



What do teachers earn?

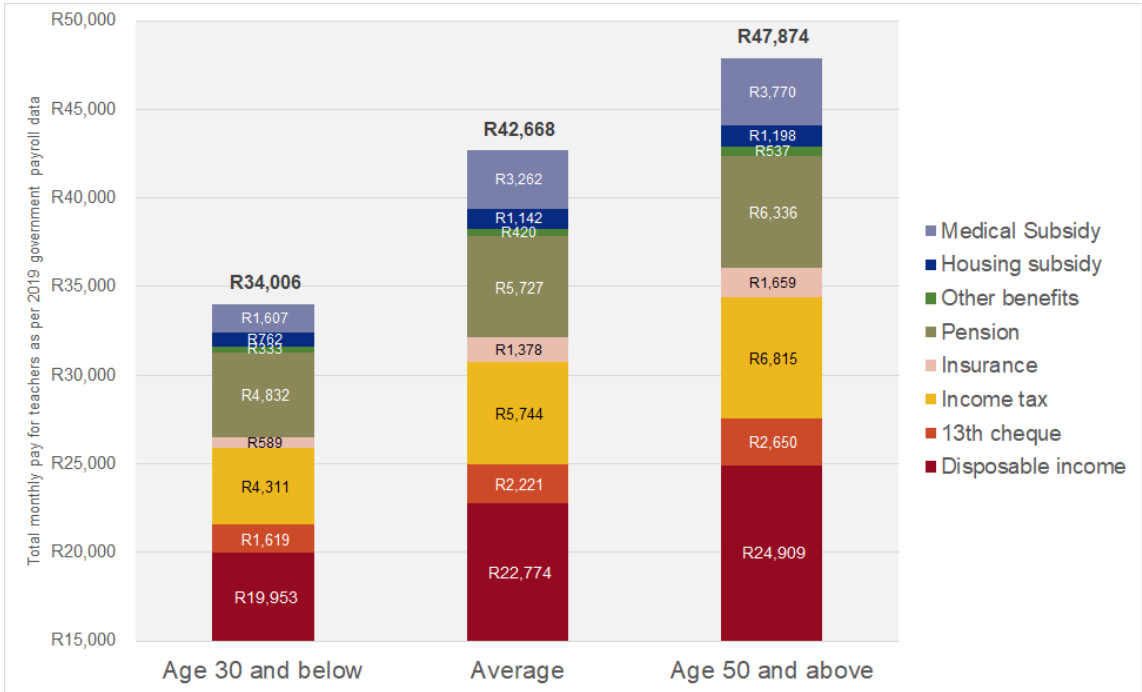
Irene Pampallis (10 Nov 2022)



Teacher salaries are the largest single line item in the South African budget. In the 2022 budget, teacher salaries accounted for one third of all public sector wages at R222 billion, approximately 3.5% of GDP and 10% of total government expenditure.¹ It is important to understand how much teachers earn, how their pay packages and benefits are structured, and how this differs by age and experience. These factors will influence how many younger teachers can be employed as older teachers retire. There is a common perception in South Africa that teacher salaries are low even relative to comparable professions, yet this is often based on incorrect information on what constitutes a teacher’s ‘full package’ inclusive of benefits.

The average government teacher earned R42,668 per month in salary and benefits in 2019.² Using extracts from the government payroll database (PERSAL), this note shows that the average teacher in November 2019 received salary and benefits totalling R42,668 per month. This places teachers in the top 5% of the income distribution in South Africa (see Note 8 for a further discussion). It includes the teacher’s pre-tax salary, as well as a number of benefits which are paid for by the employer (see Figure 1). Many teachers themselves believe they earn less than this, but this is because they do not factor in the benefits they receive over and above their basic salary. The annotated payslip in the Appendix is an anonymised payslip for a young teacher in their fifth year of teaching.

