



SOUTH AFRICAN LOCAL GOVERNMENT BARGAINING COUNCIL

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13 March 2026

To All Municipal Managers

The Parties:

SALGA
SAMWU
IMATU

Mr. S Mbanga
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Mr. J Koen

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REGIONAL SECRETARIES:

Gauteng/Johannesburg/Tshwane Division
Eastern Cape Division
Western Cape/Cape Metro Division
Northern Cape/Free State Division
North West/Mpumalanga/
Limpopo Division Ms D Monyemangene
KwaZulu-Natal/eThekwin Division

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Dear Sir/Madam

CIRCULAR NO.: 04/2026

SALARY AND WAGE INCREASE FOR THE PERIOD 1 JULY 2026 TO 30 JUNE 2027

The parties, SALGA, IMATU and SAMWU, at the Executive Committee meeting held on 11 March 2026, agreed that the salary and wage increase for the 2026/2027 financial year as per the Salary and Wage Collective Agreement dated 6 September 2024 shall be, as follows:

1. The salary and wage increase, in terms of clause 6.6 of the Collective Agreement shall be **four comma seven five percent (4.75 %)**, with effect from 1 July 2026.
2. Any linked benefits and conditions of service, as per clause 10 of the Collective Agreement shall increase by the same rate of **four comma seven five percent (4.75 %)**, with effect from 1 July 2026.
3. The Minimum Wage as stipulated in clause 7.4 of the Collective Agreement shall increase by the same rate **four comma seven five percent (4.75 %)**, from **R 10,616.35** to **R11,120.63**, with effect from 1 July 2026.

4. The flat rate Homeowners Allowance rate, in terms of clause 8.1.1.3 of the Collective Agreement, shall increase by the same rate of **four comma seven five percent (4.75 %)**, from **R 1 170.23** to **R 1,225.82**, with effect from 1 July 2026.
5. In respect of medical aid, the maximum employer contribution to an employee's accredited medical scheme, as set out in clause 9.1.3 of the Collective Agreement shall increase by the same rate of **four comma seven five percent (4.75 %)**, from **R 5 791.15** to **R 6,066.23**, with effect from 1 July 2026.
6. The following figures, from Statistics South Africa (STATS SA), are used to calculate the salary and wage related increases:

Feb 2025	March 2025	April 2025	May 2025	June 2025	July 2025	Aug 2025	Sept 2025	Oct 2025	Nov 2025	Dec 2025	Jan 2026	Total CPI
3.20	2.70	2.80	2.80	3.00	3.50	3.30	3.40	3.60	3.50	3.60	3.50	38.90

Total CPI for 12 months = 38.90%

Average CPI = divided by 12 Months

= 3.24%(rounded to two decimal points)

Deemed provision = 4% (if average CPI is below 4% per clause 6.8 of the Collective Agreement)

Salary Increase = 4% plus 0.75%

= 4.75%

7. Any Municipality seeking to apply for exemption from any provisions of the Salary and Wage Collective Agreement, dated 6 September 2024 must do so within the prescribed time frames as provided for in clause 14.1.2.2 which are as follows :

“30-days from the date of approval of the budget of the municipality by the municipal council, or 30 June, whichever is the soonest, in respect of the 2026/2027 financial year.”

8. The Council requests all municipalities to adhere and implement the above. This circular must be published on all notice boards and all other internal communication platforms.

Yours faithfully


MR. S. GOVENDER
GENERAL SECRETARY