



DRAKENSTEIN

MUNISIPALITEIT • MUNICIPALITY • UMASIPALA

Paarl | Wellington | Gouda | Saron | Simondium

Benefits Policy

Date of Approval/Review by Council	Implementation Date
27 May 2026	1 July 2026

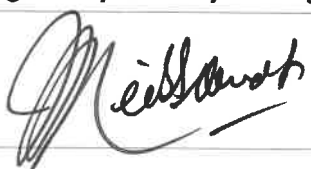
Signed by the City Manager	Signature Date
	27 May 2026

TABLE OF CONTENTS

1. PURPOSE	3
2. LEGAL FRAMEWORK	3
3. SCOPE.....	3
4. DEFINITIONS.....	3
5. ACRONYMS	4
6. MEDICAL AID CONDITIONS	4
7. PENSION FUND	5
8. LONG SERVICE RECOGNITION	6
9. MERITORIOUS SERVICE	6
10. GROUPLIFE	7
11. PENSION-BACKED HOME LOANS	7
12. ESSENTIAL VEHICLE USER SCHEME	7
13. HOUSING ALLOWANCE	8
14. MONTHLY SALARY PAYMENT DATE.....	8
15. ANNUAL INCREASE	8
16. NOTCH INCREASE	8
17. NEGOTIATIONS OF REMUNERATION	9
18. BONUS PAYMENTS THIRTEENTH (13 TH) CHEQUE.....	9
19. PERMANENT EMPLOYEES APPOINTED ON TOTAL COST TO COMPANY.....	10
20. PROMOTIONS.....	10
21. WITHDRAWAL OF RESIGNATION- OR EARLY RETIREMENT DATE	11
22. EXCEPTIONS	11
23. ROLES AND RESPONSIBILITIES OF HUMAN RESOURCES	11
24. ROLES AND RESPONSIBILITIES OF PAYROLL	12
25. ROLES AND RESPONSIBILITIES OF DEPARTMENTS.....	12
26. IMPLEMENTATION AND MONITORING.....	12
27. COMMUNICATION.....	12
28. RECORD KEEPING	13
29. DISPUTE RESOLUTION.....	13

1. PURPOSE

The purpose of this document is to give guidelines on municipal personnel benefits.

2. LEGAL FRAMEWORK

This guideline framework obtains its legal and general mandate from the following, include, but not limited to:

- 2.1 The SALGBC Main Collective Agreement;
- 2.2 The Accredited Medical Scheme rules;
- 2.3 The Essential Vehicle Allowance Policy;
- 2.3 The Recruitment and Selection Policy;
- 2.4 The Salary and Wage Collective Agreement;
- 2.5 The Pension Fund Rules;
- 2.6 The Western Cape Conditions of Service Agreement;
- 2.7 The Collective Agreement on Conditions of Service for the Western Cape Region of the SALGBC;
- 2.8 The Basic Conditions of Employment Act of 1998;
- 2.9 The Labour Relations Act (Regulations) of 1995;
- 2.10 The Local Government Municipal Systems Act 32 of 2000;
- 2.11 The Employment Equity Act of 1998; and
- 2.12 The Cost Containment Regulations.

3. SCOPE

- 3.1 This document applies to all permanent employees and to pensioners only where mentioned; and
- 3.2 This document excludes temporary employees and Section 56/57 employees.

4. DEFINITIONS

4.1	Accredited Schemes	Means a scheme approved annually by SALGA as a Medical Scheme to which officials may belong.
4.2	Life Partner	Means a life partner is considered as a permanent life-long relationship of not less than 2 consecutive years.
4.3	Spouse	Means a legally/lawfully married individual

5. ACRONYMS

5.1	LAH	LA Health
5.2	BON	Bonitas
5.3	KEYH	Keyhealth
5.4	Samwumed	Samwumed
5.5	CRF	Consolidated Retirement Fund
5.6	LARF	LA Retirement Fund
5.7	NFMW	National Fund for Municipal Workers
5.8	MWRF	Municipal Workers Retirement Fund
5.9	SALA	South African Local Authority
5.10	Section 56/57	Refers to Executive Director and City Manager

6. MEDICAL AID CONDITIONS

6.1 Medical aid (active permanent members)

6.1.1 The Employer shall contribute sixty percent (60%) of the monthly membership contribution of the medical aid schemes, and the employees contribute forty percent (40%), unless otherwise stated in applicable legislation;

6.1.2 Dependants will remain as dependants subject to the conditions of the respective medical aid schemes;

6.1.3 Membership to an accredited medical aid scheme is not an automatic benefit but shall be applied for and accompanied by relevant documentation; and

6.1.4 The benefit will be implemented upon approval of membership received from the respective medical aid scheme.

6.2 Medical aid (pensioners)

As prescribed in the Post-Retirement Medical Aid Policy.

