



SOUTH AFRICAN LOCAL GOVERNMENT BARGAINING COUNCIL

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23 March 2016

To All Municipal Managers

The Parties:

SALGA	Mr. X George	(012) 369-8001
SAMWU	Mr. S Mathe	086 542 7473
IMATU	Mr. J Koen	(012) 460-8444

And To Regional Secretaries:

Gauteng Division	Mrs. C Manda	(011) 394 6571
Eastern Cape Division	Mr.M.Bodlani	(041) 581-3648
KwaZulu-Natal Division	Mr.V.Nzuza	(031) 201 9752
Western Cape Division	Mrs. W Brink	(021) 917 1145
Northern Cape/Free State Division	Mr. T Mqobongo	(053) 831-3608
North West/Mpumalanga/Limpopo Division	Ms. M Nduli	(012) 342-7015

Dear Sir/Madam

CIRCULAR NO.: 01/2016 SALARY AND WAGE INCREASE FOR THE PERIOD 1 JULY 2016 TO 30 JUNE 2017

SALGA and the trade unions(IMATU and SAMWU), in implementing and applying the multi-year Salary and Wage Collective Agreement, dated 25 August 2015 , have agreed as follows:

1. The **salary increase**, in terms of clauses 6.2 and 6.3 of the Collective Agreement shall be six percent (6 %), with effect from 1 July 2016.
2. Any benefit or conditions of service as stipulated in clause 6. 6 of the Collective Agreement shall increase by the same rate of 6 %.
3. The **Minimum Wage** as stipulated in clause 7.2 of the Collective Agreement shall increase by the same rate of 6%. The new minimum wage shall be Six Thousand Three Hundred and Seventy Five Rand comma Eighty Three Cents (R6375,83), with effect from 1 July 2016.
4. In respect of the **medical aid subsidy**, the maximum employer contribution to an employee's accredited medical scheme as set out in clause 8.1.1 of the Collective Agreement shall remain unchanged at R3 871.00. However, the medical aid subsidy of employees receiving an employer contribution of less than R3 871.00 shall, in terms of clause 8.1.2 of the Collective

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Agreement and with effect from 01 July 2016, increase by 3%, provided that such increase shall not exceed the maximum employer contribution of R3 871.00.

5. The flat rate Home Owners Allowance, in terms of clause 10.1.1.2 of the Collective Agreement, increases by 6% to R 742. 00, with effect from 1 July 2016.

The following figures, from STATS S.A, are used to calculate the salary and related increases:

Feb 2015	March 2015	April 2015	May 2015	June 2015	July 2015	Aug 2015	Sept 2015	Oct 2015	Nov 2015	Dec 2015	Jan 2016	Annual total
3.90	4.00	4.50	4.60	4.70	5.00	4.60	4.60	4.70	4.80	5.20	6.20	56.80

Total CPI for 12 months = 56.80% Divided by 12 Months
Average CPI = 4.73% (deemed to be 5%)

Salary Increase = 5% plus 1, 00 %
= 6 %

Yours faithfully



Mr. S. S. Govender
GENERAL SECRETARY