

**UBUNTU MUNICIPALITY**

**OVERTIME  
POLICY:  
NEW EMPLOYEES**

# **OVERTIME POLICY: NEW EMPLOYEES**

## **1. DEFINITIONS**

- 1.1 Overtime means the time the employee works during a day or week in excess of the employee's ordinary hours of work.
- 1.2 Emergency work refers to work that must be done without delay because of circumstances for which the employer could not reasonably have been expected to make provision and which cannot be performed by employees during their ordinary hours of work. Emergency works exclude the performance routine maintenance work outside normal working hours.
- 1.3 Structured overtime be defined as programmed/planned overtime over which the employer has control (including Council, Committee and official meetings of which minutes have kept) that continue or take place after normal working hours;
- 1.4 Earnings refer to the retirement funding income or the basic salary for the post which ever is applicable.

## **2. SCOPE AND APPLICATION**

- 2.1 Senior managerial employees, as defined in the Basic Conditions of Employment Act, including any employee earning a package equivalent to a post in Level U 8 and above, do not qualify for any overtime or time in lieu of overtime.
- 2.2 Employees earning more than the overtime earnings threshold provided for in the Basic Conditions of Employment Act but less than the minimum package of level U 8 will be remunerated on straight time basis for overtime worked or will be provided time off for overtime work calculated on a straight time basis, subject to the provisions of this policy. The approving authority and the employee involved to agree beforehand on payment or time off for over time work.
- 2.3 Employees earning less than the overtime earnings threshold provided for in the Basic Conditions of Employment Act, will, subject to the provisions of this policy, be remunerated for overtime or be given time off in lieu of over time worked at the rates provided in the Basic Conditions of Employment Act. The approving authority and the employee involved to agree beforehand on payment or time off for over time work.

### **3. GENERAL**

- 3.1 An employee may for operational reasons, be required to work overtime and any employee appointed into the service must enter into a contract to this effect with Council.
- 3.2 Overtime work is subject to provisions of the Basic Conditions of Employment Act, 1997 and the provisions of this policy. In case of conflict between us this policy and the provisions of the Basic Conditions of Employment Act, the provisions of the act will prevail.
- 3.3 An employee may not be required or allowed to work for a longer period overtime than 10 hours during any working week and 3 hours on any working day, except in case of work related to emergency situations.
- 3.4 Overtime work is subject to prior written approval by a competent authority and no overtime may be worked without such written approval being obtained, except in cases of work related to emergency situations. For emergency overtime the competent authority may give verbal approval to the working of such overtime provided such approval is followed-up with a written confirmation. Written standing approval may be granted where justified by operational requirements.
- 3.5 Only officials with delegated authority may approve overtime worked and overtime payment.
- 3.6 Overtime only commences after completion of ordinary daily or weekly working hours. Overtime can only be claimed for actual hours worked and exclude traveling time except for standby staff. Overtime for the latter group starts from the time of call out.
- 3.7 No overtime can be claimed should an employee work short time on a specific day. A full day's work (normal working hours and a lunch break of at least 30-min). Must first be worked before such employee is eligible for overtime.
- 3.8 No overtime will be paid for attendance of functions/prize giving, etc. by personal invitation except in cases of compulsory attendance as official representative of Council provided that such employee qualifies for overtime in terms this policy and provided further that such overtime is authorized in advance by the Municipal Manager.
- 3.9 Council will provide an employee with a meal limited to an amount as determined by the Municipal Manager.

3.10 An employee may for operational reasons, be required to work overtime and any employee appointed into the service must enter into a contract to this effect with Council.

3.11 Overtime work is subject to provisions of the Basic Conditions of Employment Act, 1997 and the provisions of this policy. In case of conflict between us this policy and the provisions of the Basic Conditions of Employment Act, the provisions of the act will prevail.

#### **4. PAYMENT**

4.1 Where overtime is worked by an employee earning below the earnings threshold of the BCEA and such employee elects to take time-off in lieu of payment for overtime worked, such employee will be granted paid time-off, calculated at 1½ times the number of hours worked by the employee.

4.2 Where overtime is worked by an employee earning more than the earnings threshold of the BCEA but less than the minimum of level U8 and such employee elects to take time off in lieu of payment for overtime such employee will be granted paid time-off calculated on straight time basis.