6.3 Membership of dependants of the Principal Member

6.3.1 A life partner of a principal member will be entitled to the medical aid benefit while the principal member is still in service and belonging to

an accredited medical aid scheme, but subject to the provision of all of the below-mentioned information, namely:

- 6.3.1.1 An affidavit, each from the life partner and from the principal member, declaring that their relationship is a permanent life partnership in which they each undertook reciprocal duties of support;
- 6.3.1.2 An affidavit, each from the life partner and from the principal member declaring the period of their permanent life partnership. Only a permanent life partnership of two (2) years or more will be entitled to the benefit;
 - 6.3.1.2.1 An affidavit from a family member of each of the life partners declaring their life partner relationship;
- 6.3.1.3 A bank statement or municipal account confirming the joint residential address of the life partner and principal member; and
- 6.3.1.4 Proof of membership from the accredited medical aid scheme that the life partner is registered as a spouse dependant.

6.3.2 A spouse of a principal member married through customary marriage, will be entitled to the medical aid benefit while the principal member is still in service and belonging to an accredited medical aid scheme, subject to the provision of all the below-mentioned information, namely:

- 6.3.2.1 Proof of membership from the accredited medical aid scheme that the spouse is registered as a spouse dependant; and
- 6.3.2.2 A certified marriage certificate declaring the customary marriage signed by the officiating parties.

6.4 Only accredited medical aid schemes will be subsidized.

7. PENSION FUND

- 7.1 All newly appointed employees must belong a pension fund and will be informed at induction;
- 7.2 It is compulsory for beneficiary nomination forms to be completed:
 - 7.2.1 It is important for nomination forms to be updated when there is a need; and
 - 7.2.2 Employees are encouraged to keep record of their nomination forms submitted.
- 7.3 Employees must complete their own nomination forms and may request the Benefits Section to complete only if written consent is given;

- 7.4 Roadshows on pension related matters will be conducted annually and/or when there is a need;
- 7.5 New membership applications for all newly appointed/existing councillors will be dealt with by the HR Officer: Benefits, as delegated, and checked by the Senior HR Officer;
- 7.6 Employees who do not join a pension fund within three (3) months of employment will automatically be placed on a pension fund scheme as allocated below:

Task level of employee	Pension Fund Scheme
T3 – T5	Municipal Workers Retirement Fund
T6 – T8	Sala Pension Fund
T9 – T10	LA Retirement Fund
T11 – T12	National Fund for Municipal Workers
T13 – T17	Consolidated Retirement Fund

- 7.7 Normal retirement age is sixty-five (65) years; and
- 7.8 Employees who wish to go on early retirement can consult with the Benefits Section.

8. LONG SERVICE RECOGNITION

As prescribed in the Collective Agreement on Condition of Service of the Western Cape

9. MERITORIOUS SERVICE

- 9.1 For employees rendering twenty (20) consecutive year and more loyal meritorious services, at date of exiting Council' service, the employer will arrange payment of monies as indicated below:

- 9.1.1 For 20 years to 22 years an amount of R2 000,00;
- 9.1.2 For 23 years to 25 years an amount of R3 000,00;
- 9.1.3 For 26 years to 29 years an amount of R4 000,00; and
- 9.1.4 For 30 years and more an amount of R5 000,00.

- 9.2 The amounts in 9.1 will not be affected by the annual salary increase.

10. GROUPLIFE

- 10.1 Council provides grouplife cover for death and disability to all employees, excluding short-term temporary appointments:
- 10.2.1 Council pays for the full premium for the death and disability cover;

- 10.2.2 Employees have an option to elect additional cover; and
- 10.2.3 Employees will bear the cost of paying for their additional cover.

- 10.2 In addition, employees have an option to elect additional cover for their spouse;
- 10.3 Employees should first consult with the Benefits Section when opting to take additional cover, either for themselves and/or for their spouse; and
- 10.4 The employee is responsible to pay the premium for additional spouse cover.