Figure 1: Average monthly teacher pay in South Africa according to 2019 government payroll data



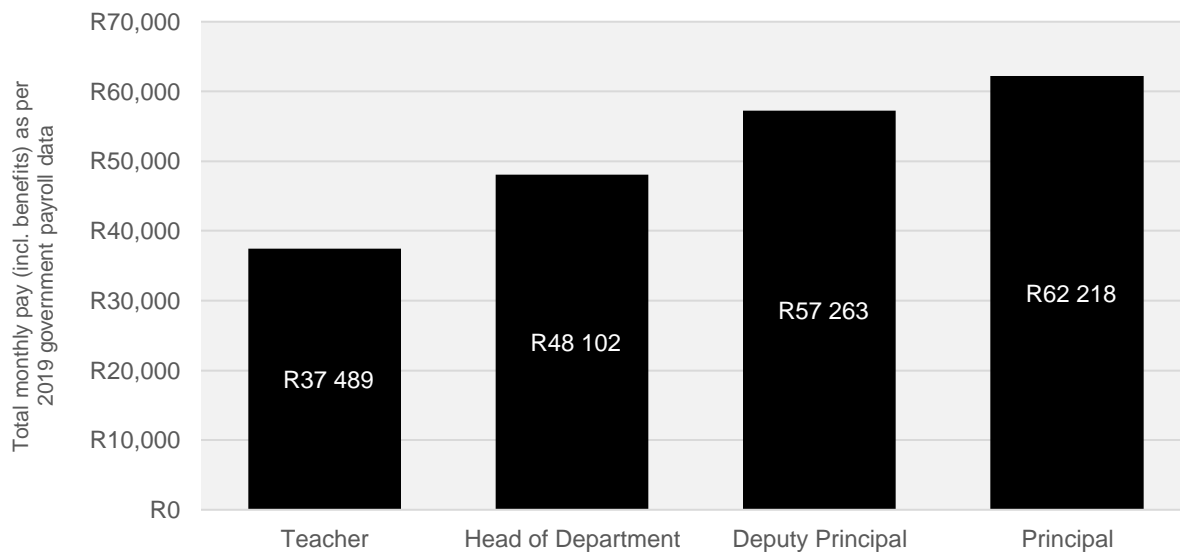
Source: Gustafsson & Maponya, 2020, p.5. In this figure, “teachers” includes ordinary teachers, HODs, deputy principals and principals.

The basic salary is determined by the teacher’s notch on the salary scales published in the Government Gazette. The notch on which a teacher enters public service depends on their qualifications. For example, a teacher with REQV 14³ (matric plus 4 years of university education) would enter on Notch 164. This translates to a basic salary of R284,238 in their first year of employment, or R23,686 monthly (based on the salary scales that came into effect in July 2021). Teachers who meet minimum performance requirements move up to a higher salary notch each year that they remain in government service. The annual notch increase is now 1.5% (previously this was 1% before 2019), and in practice almost all teachers experience pay progression every year.^{4,5} This means that older

teachers tend to earn a higher basic salary than younger teachers. In addition, cost-of-living adjustments may be negotiated between teacher unions and the government.

Teachers’ total remuneration package includes large amounts of other benefits each month. All permanent teachers receive an employer pension contribution (equal to 13% of the basic salary) and an annual service bonus (i.e. a 13th cheque; equal to the basic salary). All teachers who choose to join the Government Employees Medical Scheme (GEMS) receive a medical aid subsidy; some teachers who were appointed before 1 July 2006 may receive a smaller subsidy towards non-GEMS medical aid membership. In addition, teachers who own or rent property may apply for a housing allowance, which is R1,500 per month as of July 2021.⁶ These are the major benefits paid to teachers.

Figure 2: Total monthly teacher pay (including benefits) in South Africa in 2019 by type of teacher



Source: Based on PERSAL data from Table 7 in Department of Basic Education, 2022a

Promotions lead to considerable increases in teacher pay. Because their positions place them on higher salary notches, senior educators (heads of department, deputy principals and principals) earn considerably more than ordinary teachers, as illustrated in Figure 2.⁷ They therefore also receive higher employer pension contributions and annual service bonuses, since these are calculated as a percentage of the basic salary. The 2019 PERSAL teacher salary data used in Figure 1 includes both ordinary teachers and senior educators.⁸