#### **5. TIME OFF IN-LIEU OF OVERTIME**

5.1 Leave/time off in lieu overtime is granted only for structured and approved overtime, subject to paragraph 3.4.;

5.2 Application for leave/time off in lieu if overtime be done on a prescribed application form;

5.3 Leave/time off in lieu of overtime can not be en-cashed except on termination of services.

5.4 Leave in lieu of overtime will be forfeited if not taken within 1 month provided that the time within which leave in lieu overtime should be taken before it is forfeited , may or operational reasons be extended to a maximum of 12 months by the Municipal Manager (or his nominee)

#### **6. OVERTIME WORK ON PUBLIC HOLIDAYS**

6.1 Payment or time off to eligible employees for overtime work on public holidays will be dealt with in terms of the Basic Conditions of Employment Act.

## **7. OVERTIME WORK ON SUNDAYS**

7.1 Payment or time off to eligible employees for over time work on public holidays will be dealt with in terms of the Basic Conditions of Employment Act.

## **8. ADMINISTRATIVE MEASURES FOR MANAGING AND CONTROL OF OVERTIME**

- 8.1 Each director is responsible and accountable to constantly monitor and review the provisions for overtime on his/her budget and to ensure that trends are noted early; funds are adequate, over expenditure is noted, justified and provided for timeously.
- 8.2 Each Director is responsible and accountable to provide the pay office with a list of officials or representatives (name, signature, cost centre) who are authorized in terms of the delegated powers to approve overtime work and overtime payment. It is the responsibility of each Director (or nominee) to update and maintain the information in the list. The authorizing bodies must determine whether the information on the overtime form is accurate and correct before they authorize the form for payment.
- 8.3 The Pay office or any other body or person authorizing overtime payment is responsible to ensure that all payments for overtime are duly authorized by a competent authority. The Pay Office is specifically responsible to compare the overtime forms' signature with the authorization list provided.
- 8.4 Attendance registers/time sheets, which should indicate starting and ending times, must be kept for all employees who qualify for overtime payment or time off in terms of this policy. Attendance registers/time sheets serve as source documents to complete overtime sheets.
- 8.5 Overtime worked must be reflected on the employee's attendance register/time sheet. Line managers and/or supervisors are responsible to monitor and sign attendance register/time sheets on a monthly

# **OVERTIME POLICY: NEW EMPLOYEES**

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- 1.5 Overtime means the time the employee works during a day or week in excess of the employee's ordinary hours of work.
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- 1.7 Structured overtime be defined as programmed/planned overtime over which the employer has control (including Council, Committee and official meetings of which minutes have kept) that continue or take place after normal working hours;
- 1.8 Earnings refer to the retirement funding income or the basic salary for the post which ever is applicable.

## **2. SCOPE AND APPLICATION**

- 2.4 Senior managerial employees, as defined in the Basic Conditions of Employment Act, including any employee earning a package equivalent to a post in Level U 8 and above, do not qualify for any overtime or time in lieu of overtime.
- 2.5 Employees earning more than the overtime earnings threshold provided for in the Basic Conditions of Employment Act but less than the minimum package of level U 8 will be remunerated on straight time basis for overtime worked or will be provided time off for overtime work calculated on a straight time basis, subject to the provisions of this policy. The approving authority and the employee involved to agree beforehand on payment or time off for over time work.
- 2.6 Employees earning less than the overtime earnings threshold provided for in the Basic Conditions of Employment Act, will, subject to the provisions of this policy, be remunerated for overtime or be given time off in lieu of over time worked at the rates provided in the Basic Conditions of Employment Act. The approving authority and the employee involved to agree beforehand on payment or time off for over time work.

## **STANDBY ALLOWANCE POLICY**

**(Excluding Fire & Emergency Services)**

1. Where the Council requires an employee to be available for the performance of duty outside his normal working hours, the employee shall be entitled to a standby allowance.
2. The standby allowance shall only be payable on the following conditions:
  - a. When the employee is required to be available for duty for a period of at least 8 hours during a 24 hour period (based on a 45 hour working week) after normal working hours, for a maximum of one week (7 days) at a time.
  - b. An employee may not be on standby duty for more than two weeks per month.
3. This standby duty is calculated:
  - from the normal closing time of the employee's place of work; or
  - on a day on which the employee is not normally required to work.
4. The standby allowance shall not effect or be affected by any remuneration for overtime worked by the employee during the period of standby duty.
5. The standby allowance shall be equal to 7% of the normal hourly rate based on pensionable salary formula: (pensionable annual salary ÷260÷9) and shall be paid in a proportionate manner according to the actual number of hours on standby.

Note: The formula in paragraph 5 above could also be expressed as:

$[7/100 \times \{ \text{annual pensionable salary} \div 260 \div 9 \}] \times \text{actual number of hours on standby.}$

# **SALARY ADVANCE POLICY**

## **1. OBJECTIVE**

To establish clearly defined, easy to understand guidelines for the request of an advance on an employee's salary.

