

FOR PSA MEMBERS: **LOCAL GOVERNMENT SECTOR EDUCATION TRAINING AUTHORITY
(LGSETA)**

12-10-2022

Update: Salary negotiations for 2022/23 and request for mandate

Members were previously informed that salary negotiations for the current financial year (2022/23) are in progress. At the beginning of negotiations, labour demanded a salary increase of 10% across-the-board whilst the employer was offering a 2%-salary increase. Both parties revised their positions during negotiations in an attempt to reach common ground.

On 10 October 2022, parties met again whereby the demand by labour stood at a 6.5%-salary increase across-the-board. The employer presented its final offer of a **5% increase across-the-board and a once-of cash bonus of R8 000**. The PSA raised a concern regarding the reduction of the R8 000 that will be caused by its taxation in compliance with the tax law. Parties agreed that the employer will be assisted by the facilitator to submit a motivation applying for a tax directive to the South African Revenue Service (SARS) for the R8 000 to be tax free by 12 October 2022. The facilitator expressed confidence that SARS would respond positively and committed to inform labour of the outcome as soon as it is received.

The employer indicated that the COVID-19 pandemic strained its finances because most municipalities were exempted from paying the skills levy for some time and that it is currently in the process of recovery whereby it cannot afford the salary increase of 6.5% demanded by labour.

The PSA-LGSETA branch will be conducting a mandate-seeking process in the coming days for members to either accept or reject the current offer by the employer. Members are strongly encouraged to take part in the process to ensure that the PSA gets a clear mandate on this matter.

Members will be informed of developments.

GENERAL MANAGER