11. PENSION BACKED LOANS/MORTGAGE HOME LOANS

- 11.1 Consideration will only be given for categories as stipulated by the relevant appointed institutions;
- 11.2 All relevant documents as prescribed by the relevant institutions to accompany the completed application form;
- 11.3 The employee must complete his/her own application form, unless otherwise stated on the form where sections need to be completed by the employer; and
- 11.4 An employee may be considered for a home-owners allowance when a house is purchased through a FNB pension backed home loan for the full purchase price of the house and the following supporting documents can be provided:
 - 11.4.1 From the banking institution a home bond statement which serves as confirmation that the employee has a registered home loan with the banking institution that financed the application;
 - 11.4.2 Proof of home address that the employee occupies for which the home allowance is applied for (municipal account); and
 - 11.4.3 Proof that the erf is registered on the applicant's name.

12. ESSENTIAL USER SCHEME

As prescribed in the Essential Vehicle Allowance Policy.

13. HOUSING ALLOWANCE

- 13.1 Consideration will only be given for a housing allowance when below information is submitted with the completed application form, namely:
 - 13.1.1 Proof of registration with the financial institution;
 - 13.1.2 Proof of address (municipal account);
 - 13.1.3 Proof of the lawyer's registration approval and/or deed of sale;

- 13.1.4 Confirmation that the employee is occupying the residence for which the home allowance is being applied for; and
 - 13.1.5 An affidavit confirming that the Principal member's spouse is not receiving a housing allowance from his/her Employer.
- 13.2 Housing allowances will only be processed when all required documentation is received;
- 13.3 Remuneration for housing allowance will only be implemented once approval is granted; and
- 13.4 Approved housing allowance will only be paid if the bond instalment is deducted from the employee's salary.

14. MONTHLY SALARY PAYMENT DATE

- 14.1 Employees will be remunerated on the 25th of each month, should the 25th fall over the weekend then employees will be remunerated on the Friday preceding the week before that; and
- 14.2 December Salary will be paid a week before Christmas, unless otherwise confirmed by the CFO.

15. ANNUAL INCREASE

The annual salary increase will be dealt with in accordance with the applicable South-African Local government Bargaining Council Collective Agreement.

16. NOTCH INCREASE

- 16.1 Notches of qualifying employees will be adjusted annually at the start of the financial year effective 01 July, subject to any collective agreement that may prescribe otherwise;
- 16.2 Employees will qualify for a notch increase if they have worked for the municipality for a continuous period of more than six months from date of appointment by 30 June. Clause 16.2 is detailed below:
 - 16.2.1 If a newly appointed employee commences duty on 1 January, he/she shall only receive a notch increase in July the following year; and
 - 16.2.2 If a permanent employee is successful in applying for an internal post and commences duty on 1 January, he/she will only receive a notch increase in July the following year.

17. NEGOTIATIONS OF REMUNERATION

- 17.1 Newly appointed staff will commence on the first notch of the basic salary of the applicable T-level;
- 17.2 Wage negotiations will only be considered when a candidate's current salary is higher than the first notch of the offered salary scale;
- 17.3 Wage negotiations will not be considered should the candidate earn more than his/her line manager; and
- 17.4 Employees who applied for higher positions and their current salary are higher than that of the new position, will be moved over with the new scale but will become "Personal to Incumbent".

18. BONUS PAYMENTS/THIRTEENTH (13TH) CHEQUE

- 18.1 To qualify for a 13th cheque, employees must have been in service of the employer for a consecutive period of twelve (12) months;
- 18.2 Employees who leave council's employment on retirement, death, resignation and incapacity due to ill health (medically boarded), will qualify for pro-rata bonus payment:
 - 18.2.1 Employees who exits council's employment due to dismissal will not qualify for a pro-rata bonus payment;
 - 18.2.2 Employees who are incarcerated and not dismissed only qualifies for pro-rata bonus calculated on the days the employee was at work;
- 18.3 If needed, too much unpaid leave may also lead to deduction from the employee's bonus, subject to the awareness and approval of the affected employee; and
- 18.4 Employees who have continuously worked for more than 30, 35, 40 and 45 years for the municipality will qualify for a 14th cheque as determined by the applicable Conditions of Employment of the Western Cape Collective Agreement from time to time;
- 18.5 Temporary employees are not eligible for a 13th cheque;
- 18.6 Long term contract employees appointed on total cost to company must make provision when structuring their package for an annual bonus which will be payable in their birth month annually for the duration of the contract;
- 18.7 The 13th cheque will be payable to the applicable employees as per the current arrangement during November, December and February each year; subject to any changes that may be required from time to time;

- 18.8 Employees who do not wish for their bonus tax to be payable at once when bonuses are paid, will be eligible to sign a bonus spread sheet annually, this spreadsheet is obtainable from the salary office; and
- 18.9 Should an employee (9.7) terminate his/her services before the bonus month, the bonus spread will be automatically refunded by means of tax reduction payments in his final salary.