## **2. SCOPE**

The following policy applies to all employees of Ubuntu Municipality.

## **3. INTRODUCTION**

Where justified by the following the Accounting Officer, as he deems fit, may grant advances in respect of salary.

3.1 Advances will only be considered under the following circumstances:

3.1.1 in the case of death of direct family members

3.1.2 in the case of sickness of a direct family member (the definition of direct family member as Organizational Rights Agreement are applicable).

## **4. PROCEDURE**

4.1 An advance on salary will only be given on the actual number of days worked in the specific month the advance is requested.

4.2 A written request intended for consideration by the Accounting Officer must first be routed to the Managers: Finance to verify the amount of the advance.

4.3 Upon completion of the aforementioned, the approved request must be submitted to finance for processing.

4.4 The amount granted will be covered in the specific month the advance was taken.

4.5 There will be no advance granted on service bonus. An employee is only entitled to his/her service bonus on the bonus pay date.

4.6 Although, Ubuntu Municipality uses the EBT method of payment an exception will be made if a manual cheque is requested.

# ANNUAL LEAVE POLICY

## 1. OBJECTIVE

Ubuntu Municipality promotes the philosophy of a “work life balance” so as to enhance employee productivity. In accordance with this philosophy, Ubuntu Municipality has provided employees with leave entitlements above those stipulated by the Basic Conditions of Employment Act 75 of 1997.

## 2. POLICY

- a) Ubuntu Municipality shall grant an employee, at the request of the employee, 22 (twenty two) working days paid leave during each “annual leave cycle”.
- b) An “annual leave cycle” is a twelve (12) month period of continuous employment with the same employer immediately following-
- c) An employee’s commencement of employment; or
- d) The completion of the employee’s prior leave cycle.
- e) Leave shall accrue at a rate of 1.83 days per month.
- f) Annual leave may only be taken on completion of the employee’s probationary period, unless the Chief Executive Officer or a delegated Director of the business agrees otherwise.
- g) Employees may take leave only if the employee’s Director/Manager/Supervisor agrees to such leave; such agreement of the Director/Manager/Supervisor shall not be unreasonably withheld.
- h) Employees are obliged to take at least 10 (ten) working days’ paid leave in an annual leave cycle. Accumulated leave must be taken within the next six months of the new leave cycle otherwise it will be forfeited.

## 3. PROCEDURE

- a) It is the responsibility of the employee to apply for annual leave on the prescribed form through the appropriate Director/Manager/Supervisor, having the requisite from authorized by the Director/Manager/Supervisor and submitting the authorized form to the Office Manager/Human Resources Department, at least one (1) week prior to embarking on annual leave.
- b) Weekends and public holidays are not to be regarded as part of an employee’s official annual leave.
- c) Encashment of utilized leave will not be permitted, except on termination of the employee’s employment.
- d) An employee may take annual leave in lieu of cash during his/her notice period to a maximum of 5 working days.

#### **4. NOMINATION OF BENEFICIARIES AND LEAVE PAYOUTS**

- a) Employees may, if they so desire, designate one or more beneficiaries to whom their leave payout may be paid in the event of their death.
- b) In the event of death where a beneficiary was not nominated, the leave payout may be paid in full to the spouse/life partner of that employee, or
- c) If there is no spouse/life partner appointed, in equal shares for the benefit of the minor and other children (including legally adopted) of the deceased who, at the time of the death, were fully dependant on the employee, or if there are no other children, to the employee's estate.

# **SICK LEAVE POLICY**

## **1. OBJECTIVE**

Ubuntu Municipality recognizes the need for employees, in specific circumstances, to be given the opportunity to recuperate from illness in an environment other than the working environment having due regard to this recognition as well as Ubuntu Municipality's operational and financial needs and requirements, Ubuntu Municipality has provided employees with leave entitlements, which are considerably more favourable than the legislative entitlements.

## **2. POLICY**

- a) Ubuntu Municipality shall grant an employee, at the request of the employee, a total of 36 (thirty-six) days' paid leave during each 'sick leave cycle'.
- b) A 'sick leave cycle' is a thirty six (36) month period of continuous employment with the same employer immediately following-
- c) An employee's commencement of employment; or
- d) The completion of that employee's prior sick leave cycle.
- e) During the first six months of employment, Ubuntu Municipality will grant an employee 1 (one) day's sick leave for every 26 (twenty six) days worked.
- f) Ubuntu Municipality will require an employee, who has taken sick leave for more than two (2) days consecutive days or on more than two (2) occasions over an eight (8) week period, to produce a medical certificate duly signed by a medical practitioner stating that the employee concerned was unable to work for the duration of the employee's absence on account of sickness or injury.