Between 2013 and 2019 teacher salaries rose by 15% in real terms.^{5,9} Even allowing for the fact that this pushed many teachers into higher tax brackets, the average teacher saw their after tax income increase by 15% in real terms between 2013 and 2019.⁷ This long period of above-inflation increases in teacher pay has resulted in serious pressure on provincial education budgets: real per-learner spending has declined significantly,⁵ and many provinces have implemented hiring freezes for HODs, deputy principals and principals.^{5,10} (See Note 3 for more information about management post freezes.) From 2020 to 2022, there were no cost-of-living adjustments, which saw teacher salaries decline in real terms, although the impact was softened by a cash gratuity.^{11,12} In October 2022, teacher unions agreed to a 3% cost-of-living increase in basic salary, which will be combined with a cash gratuity and the usual 1.5% annual pay progression to give a total increase of over 6%.¹³

Endnotes

- ¹ National Treasury. (2022). *Budget Review 2022*. Pretoria: Communications Directorate, p. iv. Available online at <http://www.treasury.gov.za/documents/national%20budget/2022/review/FullBR.pdf>.
- ² Gustafsson, M. & Maponya, G. (2020). *Are South Africa's teachers among the best paid in the world? Using household assets as a proxy for monetary pay*. Stellenbosch Economic Working Paper 08/2020. Stellenbosch: Stellenbosch University, p. 5
- ³ REQV stands for Relative Equivalent Qualification Value.
- ⁴ Gustafsson, M. (2022a). Projections of educators by age and average cost to 2070 (21 September 2022). [Unpublished pre-final report.], pp. 15, 33.
- ⁵ Spaul, N., Lilenstein, A., & Carel, D. (2020). *The race between teacher wages and the budget: The case of South Africa 2008-2018*. Research on Socioeconomic Policy (RESEP). Stellenbosch: Stellenbosch University, pp. 11, 12.
- ⁶ Department of Public Service and Administration. (2022). Circular 33 of 2022. Pretoria. Available online at <https://www.dpsa.gov.za/dpsa2g/documents/cos/2022/GEHS%20Circular%2033%20of%202022.pdf>, p.2.
- ⁷ Department of Basic Education. (2022a). Recent purchasing power trends among public employees in basic education. (31 August 2020). Pretoria: Department of Basic Education. [Unpublished discussion document.], pp. 1, 16.
- ⁸ The PERSAL data also includes a small number of people who are not employed in schools, for instance instructors in adult education centres.
- ⁹ Intellidex. (2020). *The Public Sector Wage Bill - An evidence-based assessment and how to address the challenge*. Available online at: <https://www.intellidex.co.za/wp-content/uploads/2020/11/Intellidex-Public-Sector-Wage-Bill-Nov-2020.pdf>
- ¹⁰ Department of Basic Education. (2022b). Trends from the PERSAL data to inform basic education planning. (7 June 2022). Pretoria: Department of Basic Education. [Unpublished report.]
- ¹¹ Spaul, N. & Lilenstein, A. (2021). Teacher pay freeze right move. *Financial Mail*, 25 February 2021. Available online at: <https://nicspaul.com/2021/02/25/financial-mail-education-op-ed-on-budget-2021/>
- ¹² National Treasury. (2022). *Medium-Term Budget Policy Statement Annexure B*. Available online at <http://www.treasury.gov.za/documents/mtbps/2022/mtbps/Annexure%20B.pdf>, pp.60-61.
- ¹³ Mkentane, L. (2022). Wage offer exposes cracks in Cosatu as teachers' union breaks ranks. *Business Day*, 4 October 2022. Available online at: <https://www.businesslive.co.za/bd/national/2022-10-04-wage-offer-exposes-cracks-in-cosatu-as-teachers-union-breaks-ranks/>

Appendix: Teacher Payslip from May 2019

This payslip belongs to a 26-year-old teacher in their fifth year of teaching with the Western Cape Education Department. Personally identifiable information has been removed

This employee is an ordinary teacher

PAY POINT	PERSAL NUMBER	SURNAME & INITIALE	ORGANISATION
IDENTITY NUMBER	JOB TITLE	DEPARTMENTAL ADDRESS	007486
OCCUPATIONAL CLASSIFICATION	PRIVATE BAG 9114, CAPE TOWN, 8000	APPOINTMENT DATE	
Z0000000	OTHER OCCUPATIONS		



education
Department:
Education
PROVINCE OF THE WESTERN CAPE

SALARY ADVICE

The gross salary = the basic salary + rent allowance + housing savings.