19. PERMANENT EMPLOYEES APPOINTED ON TOTAL COST TO COMPANY

- 19.1 The annual increase for employees appointed on Total Cost to Company will be based on basic salary;
- 19.2 Total Cost to Company employees who are permanent will qualify for a salary notch increase;
- 19.3 A notch increase will be based on basic salary;
- 19.4 Salary increments will also be applicable to benefits as determined by the wage and salary agreement from time to time; and
- 19.5 No new employees will be appointed on Total Cost to Company.

20. PROMOTIONS

- 20.1 A staff member who is appointed in accordance with the terms of Recruitment and Selection to a post in a municipality that is higher in salary level or job grade than the one that he or she previously occupied in that municipality, is deemed to be promoted to that post; and
- 20.2 A staff member who is promoted does not forfeit his or her years of service and the benefit which accrued from those years of service.

21. WITHDRAWAL OF RESIGNATION- OR EARLY RETIREMENT DATE

- 21.1 Should an employee wish to withdraw his/her resignation or early retirement while still in service and serving the one-month notice period, the employee is to provide written request and a memorandum from the relevant Executive Director within ten (10) working days of the initial notification of resignation or early retirement date; and
- 21.2 The request must be supported by the Executive Director and approved by the City Manager.

22. EXCEPTIONS

Deviations to this policy may be approved by the City Manager upon recommendation from the Executive Director Corporate and Planning Services on good cause. However, any content of this policy covered by a Collective Agreement and/or Legislation shall not be deviated from.

23. ROLES AND RESPONSIBILITIES OF HUMAN RESOURCES

- 23.1 To keep all information strictly confidential;
- 23.2 To keep documentation safely stored for reporting and audit purposes;
- 23.3 Submit approved applications timeously to Payroll for payment and to relevant stakeholders for information purposes;
- 23.4 Where applicable, prepare documentation for tender processes such as for the Grouplife;
- 23.5 Ensure that all relevant remuneration documents are filed in a safe place;
- 23.6 Ensure that the required information is sent to salaries timeously;
- 23.7 Ensure that the annual increase calculations are populated and saved on Collaborator;
- 23.8 Ensure that salaries are populated as per TASK scales Wage and Salary Increase Collective Agreement;
- 23.9 Sections within Human Resources to internally communicate relevant information timeously; and
- 23.10 Maintain confidentiality.

24. ROLES AND RESPONSIBILITIES OF PAYROLL

- 24.1 Implement approved payment requests received from Human Resources;
- 24.2 Keeping updated records of payments requests for reporting and audit purposes;
- 24.3 Inform Human Resources of any anomalies;
- 24.4 Ensure that employees receive their remuneration on time on the date as agreed by Council;

- 24.5 Ensure that pay slips are available to employees within 48 hours after payment date;
- 24.6 Ensure that the relevant cost centres are in place before salary day;
- 24.7 Ensure that all relevant pay companies are created in the system and applicable employees reflect in the correct company; and
- 24.8 Maintain confidentiality.

25. ROLES AND RESPONSIBILITIES OF DEPARTMENTS

Responsible to inform Human Resources (Labour Relations, Leave Administration, Benefits, Recruitment and Selection) timeously on matters which may lead to an employee receiving a full salary/bonus for which he/she is not entitled to such as employees who are incarcerated, unauthorised absence of employees for longer than ten (10) consecutive days, formal notification of employees' resignation and retirement requests.

26. IMPLEMENTATION AND MONITORING

This policy will be monitored and effective from date of Council approval.

27. COMMUNICATION

This policy will be communicated to all employees.

28. RECORD KEEPING

Adequate records need to be maintained by the HR Division and will also be stored electronically.

29. DISPUTE RESOLUTION

Disputes will be dealt with in terms of the Bargaining Council dispute resolution and relevant legislation.