# **FAMILY RESPONSIBILITY LEAVE POLICY**

## **1. OBJECTIVE**

Ubuntu Municipality recognizes the need for the employees to care for the welfare of their immediate families or to be present at home during times of bereavement.

## **2. POLICY**

For the purposes of this section, “employee” paid leave during each annual leave cycle, which the employee is entitled to take, in whole or part (e.g. half a day, or all 6 days) on the happening of any of the following events:

- a) When the employee’s child is born (paternity leave);
- b) When the employee adopts a child (unless an employee is adopting a child in terms of maternity leave policy, in which case she would be eligible for maternity leave);
- c) When the employee’s child is sick; or
- d) In the event of death of the employee’s spouse or life partner, or the employee’s parent, adoptive parent, grandparent, child, adopted child, grandchild or sibling.
- e) Instead of family responsibility leave, Ubuntu Municipality may, at its discretion and in exception circumstances only, grant “Personal Time Off” to an employee. In most of the following events a few hours up to a maximum of one day’s time off may be granted for:
  - f) Attending the funeral of a close relative or friend not covered under the “family”;
  - g) Court appearances;
  - h) Situations where a family emergency exists and the presence of the employee is imperative;
  - i) Doctor or dental appointments, where this can only be done during working hours.
  - j) Ubuntu Municipality may require reasonable proof of an event contemplated for which the leave was required. Should the employee exceed the 3 (three) days family responsibility leave granted, the employee would have to apply for annual leave or unpaid leave for any excess days required.

## **1. PROCEDURE**

- a) It is the responsibility of the employee to apply for family responsibility leave on the prescribed form through the appropriate Head of Department.
- b) An employee's unused entitlement to family responsibility leave in terms of this policy lapses at the end of the annual leave cycle in which it accrues.

# **ACTING ALLOWANCE POLICY**

## **1. PURPOSE**

The purpose of this report is to obtain approval from the City Manager to amend the Acting Allowance policy to cater for situations where the current policy is inappropriate.

## **2. EXECUTIVE SUMMARY**

The current City policy on acting allowances provides for an acting allowance equal to the difference between the employee's existing basic salary/wage or retirement funding income (RFI) and the minimum notch or RFI of the grade of the acting position. However this formula is problematic in that it offers little or no reward in cases where is no or very little difference between the employee's existing basic salary/wage and the minimum notch of the grade of the acting position.

Similarly, this problem exists with the acting allowance policies of the former Administration; expect Cape Town administration acting allowance policy which allows for greater flexibility in determining the allowance. The report seeks to address this problem.

## **3. RECOMMENDATION**

- 3.1 That the attached policy, with amendments, be approved with effect from 1 July 2006
- 3.2 That the principle of the alternative acting allowance of 10% as proposed be applied to all employees where their current conditions of service do not cater for this arrangement.
- 3.3 That the Unions be consulted on the policy amendment.

## **4. LEGAL REQUIREMENTS**

None

## **5. DISCUSSION/CONTENTS**

The city 's current policy on acting allowances provides for an acting allowance equal to the difference between the employee's existing basic/salary or RFI and the minimum notch or RFI of the grade of the acting position. However, this formula is problematic in cases where there us no or very little difference between these two

salary points. This means that an employee could act in a higher post and yet receive little or no reward.

It is therefore proposed that the policy be amended to cater for such situations by providing on allowance based on a percentage of the employee's existing salary/wage or RFI. The policy of the former Cape Town Administration is suggested in this regard.

It is therefore proposed that the acting allowance policy be amended under paragraphs 1. and 3. of the policy as follows:

(By the insertion of additional words shown in bold in brackets).

1. When an employee is required by a competent authority to undertake all the duties and responsibilities attached to the higher post, an acting allowance (either) equal to the difference between the employee's existing basic salary/wage and the minimum notch of the grade of the acting position [or 10% above the employee's existing salary/wage, whichever is the greater of the two. Such allowance] shall be paid to such employee in addition to the employee's salary/wage in respect of the period in which the employee acts subject of this policy.
2. When an employee is required to undertake more than 50%, but not all the key performance areas and responsibilities attached to the higher post, an acting allowance equal to 50% of the difference between [either] the employee's existing basic salary/wage and the minimum notch of the grade of the acting position [or 10% above the employee's existing salary/wage, whichever is the greater if the two. Such allowance] shall be paid to such employee in addition to the employee's salary/wage in respect of the period in which the employee acts.

