



**SOUTH AFRICAN LOCAL GOVERNMENT  
BARGAINING COUNCIL**

(Hereinafter referred to as "the "SALGBC")

**SALARY AND WAGE  
COLLECTIVE AGREEMENT**

In accordance with the provisions of the Labour Relations Act, 1995 made and entered into by and between the:-

**SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION**  
(Hereinafter referred to as "SALGA")

and

**INDEPENDENT MUNICIPAL AND ALLIED TRADE UNION**  
(Hereinafter referred to as "IMATU")

and

**SOUTH AFRICAN MUNICIPAL WORKERS' UNION**  
(Hereinafter referred to as "SAMWU")

(IMATU and SAMWU will together be referred to as the "Trade Unions")

P. S. M.  
K. G.

SMK

8.2.2 The parties further agree to monitor the current initiative by the Minister of Health to introduce the National Health Insurance (NHI) insofar as it may be beneficial for employees in Local Government.

## 9. RETIREMENT FUNDS

- 9.1 For the purposes of this clause 9, Defined Contribution Retirement Fund shall mean either a Defined Contribution Pension Fund or a Defined Contribution Provident Fund.
- 9.2 With effect from 1 July 2015, newly appointed employees in the Local Government sector shall only join a Defined Contribution Retirement Fund, operating in the various municipalities in the Local Government sector.
- 9.3 The current maximum monthly employer contribution towards Defined Contribution Retirement Funds shall remain capped at eighteen percent (18%) of the monthly basic salary of all employees, subject to clause 9.4 below. All current employer contribution rates towards Defined Contribution Retirement Funds shall remain in place and this agreement shall not be interpreted as to allow an employer to reduce employer contribution rates towards Defined Contribution Retirement Funds.
- 9.4 Notwithstanding anything to the contrary herein, any employee who currently receives a monthly contribution rate that is higher than the eighteen percent (18%) referred to in clause 9.3 above, will retain such higher monthly employer contribution rate.
- 9.5 The parties undertake to ring-fence the current Defined Benefit Funds in the sector and to expedite the resolution of financial risks and liability associated with Defined Benefit Funds with due regard to the provisions of clause 9.2, above.
- 9.6 The parties further undertake to rationalise the pension fund regime in the Local Government sector so as to reduce the number of Retirement Funds and ensure financial sustainability of municipalities and cost curtailment.

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