**Briefing to theStanding Committee on Finance on the determination of remuneration of members of the Financial and Fiscal Commission, dated 2 December 2020**.

A letter, dated 26 March 2020, was received from the President of the Republic, requesting the National Assembly to consider the draft notice of his determination of the salaries and allowances of members of the Financial and Fiscal Commission (FFC), amongst others. The draft determination is made in terms of section 9(1) of the Financial and Fiscal Commission Act No. 99 of 1997 (FFC Act), as amended by the Financial and Fiscal Commission Amendment Act, 2015 (Act No 4 of 2015), in terms of the Independent Commission for the Remuneration of Public Office-bearers Act, 1997 (Act no. 92 of 1997) as amended by the Determination of Remuneration of Office-Bearers of Independent Constitutional Institutions Laws Amendment Act, 2014 (Act No. 22 of 2014).

On 8 April 2020 the part of the draft notice from the President on the determination of the salaries and allowances of members of the FFC was referred to the Standing Committee on Finance for consideration and report.

Section 9(1) of the FFC Act provides that members of the FFC are entitled to such remuneration, allowances and other benefits as determined by the President taking into consideration the recommendations from the Independent Commission for the Remuneration of Public Office Bearers (Commission).The determination by the President must be approved by the National Assembly. Furthermore, the Commission must consult with the Minister of Finance when investigating or considering the remuneration, allowances and other benefits of members of the FFC.

Subsection (6)(b) of section 8 of the Independent Commission for the Remuneration of Public Office-bearers Act requires that the Commissiontake the following factors into account when making recommendations,as it did in the report:

1. The salary, allowances and benefits of members of other constitutional institutions;
2. affordability in relation to the responsibilities of the constitutional institution concerned; and
3. the level of expertise and experience required of a member of the constitutional institution concerned.

On 13 February 2020 the Report of the Commission was published in the Government Gazette (No. 43019).

The Report indicates that the Commission complied with these provisions. The Commission based its final recommendations for the full-time Chairperson and the part-time Deputy Chairperson and other members of the FFC on the salary scales determined by the Department of Public Service and Administration for senior managers in the public service.

As indicated in the draft notice, the Commission recommended, after considering the relevant legislation and factors that must be taken into account, the following:

* 3% adjustment to the remuneration of all categories of public office bearers (POBs) earning above R1 500 000
* 4% for all categories earning less than R1 500 000.

Schedule 8 to the Notice indicates:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| FFC | Position | 1 April 2019 | % | 1 April 2020 |
| Chairperson | 1 880 736 | 3% | 1 937 158 |
| Part-time member:  Deputy Chairperson |  |  | A daily sitting rate or hourly sitting rate calculated on a first total package equivalent to Level 15 of DPSA |
| Part-time member:  Other members |  |  | A daily sitting rate or hourly sitting rate calculated on a first total package equivalent to Level 14 of DPSA |

The determination applies retrospectively from 1 April 2019.

The Standing Committee on Finance is required to reject or approve the determination of remuneration of members of the FFC.