To this end the attached policy has been re-drafted and it will be recommended that this be applied as an interim measure and for consultations with the Unions on this matter.

## **6. FINANCIAL IMPLICATIONS**

The cost of implementing the recommendation is difficult to calculate as it is not possible to estimate how many employees are likely to benefit from the policy change at this stage.

## **ANNEXURES**

### **POLICY AND ACTING ALLOWANCE**

## **POLICY**

### **1. ACTING APPOINTMENTS**

### **2. PAYMENT OF ACTING ALLOWANCE/PARTIAL ACTING ALLOWANCE**

#### **1. ACTING APPOINTMENTS – DELEGATED POWERS**

The following powers are delegated in respect of the Acting Appointments.

- 1.1 First and second reporting line – by City Manager
- 1.2 Other posts above U10 level – by 1<sup>st</sup> reporting line (EMB)
- 1.3 Posts below U10 for this purpose, is deemed to be equivalent to a post level 11 in a grade 15 local authority.

#### **2. ACTING ALLOWANCES**

1. When an employee is required by a competent authority to undertake all the duties and responsibilities attached to the higher post, an acting allowance [either] equal to the difference between the employee's existing basic salary/wage and the minimum notch of the grade of the acting position [or 10% above the employee's existing salary/wage whichever is the greatest of the two. Such allowance] shall be paid to such employee in addition to the employee's salary/wage in respect of the period in which the employee acts subject to the provisions of this policy.
2. An employee receiving an acting allowance remains responsible for the functions of his/her current post while acting in a higher position. If it is not attainable for an employee to perform his/her own duties as well as those of the higher position, this qualification may be waived by the competent authority on a merit basis for well motivated reasons such as geographical location, physical relocation and/or supervisory requirements on the condition that the consequential acting will be limited to one further post.
3. When an employee is required to undertake more than 50%, but not all the key performance areas and responsibilities attached to the higher post, an acting allowance equal to 50% of the difference between [either] the employee's existing basic salary/wage and the minimum notch of the grade of the acting position [or 10% above the employee's existing salary/wage, whichever is the greater of the two. Such allowance] shall be paid to such employee in addition to the employee's salary/wage in respect of the period in which the employee acts. An employee receiving an acting allowance remains responsible for the functions of his/her current post while acting in a higher position, subject to paragraph 2.
4. The payment of an allowance is further subject to the following conditions:
  - a) The higher post must be a vacant post, budgeted for, or a filled post where the current incumbent will be absent for more than 14 working days;

- b) No acting allowance shall be paid for periods of less than 14 working days, inclusive of public holidays which fall on a normal working day;
  - c) The acting incumbent shall be appointed in writing by the delegated authority to the acting position prior to the commencement of the period of acting
  - d) The key performance areas for which the acting incumbent will be responsible, in terms of a partial acting allowance, shall be clearly defined in writing.
  - e) The acting incumbent shall sign a suitable undertaking assuming all the responsibilities normally associated with the post, or the key performance areas of paragraph d.
  - f) The payment of such acting allowance shall be subject to prior to authorization by the delegated authority.
5. The payment of an acting allowance shall be reviewed on an ongoing basis, but shall initially not exceed a period of six months; The allowance may be extended for a further period if this is operationally justified.
6. The following guidelines are to be considered prior to making a decision to appoint a person an acting position
- a) Consideration should be given as to whether an official, more senior to the post concerned, can absorb all or part of the duties and responsibilities attached to the post;
  - b) The possibility of spreading the work, load of the post amongst other employees operating at the same level;
  - c) The need for supervision over sub-ordinates;
  - d) The need to maintain the daily output associated with the post.
6. If an employee who does not receive an allowance in terms of the motor perk or essential motor vehicle user scheme, is appointed to act in a higher post to which a motor perk or essential user allowance is linked, such employee must provide and utilize his/her vehicle for official business and such employee will be paid an adhoc allowance in terms of the essential user scheme. Employees already in receipt of a motor vehicle allowance in terms of any applicable schemes continue to receive such allowance and no additional allowance will be paid in respect of the use of employee's vehicle.
7. The calculation of the acting allowance is based on the annual basic salary or retirement funding income of the higher position.
8. Overtime and other applicable allowances are calculated on the rate of the post level applicable to the incumbent's own post.

9. Acting does not create any expectation for appointment to the higher post and places no obligation on the employer to appoint the employee at any stage to the higher post.