



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001 • 40 Church Square, PRETORIA, 0002 • Tel: +27 12 315 5111, Fax: +27 12 406 9055 • www.treasury.gov.za

FROM: Mr JC Krüger Ref: FP20-8/6/2/2/4/1/001 Tel: 012 315 5219 e-mail: Chris.Kruger@treasury.gov.za

TO ALL –

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

2022 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 3,0 per cent as indicated in Annexure A with effect from **1 April 2022**.
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 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 well².

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>.



**2022 REMUNERATION OF NON-OFFICIAL MEMBERS: COMMISSIONS & COMMITTEES OF INQUIRY,
AND AUDIT COMMITTEES**

5. Funds for inflation-related increases in expenditure and salary adjustments for 2022/23 have been made available in the MTEF and were allocated to departments, public entities and institutions. Any additional expenditure that could arise by implementing this approval must be defrayed from existing budget allocations of departments/public entities/institutions.
6. *Employees of organs of State 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 **12/01/2023**

2022 Cr - Rem Stat & Other Inst (3%)/2022/111ick



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ANNEXURE A (3,0%)

CONVERSION KEY: WITH EFFECT FROM 1 APRIL 2022

Category, sub-category and official designation	2018/19 remuneration					2022/23 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	1 398 373	5 549	694	69 919	111 870	1 440 324	5 716	714	72 016	115 226
Vice-chairperson	1 186 777	4 709	589	59 339	94 942	1 222 380	4 851	606	61 119	97 790
Member	1 087 879	4 317	540	54 394	87 030	1 120 515	4 446	556	56 026	89 641
CATEGORY A										
Sub-category A1										
Chairperson	1 317 874	5 230	654	65 894	105 430	1 357 410	5 387	673	67 871	108 593
Vice-chairperson	1 120 078	4 445	556	56 004	89 606	1 153 680	4 578	572	57 684	92 294
Member	979 781	3 888	486	48 989	78 382	1 009 173	4 005	501	50 459	80 734
Sub-category A2										
Chairperson	1 170 677	4 646	581	58 534	93 654	1 205 796	4 785	598	60 290	96 464
Vice-chairperson	993 580	3 943	493	49 679	79 679	1 023 387	4 061	508	51 169	81 871
Member	924 582	3 669	459	46 229	73 967	952 320	3 779	472	47 616	76 186
CATEGORY B										
Sub-category B1										
Chairperson	1 087 879	4 317	540	54 394	87 030	1 120 515	4 446	556	56 026	89 641
Vice-chairperson	952 181	3 778	472	47 609	76 175	980 745	3 892	486	49 037	78 460
Member	660 087	2 619	327	33 004	52 807	679 890	2 698	337	33 995	54 391
Sub-category B2										
Chairperson	979 781	3 888	486	48 989	78 382	1 009 173	4 005	501	50 459	80 734
Vice-chairperson	689 986	2 738	342	34 499	55 199	710 685	2 820	353	35 534	56 855
Member	600 288	2 382	298	30 014	48 023	618 297	2 454	307	30 915	49 464



2022 REMUNERATION OF NON-OFFICIAL MEMBERS: COMMISSIONS & COMMITTEES OF INQUIRY, AND AUDIT COMMITTEES

ANNEXURE A (3,0%)

CONVERSION KEY: WITH EFFECT FROM 1 APRIL 2022

Category, sub-category and official designation	2018/19 remuneration					2022/23 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 C										
Sub-category C1										
Chairperson	928 964	3 686	461	46 448	74 317	956 832	3 797	475	47 842	76 547
Vice-chairperson	628 553	2 494	312	31 428	50 284	647 409	2 569	321	32 370	51 793
Member	531 497	2 109	264	26 575	42 520	547 443	2 172	272	27 372	43 795
Sub-category C2										
Chairperson	663 215	2 632	329	33 161	53 057	683 112	2 711	339	34 156	54 649
Vice-chairperson	566 160	2 247	281	28 308	45 293	583 146	2 314	289	29 157	46 652
Member	501 456	1 990	249	25 073	40 116	516 501	2 050	256	25 825	41 320
CATEGORY D										
Sub-category D1										
Chairperson	531 497	2 109	264	26 575	42 520	547 443	2 172	272	27 372	43 795
Vice-chairperson	482 969	1 917	240	24 148	38 637	497 457	1 974	247	24 873	39 797
Member	439 062	1 742	218	21 953	35 125	452 235	1 795	224	22 612	36 179
Sub-category D2										
Chairperson	501 456	1 990	249	25 073	40 116	516 501	2 050	256	25 825	41 320
Vice-chairperson	450 617	1 788	224	22 531	36 049	464 136	1 842	230	23 207	37 131
Member	420 576	1 669	209	21 029	33 646	433 194	1 719	215	21 660	34 656
CATEGORY E										
Sub-category E1										
Chairperson	432 130	1 715	214	21 606	34 570	445 095	1 766	221	22 255	35 608
Vice-chairperson	395 156	1 568	196	19 758	31 612	407 010	1 615	202	20 351	32 561
Member	360 493	1 431	179	18 025	28 839	371 307	1 473	184	18 565	29 705
Sub-category E2										
Chairperson	409 021	1 623	203	20 451	32 722	421 293	1 672	209	21 065	33 703
Vice-chairperson	369 737	1 467	183	18 487	29 579	380 829	1 511	189	19 041	30 466
Member	328 141	1 302	163	16 407	26 251	337 986	1 341	168	16 899	27 039

Nkwenkwe wa Tikro - (Swamilafo Mafutsho - Nationala Treasurie - Defapita li Bontshaba la Matlho - ulNqungo w-eZimbal - Umko leTatimali uVelonkhe - Tipheki va Matlho e Boswettho - b. Tababekho va Matlho e Naha - UNqungo w-eZimbal - ite: telepho wa Mabontsho)