATEGORY E					
Sub-category E1					
Chairperson	432 130	1 715	214	21 606	34 570
Vice-chairperson	395 156	1 568	196	19 758	31 612
Member	360 493	1 431	179	18 025	28 839
Sub-category E2					
Chairperson	409 021	1 623	203	20 451	32 722
Vice-chairperson	369 737	1 467	183	18 487	29 579
Member	328 141	1 302	163	16 407	26 251