The notch value is equal to the basic salary x 12. It does not include any benefits.

This is the basic monthly salary.

This teacher rents a house, so they receive R900 a month as a rental subsidy. The balance of the housing allowance (R436.22) is paid into a savings fund which they can access if they buy a house later.

These lines show that the employer contributes R3094.51 towards pension and R1301 towards medical aid, in addition to the basic salary.

This is the teacher's take-home salary after all deductions have been made.

This column shows deductions from the teacher's gross salary. This teacher has deductions for income tax (R4048.33), pension (R1785.30), medical aid (R1339), SACE membership (R15), NAPTOSA union membership (R99.90), ELRC dues (R7.50), PSCBC dues (R1.32) and the GEHS housing savings scheme (R436.22).

TAX NUMBER	PENSION START DATE	MEDICAL TAX CREDITS	MEDICAL FRINGE BENEFIT	NUMBER OF MEDICAL DEPENDANTS	PENSION NUMBER	NOTCH
		310.00	1301.00	A=1 C=0		285648.00
LEAVE CREDITS:	CAPPED LEAVE					SICK LEAVE
	0.00					36.00
PAY DATE	DEPOSIT INSTITUTION	ACCOUNT NUMBER	BRANCH	GROSS SALARY	DEDUCTIONS	NETT SALARY
20190515	WEBBANK LIMITED	XXXXXXXXXXXXXXXXXXXX		25140.22	7732.57	17407.65

EARNINGS			DEDUCTIONS		
ITEM	DESCRIPTION	AMOUNT	ITEM	DESCRIPTION	AMOUNT
0001	BASIC SALARY	23804.00	0001	TAX RSA	4048.33
0047	HOUSING RENTAL	900.00	0092	DEFF EMPLOYER 3094.51	1785.30
0666	GEHS INDIVIDUAL SAVE	436.22	0005	DEMS EMPLOYER 1301.00	1339.00
				MEMBERS FEE 2640.00	
			0192	SACE	15.00
			0192	NAPTOSA	99.90
			0193	ELRC	7.50
			0252	PSCBC	1.32
			0270	GEHS INDIVIDUAL SAVE	436.22

MESSAGE
LEAVE CREDITS DISPLAYED ARE SUBJECT TO AUDITING. ALL LEAVE TAKEN HAS NOT NECESSARILY BEEN PROCESSED ON PERSAL YET. YOUR HUMAN RESOURCE OFFICE IS RESPONSIBLE TO CERTIFY THE INDICATED CREDITS AS CORRECT.

IRP5 PARTICULARS					
3601	INCOME (PAYE)	70022.25	4103	TOTAL EMPLOYEE'S TAX	11742.56
4001	TOTAL PENS. CONTR.	5251.65	4472	PENSION FUND CONTRIB	9102.83
4474	EMPLOYER'S MED AID	3903.00	3810	MEDICAL AID CONTR	3903.00
4116	MEDICAL TAX CREDIT	930.00	3697	GROSS RETIREN INCOME	70022.25
			3713	OTHER ALLOWANCES	2700.00
			4005	MEDICAL AID CONTRIB.	7920.00
			4486	CAPPED AMOUNT SEC 18	930.00
			3817	BENEFIT: GR PEN FUND	11147.88

ADV415

**The annual service bonus (13th cheque) is equal to the "basic salary" line item and is paid in the employee's birthday month. This payslip does not show the service bonus because this teacher did not celebrate their birthday in May 2019.

This teacher's effective monthly pay package can be calculated by taking all pay and benefits into account, as follows:

Basic salary: R23 804
Housing allowance: R900 + R436.22
Employer contribution to pension: R3094.51
Employer contribution to GEMS medical aid: R1301

Monthly subtotal: R29 535.73
x12 = R354 428.76
+13th cheque: +R23 804

Annual total: R378 232.76
Averaged per month: **R31 519.40** ← Effective monthly pay package